



ARTS COUNCIL OF NEW ZEALAND TOI AOTEAROA

annual report

pūrongo ā tau

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

2010

for the year ended 30 June

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Front cover: Jacqui Chan. *Three Immortals* – brooch (Exotic Blend series – 2009), tea tin, sterling silver, stainless steel pin. (See story, page 52)

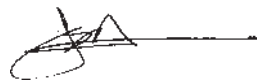
In accordance with section 150(3) of the Crown Entities Act 2004, this *Annual Report* for 2009/10 of the Arts Council of New Zealand Toi Aotearoa (trading as Creative New Zealand) is presented to the House of Representatives.



Alastair Carruthers

Chair, Arts Council

27 October 2010



Erima Henare

Arts Council member

27 October 2010

Contents Ngā ihirangi

Our Chairman and Chief Executive Review the Year Ngā tirohanga mai tō mātou tiamana, me te tumuaki nō tenei tua	4	Outcome 4: New Zealand Arts Gain International Success	47
		Impact 1: New Zealand’s Distinctive Voice is Heard Overseas	47
		Impact 2: International Market Development	51
		Impact 3: Developing Potential	53
		Outcome 4: Summary	55
Part One: Creative New Zealand’s Role and Operating Environment Te Taiao Whakahaere Me Te Mahi a Toi Aotearoa	6	Part Three: Governing Creative New Zealand Te Whakahaere i a Toi Aotearoa	57
Introduction Kupu Whakataki	7	Creative New Zealand’s Governance Structure	
Vision	7	Ngā tikanga whakahaere a Toi Aotearoa	58
Statutory Purpose	7	Role of the Arts Council	58
What We Are Trying to Achieve	7	Role of the Arts Boards	59
What We Do	8	Role of Committees	60
		Arts Council / Arts Board / Pacific Arts Committee Membership	60
		New Members	61
		Directions from the Minister	62
		Acts in Breach of Statute	62
		Permission to Act	62
		Governance and Management	62
		Managing Organisational Health Te whakahaere i te ora o te tari	64
Part Two: The Year In Review Te Tirohanga o Tēnei Tau	10	Part Four: Organisational Performance Ngā Whakatutukitanga o te Tari	68
Highlights and Achievements Ngā Miramira me ngā whakatutukitanga	11	Non-financial Performance: Statement of Service Performance Ngā Kaupapa Utukore: Te Pūrongo Whakaritenga Ratonga	69
Performance Against Strategic Outcomes Ngā Tairitenga me ngā Whakaritenga hua o te Rautaki	16	Output 1: Funding for Artists, Practitioners and Organisations	70
Outcome 1: New Zealanders are Engaged in the Arts	16	Output 1.1: Recurrent Funding	70
Impact 1: Strong Māori Arts	16	Output 1.2: Contestable Funding	72
Impact 2: Strong Pacific Arts	19	Output 1.3: Creative Communities Scheme	74
Impact 3: Community Arts Participation	22	Output 1.4: International Funding	75
Outcome 1: Summary	24		
Outcome 2: High-quality New Zealand Art is Developed	27		
Impact 1: High-quality Artists	27		
Impact 2: Producing Innovative Work	30		
Impact 3: Developing Potential	32		
Outcome 2: Summary	35		
Outcome 3: New Zealanders Have Access to High-quality Arts Experiences	37		
Impact 1: Delivery of the Arts	37		
Impact 2: Audience Development	40		
Impact 3: Developing Potential	42		
Outcome 3: Summary	44		

Output 2: Capability-building for Artists, Practitioners and Organisations	76	13: Property, Plant and Equipment	109
Output 2.1: Arts Organisations' Development Programme	76	14: Works of Art	110
Output 2.2: Audience and Market Development Programme	78	15: Investment Property	111
Output 2.3: International Capability-Building	79	16: Intangible Assets	111
Output 3: Advocacy for the Arts	80	17: Creditors and Other Payables	112
		18: Special Purpose Funds	112
		19: Employee Entitlements	114
		20: Related Parties	114
		21: Financial Instruments	116
		22: Capital Management	118
		23: Significant Budget Variances	119
		24: Events Subsequent to Balance Date	119
Financial Performance			
Ngā Whakaritenga Pūtea	81		
Audit Report	82		
Statement of Responsibility	84		
Statement of Financial Performance	85		
Statement of Comprehensive Income	86		
Statement of Changes in Equity	86		
Statement of Financial Position	87		
Statement of Cash Flows	88		
Reconciliation of the Net Surplus from Operations with the Net Cash Flows from Operating Activities	89		
Statement of Commitments	90		
Statement of Contingent Liabilities	91		
Statement of Contingent Assets	91		
Notes to the Financial Statements	92		
1: Statement of Accounting Policies	92		
2: Crown Revenue	102		
3: Other Revenue	102		
4: Grant Retirements and Gains	102		
5: Personnel Expenses	103		
6: Depreciation and Amortisation	104		
7: Council / Board / Committee Fees	104		
8: Other Operating Expenses	105		
9: Statement of Expenditure	106		
10: Revaluation Reserves	108		
11: Cash and Equivalents	108		
12: Debtors and Other Receivables	108		

Our Chairman and Chief Executive Review the Year

Ngā tirohanga mai tō mātou tiamana, me te tumuaki nō tenei tua

In the year under review we can observe that the creativity of New Zealand's artists, performers and arts organisations is not bound by financial cycles.

The global recession has had an impact on income for the arts but the generous support of the New Zealand public – through the New Zealand Lottery Grants Board and the New Zealand Government through the Ministry for Culture and Heritage – has allowed Creative New Zealand to invest more money, \$33.7 million, in grants and initiatives this year than ever before.

Figures provided by arts organisations that Creative New Zealand funds recurrently have also shown New Zealanders are supporting the arts. Overall attendance at events increased to 656,000 up from 640,000 in the previous year.

Little of what Creative New Zealand does happens alone. The recent difficult economic climate has emphasised how much we gain by working with others to make the best use of scarce resources.

One of our most important partnerships is with local government, which this year delivered a revised Creative Communities Scheme allocating \$2.8 million (\$2.6 million in 2008/09) to support New Zealanders' participation in the arts.

This year, the number of contestable funding rounds was also increased from two to six to provide further opportunities for artists and arts organisations to apply for funding throughout the year.

Working with partners to achieve better and long-term results for the arts is one of the principles of our 2010–13 Strategic Plan published in May this year. This plan continues the momentum of the previous plan as funding programme reviews take effect.

One of the critical projects initiated this year was our review of Creative New Zealand's portfolio of 35 recurrently funded organisations. This is a major undertaking and we have appreciated the generous and thoughtful contributions made throughout our consultation on the future of our multi-year funding.

This work has also accelerated useful dialogue with local

authorities about how they can best co-invest in the arts.

Our aim is to provide clarity to what Creative New Zealand is able to fund on a multi-year basis and to be more nimble in how we respond to new ideas and projects.

Collaboration was also high on the agenda at the first national Pacific arts development forum for more than a decade. ARTSpeak Pasifika in Auckland brought together Pasifika artists from throughout the country and across a range of artforms and career stages to share their knowledge and expertise.

Creative New Zealand has completed two major research projects into the health of Pacific and Maori heritage arts. These reports will help us, and we hope others, to consider how to best use public resources to help preserve the heritage arts that underpin the uniqueness of New Zealand's different communities.

We have continued the momentum of our International Strategy to support New Zealand's best artists – across a range of artforms – to develop international audiences and markets for their work.

This year, New Zealand artists attended major arts markets for literature, the performing arts,

craft object, music and visual arts in Australia, Denmark, Germany, the United States and Singapore.

Creative New Zealand also hosted international buyers, publishers, curators and artist managers to view New Zealand work in contexts such as the New Zealand International Arts Festival and Sounds Aotearoa in New Plymouth.

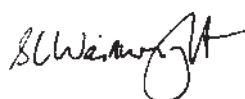
Again, we thank our primary investors – the Government through the Ministry for Culture and Heritage and the New Zealand Lottery Grants Board – and the Ministers, Hon Christopher Finlayson and Hon Nathan Guy, for their commitment to our work.

We have also appreciated the support of the Minister of Māori Affairs, Hon Dr Pita Sharples, and Associate Minister of Māori Affairs and Minister of Pacific Island Affairs, Hon Georgina te Heuheu.

Finally, we also acknowledge the committed work of our staff, appointed board members, peer advisers and the many artists, partners, patrons and communities who help support strong and dynamic arts in New Zealand.



Alastair Carruthers
Chair, Arts Council



Stephen Wainwright
Chief Executive

Part One:
Creative New Zealand's Role
and Operating Environment

Te Taiao Whakahaere Me Te Mahi
a Toi Aotearoa

Introduction Kupu Whakataki

Vision

Creative New Zealand is a catalyst for the development of a flourishing arts environment in which New Zealanders value, support and are inspired by the arts.

Statutory Purpose

Creative New Zealand is the national agency for the development of the arts. It invests resources in New Zealand arts for the long-term benefit of New Zealanders. Its statutory purpose is to encourage, promote and support the arts in New Zealand for the benefit of all New Zealanders, including both community and professional arts (Arts Council of New Zealand Toi Aotearoa Act 1994 – the Act).

In achieving this purpose, Creative New Zealand is required to do the following things (section 5):

1. recognise the cultural diversity of the people of New Zealand
2. recognise in the arts the role of Māori as tāngata whenua
3. recognise the arts of the Pacific Islands' peoples of New Zealand
4. recognise and uphold the following principles:
 - (i) **participation**, by supporting initiatives that encourage participation in the arts
 - (ii) **access**, by supporting the availability of projects of merit to communities or sections of the population that would otherwise not have access to them
 - (iii) **excellence and innovation**, by supporting activities of artistic and cultural significance that develop the creative potential of artists and artforms
 - (iv) **professionalism**, by maintaining and developing a professional arts infrastructure, both at national and community levels
 - (v) **advocacy**, by promoting New Zealand's arts and artists locally, nationally and internationally.

What We Are Trying to Achieve

Creative New Zealand's *Statement of Intent 2009–12*¹ identifies the outcomes it is seeking to achieve on behalf of all New Zealanders. These outcomes are listed below.

Outcome 1: New Zealanders are engaged in the arts

Outcome 2: High-quality New Zealand art is developed

Outcome 3: New Zealanders have regular access to high-quality arts experiences

Outcome 4: New Zealand arts gain international success

For each outcome, several 'impacts' have been identified. Impacts are descriptions of the differences Creative New Zealand is seeking to make for New Zealanders in the arts environment in New Zealand.

¹ *Arts Council of New Zealand Toi Aotearoa Statement of Intent 2009–12* available at www.creativenz.govt.nz

What We Do

To achieve its purpose, Creative New Zealand provides three key services or outputs:

- **funding** for artists, practitioners and organisations
- **capability-building for artists, practitioners and organisations** – for example, leadership and governance workshops for members of the arts community and resources to assist arts organisations to develop their audiences
- **advocacy for the arts** – for example, submissions on issues affecting the arts, carrying out research, assisting in the development of New Zealand's arts profile overseas and making the case for the public value of the arts.

Creative New Zealand monitors and compares what is achieved through each of these three services to understand where the greatest benefit is obtained. The measures of success are detailed in the annual *Statement of Intent*.

FUNDING

Creative New Zealand funding supports individual professional development opportunities, as

well as the creation, presentation and distribution of art, across community and professional arts.

In 2009/10, Creative New Zealand had four major funding programmes:

- Recurrent funding
- Contestable funding
- International funding
- Creative Communities Scheme.

Creative New Zealand's budget is approximately \$40 million, of which 80% is distributed to the community through funding or grants. Creative New Zealand is recognised as having expertise in running funding processes and using its knowledge and skills to make sound decisions.

In 2009/10, Creative New Zealand undertook a review of the Recurrent Funding programme. This is the last of three reviews covering the majority of its funding processes.² The results of the review were released in July 2010 and will be implemented over 2010/11. Two new complementary

multi-year funding programmes will apply from 2012.

CAPABILITY BUILDING

While most resources are dedicated to funding, Creative New Zealand offers a range of services designed to assist artists, arts practitioners and arts organisations to enhance their capabilities. To further improve the services offered, reviews are being undertaken of where and how more capability-building opportunities for individual artists and arts organisations might be provided. While the current programmes have been well attended, Creative New Zealand wants to identify other skills-development needs and opportunities.

Because of the constrained economic environment, there are difficult choices to make between funding programmes and capability-building programmes of equal merit. However, by working in partnership with local government, community organisations and the private sector, Creative New Zealand aims to continue to provide development opportunities for artists, arts practitioners and arts organisations.

2 The Creative Communities Scheme was reviewed in 2008/09 with the results of the review being implemented in 2010/11. A new Contestable Funding programme was introduced from February 2009.

ADVOCACY FOR THE ARTS

Creative New Zealand's role as an advocate for the arts and arts development is increasingly important.

Through the advocacy programme, it aims to raise awareness of the role and contribution of the arts to society, address key issues affecting the sector and change the environment for the benefit of the arts. Advocacy can also be a means to enable artists, arts practitioners and arts organisations to access resources and support from sources other than Creative New Zealand.

Creative New Zealand does this by carrying out research, fostering relationships and partnerships, both nationally and internationally, participating in cross-government initiatives and, where relevant, making submissions on issues facing the arts sector or Creative New Zealand.

All Creative New Zealand staff play a role in advocating for and promoting the arts.

Looking ahead, Creative New Zealand is seeking to position itself as a leading voice for the arts. As part of the advocacy strategy it will identify key partners and look

at how it can facilitate information-sharing and networking between those arts organisations that have a strong advocacy focus. Creative New Zealand will also seek to inform the work of other sectors and encourage them to build strong relationships with the arts.

Part Two:
The Year in Review
Te Tirohanga o Tēnei Tau

Highlights and Achievements

Ngā Miramira me ngā whakatutukitanga

During 2009/10, Creative New Zealand invested time and resources in its four strategic outcomes. These contribute to the vision of a flourishing arts environment in which New Zealanders value, support and are inspired by the arts. This report captures the key areas of focus and achievements for the year under each strategic outcome.

Over 2009/10, there were:

6 contestable funding rounds completed

1,345 contestable funding applications processed

9 contestable funding assessment panels managed

454 grants awarded through the Contestable Funding programme

522 projects satisfactorily completed³

11 bursaries, scholarships and residencies awarded

35 relationships with professional arts organisations

17 events managed

17 awards presented

73 partnerships with local authorities

2,418 grants made to support community arts activities through the Creative Communities Scheme

73 international visitors hosted

31 capability-building programmes delivered to the arts sector

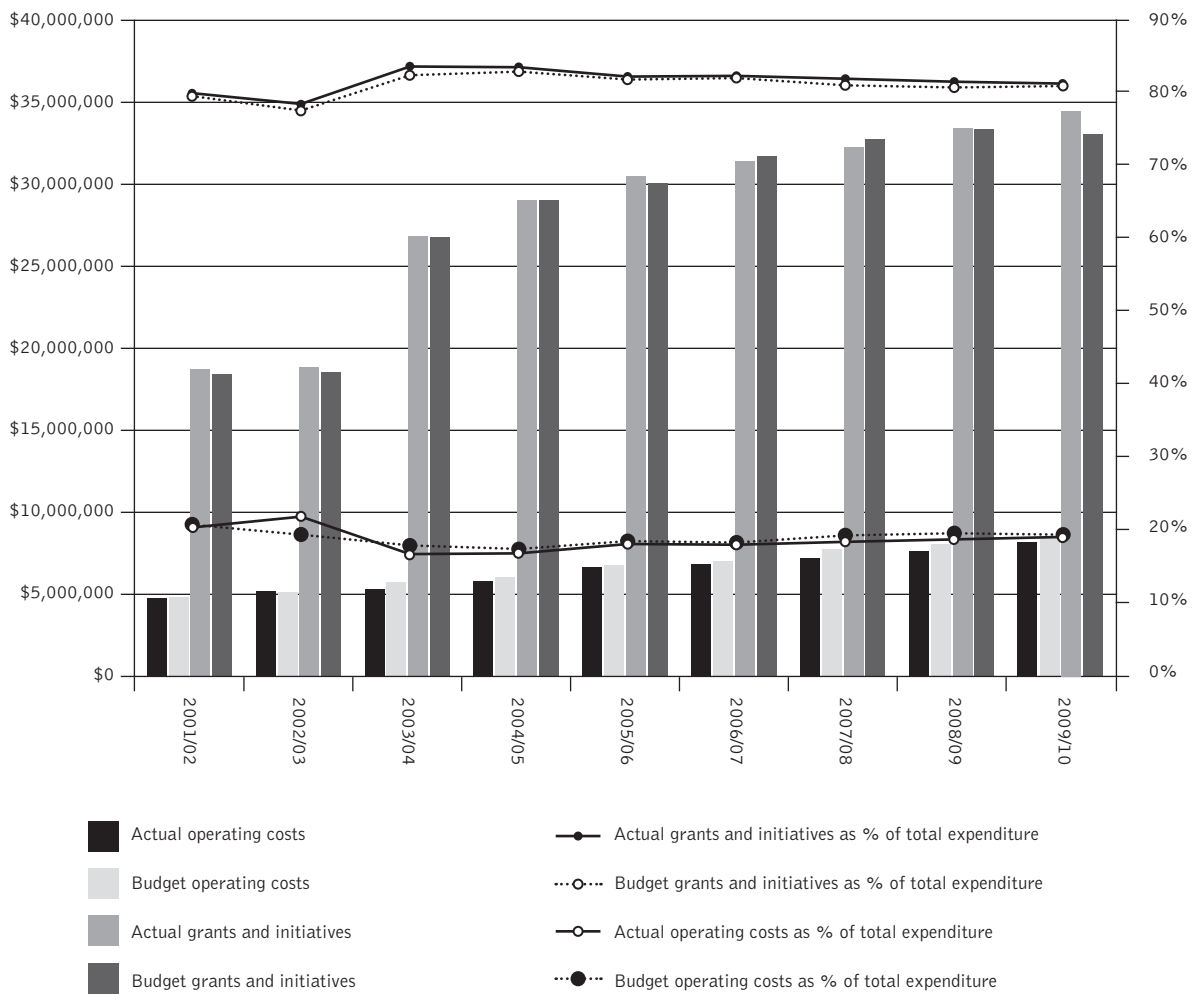
8 publications produced

Creative New Zealand invested a total of **\$33,688,309** in artists, arts practitioners and arts organisations in 2009/10 through a range of programmes, compared with \$32,866,389 in the previous year. Figure 1 illustrates the increasing expenditure on grants and initiatives by Creative New Zealand.

Since 2001/02, operating costs have remained constant as a percentage of total expenditure. Approximately 80% of Creative New Zealand's expenditure goes to artists, arts practitioners and arts organisations.

³ A project is satisfactorily completed when a project completion report has been received. A project may not be completed in the same year as it is funded.

Figure 1: Creative New Zealand grants, initiatives and operating costs 2009/10



Figures 2, 3, 4 and 5 show the total investment in artists, arts practitioners and arts organisations in 2009/10 from all four funding programmes – Recurrent, Contestable, International and the

Creative Communities Scheme – from different perspectives.

Figure 2 shows the distribution of the 80% of Creative New Zealand's total expenditure that goes to grants

and initiatives across the key programmes in 2009/10.

Figure 2: Total investment in artists, practitioners and organisations in 2009/10 by output⁴

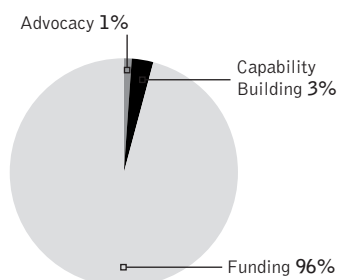


Figure 3: Total investment in artists, practitioners and organisations in 2009/10 by output

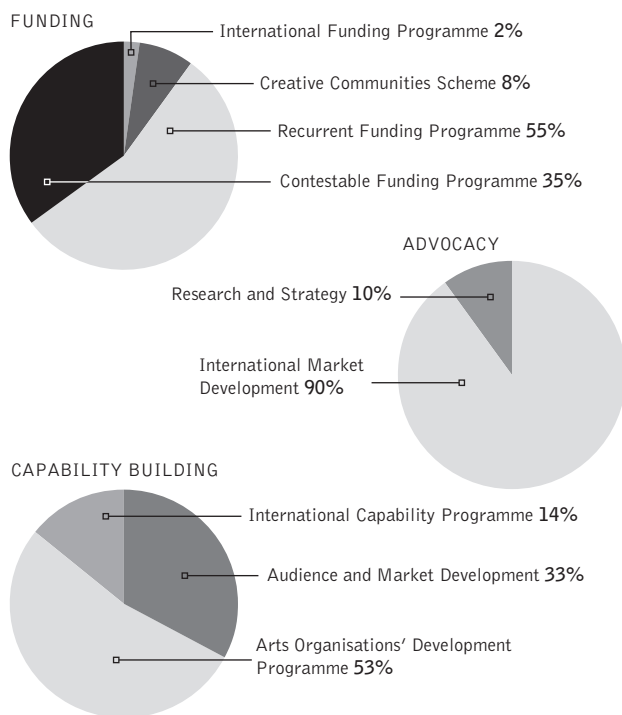
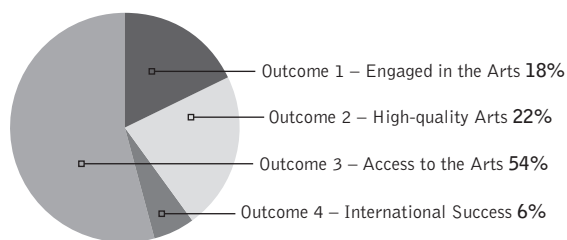


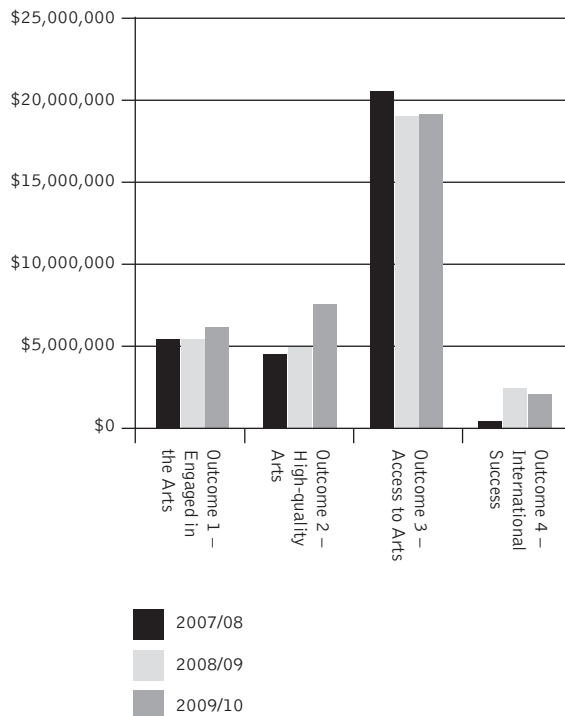
Figure 3 takes each section of Figure 2 and breaks it down by individual programme.

Figure 4: Total investment in artists, practitioners and organisations in 2009/10 by strategic outcome



Creative New Zealand has adopted four strategic outcomes that describe what it is trying to achieve. Figure 4 shows the relative level of investment in each.

Figure 5: Trends in total investment by strategic outcome 2007-2010



⁴ Figures 2, 3, 4, 5 and 6 are given as percentages because they are based on indicative rather than audited figures.

Creative New Zealand received increased funding in 2009/10 from both Vote: Arts, Culture and Heritage and from the New Zealand Lottery Grants Board.

Figures 6, 7 and 8 exclude the investment in capability-building and advocacy because these activities are not able to be analysed by artforms.

Only percentage figures are given in these graphs because dollar values recorded by artform exclude administrative components of some funding awarded.

Figure 6: Total Investment 2009/10 by artform group (Contestable, Recurrent and Creative Communities funding)

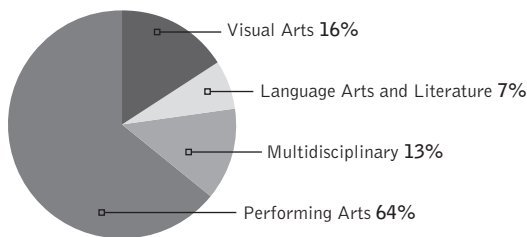


Figure 6 shows the combined investments from the Contestable and Recurrent Funding programmes and Creative Communities Scheme by artform group.

In 2009/10, the Creative Communities Scheme did not break down its data by types of performing arts, although it will be able to do so in further detail from 2010/11 onwards.

Figure 7: Contestable funding programme grants and initiatives 2009/10 by artform

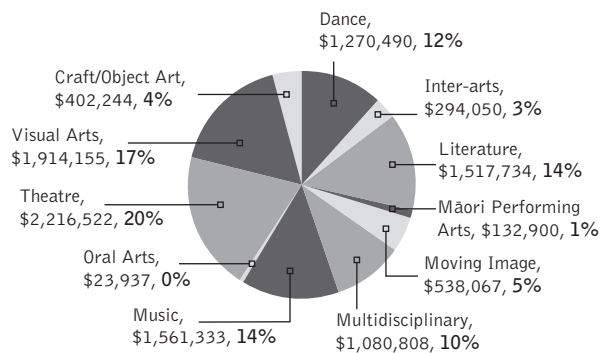


Figure 7 shows the detailed artform breakdown for the Contestable Funding programme.

Figure 8: Recurrent funding programme 2009/10 by artform

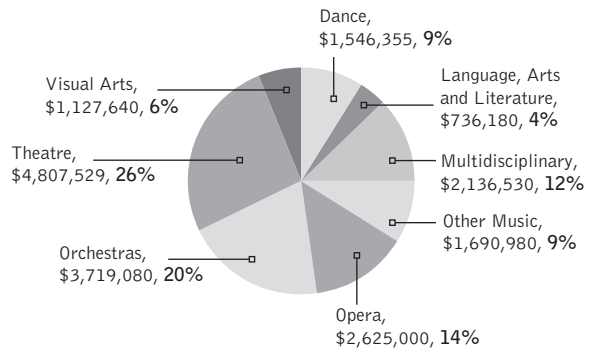
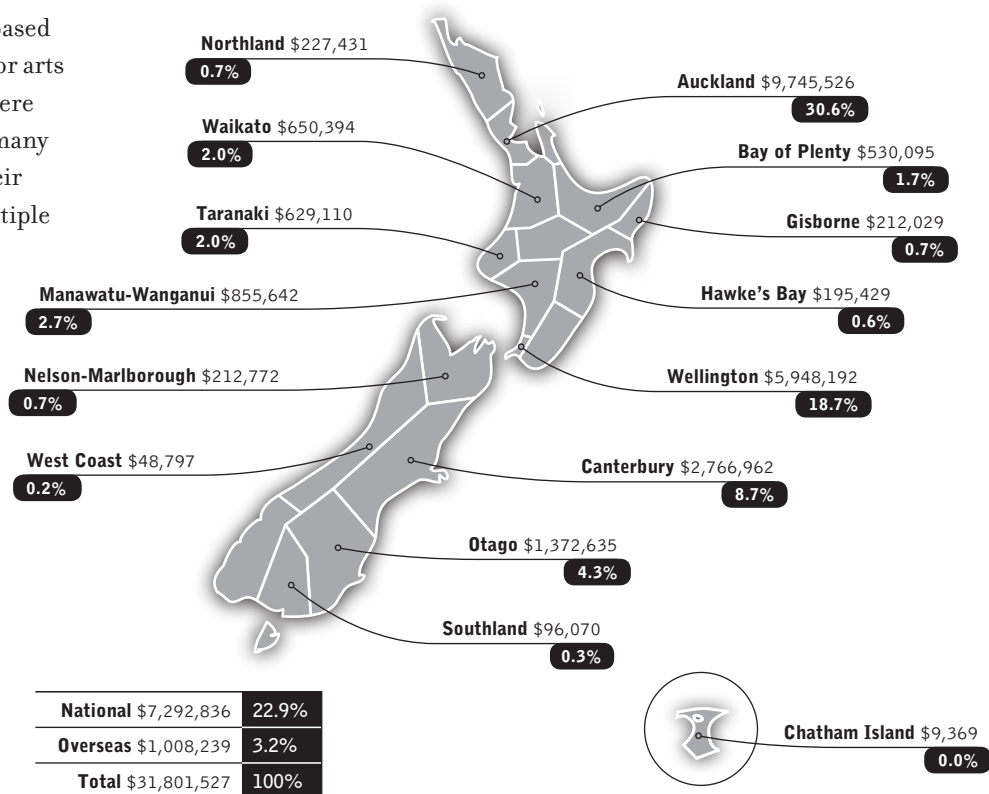


Figure 8 shows a detailed artform breakdown for the recurrently funded organisations, with the service organisations included in the artform with which they are most closely aligned.

Figure 9: Regional investment in 2009/10 from the Contestable Funding programme, Creative Communities Scheme and Recurrent Funding programme

The figures in Figure 9 are based on the location of the artist or arts organisation rather than where the activity occurs because many of the organisations tour their programmes or work in multiple locations.

Figure 9 excludes the International Funding programme, advocacy and capability building initiatives.



Performance Against Strategic Outcomes Ngā Tairitenga me ngā

Whakaritenga hua o te Rautaki

Outcome 1: New Zealanders are Engaged in the Arts

Creative New Zealand is one of several funders of community arts and aims to provide opportunities for all New Zealanders to have access to and participate in the arts for the benefit of their communities. Providing opportunities for Māori, Pacific peoples and diverse ethnic groups to engage in their arts is a key element of this outcome. By providing a wide range of arts experiences it contributes to local communities' engagement with the arts.

Impact 1: Strong Māori Arts

Māori communities are supported to preserve, strengthen and transmit their cultural traditions and artistry.



Māori heritage arts flourish when there is strong community support for their retention and when young people are surrounded and immersed in the practice of these artforms. Research into the health of Māori heritage arts was commissioned by Creative New Zealand to review the 'health' of 10 heritage artforms ranging from Toi Whakairo (carving) and oral arts to Tarai Waka (canoe navigation and construction) and traditional Māori games. The research was identified as a priority in Creative New Zealand's Strategic Plan for 2007–2010 and included in-depth interviews with senior practitioners and a survey of other individuals involved in the revitalisation of Māori heritage arts. The research findings will be used to prioritise funding and to engage with Māori communities to set priorities for retaining and developing heritage artforms. *The Health of Māori Heritage Arts 2009 – Research Summary Report* can be found at www.creativenz.govt.nz

WHAT WE DID

Te Waka Toi (the Māori arts board of Creative New Zealand) primarily supports Māori artists and arts through the Strong Māori Arts impact. In 2009/10, it provided this support through grants, initiatives and liaising with hapū and iwi.

Te Waka Toi funded three recurrently funded organisations that contributed directly to this impact: Kahurangi Māori Dance Trust, Toi Māori Aotearoa and Taki Rua Productions (which was co-funded by the Arts Board and Te Waka Toi).

Contestable funding grants supported the development of Māori artists and their work across arts practice in 2009/10, including five projects receiving Toi Ake

funding, which supports the preservation and development of toi Māori for hapū and iwi. Through the Tohunga Tukunga mentoring programme, five tohunga shared their knowledge and skills with 38 senior Māori artists.

Refer to www.creativenz.govt.nz for a full list of contestable and recurrent funding grants in 2009/10.

During the year, Creative New Zealand ceased its investment in toi iho™, a trademark denoting the quality and authenticity of Māori art. Creative New Zealand made this decision because it believed the programme did not provide good value for money.

Between February and October 2009, Creative New Zealand commissioned research to gauge

the health of Māori heritage arts across the country, as part of a programme of research projects set out in the *Strategic Plan 2007–10*. The research project investigated perceptions and opinions from a pool of established and recognised experts across 10 heritage artforms.

In summary, it found that three artforms (Whare Pora, Whakairo, Kōwhaiwhai/ Tukutuku) were all in good health; four artforms (Whaikōrero, Waiata/mōteatea/pao, Tā moko, Haka) were in reasonable health, needing some refinement of support; and three (Tarai Waka, Traditional Māori Games, Whare Maire) were in poor health, needing prescribed interventions.

Weaving skills learnt at Ngāti Wehi Wehi Marae, Otaki

The wahine of Ngāti Wehi Wehi Marae near Otaki learnt traditional weaving skills as they created new tukutuku panels for their whareniui. In a nine-month project, renowned weaver Sonia Snowden (Ngāpuhi, Ngāti Kuri) taught locals the customs and practice of tukutuku and the traditions of tapu relating to fibre arts. As well as creating the panels, the group was also taught how to gather and prepare the raw materials, pingao and kiekie. It was an opportunity for interested people within the community to learn new skills and others – including school pupils – to see how these taonga are made. The 12 new panels were unveiled at a special ceremony at the marae in October 2009 and Ngāti Wehi Wehi will be their guardians. A resource kit explaining the project and skills is available.

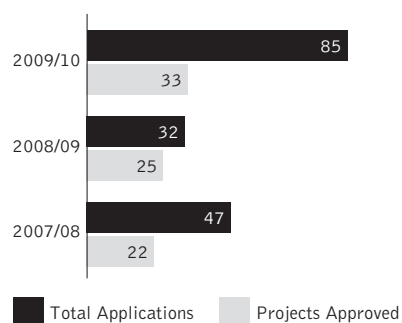
The project was supported with a \$44,660 grant from Creative New Zealand's Toi Ake initiative, which focuses on developing and retaining ngā toi Māori, both traditional and contemporary.

It didn't hit me until I walked into the Kōhanga Reo how appropriate the Matariki panel and the Poutama panel are for tamariki. Poutama, the steps to reach the higher things in life, striving for the best that they can be. Matariki about aroha for the heavens.

Uncle Rowdy

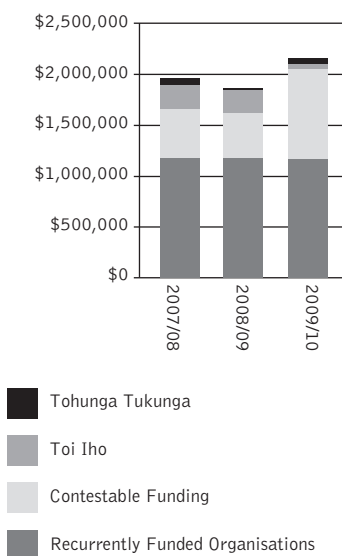
HOW WE PERFORMED

Figure 10: Strong Māori Arts: Applications and projects approved through the Contestable Funding programme



In 2009/10, Te Waka Toi supported **33** projects, with grants totalling **\$876,295** awarded to artists, arts practitioners and arts organisations (compared with \$444,083 in 2008/09). However, the 2009/10 figures cannot be directly compared with the previous year as a new Contestable Funding programme, including new criteria, was implemented in February 2009.

Figure 11: Total investment in Strong Māori Arts



A total of **35** projects (worth **\$674,810**) funded through the Contestable Funding programme in 2009/10 and previous years were satisfactorily completed in 2009/10.

Impact 2: Strong Pacific Arts

Pacific communities are supported to preserve, strengthen and transmit their customary artistic practices.

WHAT WE DID

The Pacific Arts Committee is a committee of the Arts Board. Its role is to support the arts of Pacific Island peoples. It did this in 2009/10 through grants, initiatives and liaising with the Pacific communities in New Zealand.

Tautai Contemporary Pacific Arts Trust, an arts organisation funded by the Arts Board through the Recurrent Funding programme, directly contributed to this impact in 2009/10 through initiatives



Custodian of ancient Fiji's intangible heritage, and Fiji's own traditional Chanter, Sailasa Tora performs at ARTSpeak Pasifika 2010. Photo courtesy of Lisa Williams-Lahari (see story below).

New artistic networks set up from ARTSpeak Pasifika

Creative New Zealand, in association with the Pasifika Festival, hosted a two-day national fono for Pasifika artists in June 2010. ARTSpeak Pasifika brought together Pasifika artists from the disciplines of visual arts, performing arts, literature, film and television, music, heritage arts and festivals to share their experiences and skills. The keynote speaker was Albert Wendt, internationally recognised as a leader in the development of New Zealand and Pacific literature, and an Emeritus Professor at the University of Auckland. The artists used the opportunity to learn from others in the sector and to set up networks to collaborate in the future. ARTSpeak Pasifika was an initiative of Creative New Zealand's Pacific Arts Committee.

I have participated in many gatherings of artists, writers and filmmakers globally, and while all are fascinating, ARTSpeak Pasifika stood out for the utterly selfless and generous sharing by people ... from emerging artists to those who are well established. There was a welcome lack of ego-pushing and an acknowledgment that if we work together, we can lift each other up to be the very best we can be and create the most powerful and empowering art possible.

Dr Cath Koa Dunsford
Dunsford Publishing – Global Dialogues
(Member of the International Panel for ARTSpeak Pasifika)

such as EMBARK, a group show at LeSa Gallery, Lower Hutt, in late 2009. The show provided an opportunity for the trust to support a number of young and emerging artists in showing their work in a gallery space outside Auckland. The work featured craft/object art and photography from several young Pasifika artists.

Black Grace, a dance group that fuses Pacific and contemporary dance, funded by the Arts Board through the Recurrent Funding programme, also contributed to this impact.

Contestable Funding grants supported the development of New Zealand Pacific artists and their work across heritage and contemporary arts practice. Refer to www.creativenz.govt.nz for a full list of contestable and recurrent funding grants in 2009/10.

In 2008/09, Creative New Zealand undertook research into the health of Pacific heritage arts. The results of the report were published in June 2010⁵ and show that the 'health' of heritage arts varies significantly between the seven main Pacific Island communities and across heritage arts practices. In many cases, traditional Pacific

arts, such as tivaevae and Samoan tatau, are being practised regularly. These have large numbers of practitioners and opportunities occur for development and learning. However, major areas of weakness also exist and threats to the ongoing health of heritage arts were consistently identified.

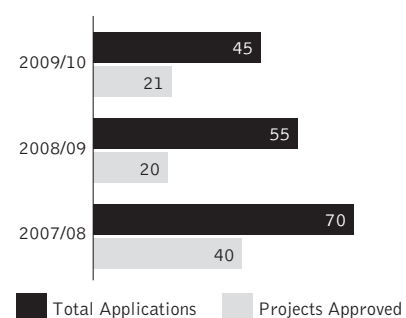
In 2009/10, Creative New Zealand held 11 fono with 295 individuals from the Samoan, Fijian, Tongan, Tokelauan, Tuvaluan and Niuean communities. The purposes of the fono were to:

- present the results of the research into Pacific Heritage arts
- strengthen relationships with key stakeholders in Pacific heritage arts
- raise awareness of Creative New Zealand's role in supporting Pacific heritage arts
- build the capability of groups seeking funding to support Pacific heritage arts.

Further fono to work with the Cook Islands community are planned for 2010/11.

HOW WE PERFORMED

Figure 12: Strong Pacific Arts: Applications and projects approved through the Contestable Funding programme

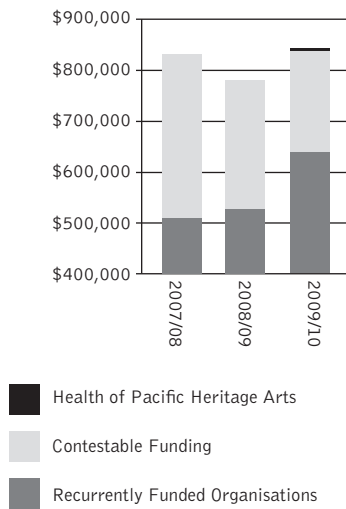


The Pacific Arts Committee supported 20 projects with grants to artists, arts practitioners and arts organisations in 2009/10 totalling \$151,719. The Arts Board supported a further project under this impact, valued at \$45,000, giving a total of 21 successful projects, with \$196,719 awarded. This was compared with 20 projects totalling \$253,538 in 2008/09.

Results cannot be directly compared with the previous year as a new Contestable Funding programme was implemented in February 2009. Under the previous Contestable Funding programme most funding awarded by the Pacific Arts Committee was included under the Strong Pacific Arts impact. Under the current programme, it is spread across all outcomes and impacts.

5 Health of Pacific Heritage Arts 2009 is available at www.creativenz.govt.nz

Figure 13: Total investment in Strong Pacific Arts⁶



A total of **25** projects (**\$306,976**) funded through the Contestable Funding programme in 2009/10 and prior years were satisfactorily completed in 2009/10.

⁶ The 2009/10 Recurrently Funded Organisations figure includes all funding received by Black Grace and Tautai Contemporary Pacific Arts Trust; previous years' figures include only core funding so are not directly comparable.

Impact 3: Community Arts Participation

Diverse, local and ethnic communities are supported to participate in and develop their art.

WHAT WE DID

The Creative Communities Scheme, delivered in partnership with local government, is one of the key ways Creative New Zealand supported opportunities for New Zealanders to participate in the arts in 2009/10.

The scheme was reviewed in 2008/09 and findings from the consultation identified areas where the scheme could be improved. Based on this research and feedback, Creative New Zealand introduced several enhancements to the scheme which came into effect from 1 July 2010. The changes included:

- a limit to the number of funding rounds in a territorial



Creative New Zealand worked with 73 local authorities to deliver the Creative Communities Scheme, which funded more than 2400 community arts projects throughout the country (see story below).

authority's area (minimum of two and a maximum of four)

- contract partners providing a report to Creative New Zealand after each funding round
- improved guidelines for assessment committees
- a suite of revised resources for applicants, administrators and assessors

Work has been ongoing with the Auckland Transition Agency and the seven councils in the Auckland region to ensure arts organisations remain supported over the 2010/11 transition to a single council. Creative New Zealand will continue working with the new Auckland Council to determine how the Creative Communities Scheme will operate in the new structure.

Arts Access Aotearoa, an arts organisation funded through the

Creative communities from north to south

From Northland to Southland, Creative New Zealand funds community arts through the Creative Communities Scheme in partnership with local authorities.

In February, local performers revived *The Complete Works of William Shakespeare (Abridged)* for six performances in Queens Park, Invercargill. The audience was taken on a romp through all 37 of Shakespeare's plays, using music, puppetry, slapstick and stand-up comedy.

Meanwhile, in Dargaville, local people of all ages and abilities participated in workshops, games and shows at the fifth Northland Circus Festival, hosted by local troupe Circus Kumarani. Many people were seen practising their juggling, acrobatics and tight-rope skills following intensive training in a fun-filled festival of colour.

Recurrent Funding programme by the Arts Board, directly contributed to the Community Arts Participation impact in 2009/10 through several programmes including the research, writing and publication of *Arts for All: opening doors to disabled people*⁷, a project encouraging the professional arts sector to improve its access to the disabled community.

Contestable funding grants supported the development of community arts in 2009/10. Refer to www.creativenz.govt.nz for a full list of contestable and recurrent funding grants in 2009/10.

HOW WE PERFORMED

In 2009/10, \$2,934,322⁸ in grants was allocated to projects through 73 territorial authorities operating the Creative Communities Scheme. This funding supported 2,418 projects in a range of communities across New Zealand (compared with 2,333 in 2008/09).

The Arts Board, Te Waka Toi and Pacific Arts Committee received 58 applications and supported a further 15 projects funded

⁷ *Arts for All: opening doors to disabled people* available from www.artsaccess.org.nz

⁸ This sum included some unexpended funds rolled over from previous years.

through the Contestable Funding programme, totalling \$367,313.

Figure 14: Community Arts Participation: Applications and projects approved through the Creative Communities Scheme

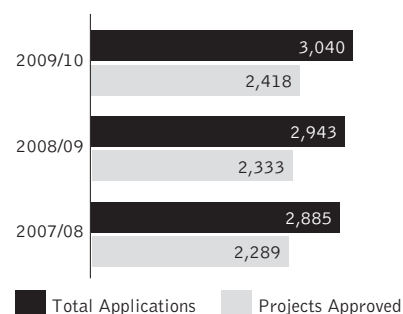
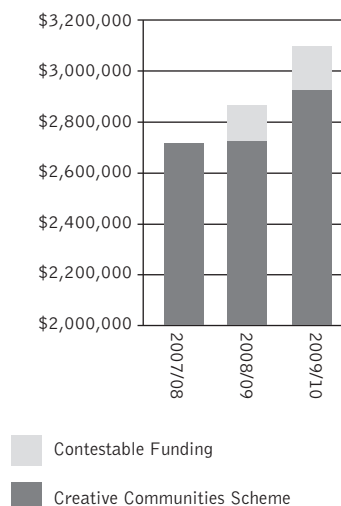


Figure 15: Total investment in Community Arts Participation



The 2008/09 year was the first when funding under this category was offered through the Contestable Funding programme and 7 projects (with a value of \$59,488) were satisfactorily completed in 2009/10.

Outcome 1: Summary

The levels of grant applications and approvals under Outcome 1 – New Zealanders are Engaged in the Arts – have been steady in terms of numbers for the past three years.

Figure 16: Outcome 1: Trends in applications and approvals by impact (Contestable Funding programme and Creative Communities Scheme)

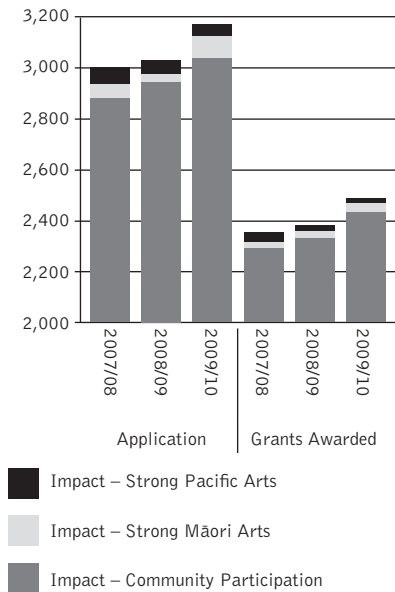
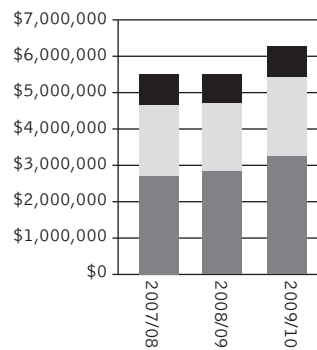


Figure 17: Outcome 1: Trends in total investment by impact



The total investment in supporting art and artists under Outcome 1 has increased by **13%** across the three-year period.

MEDIUM TO LONG TERM SUCCESS

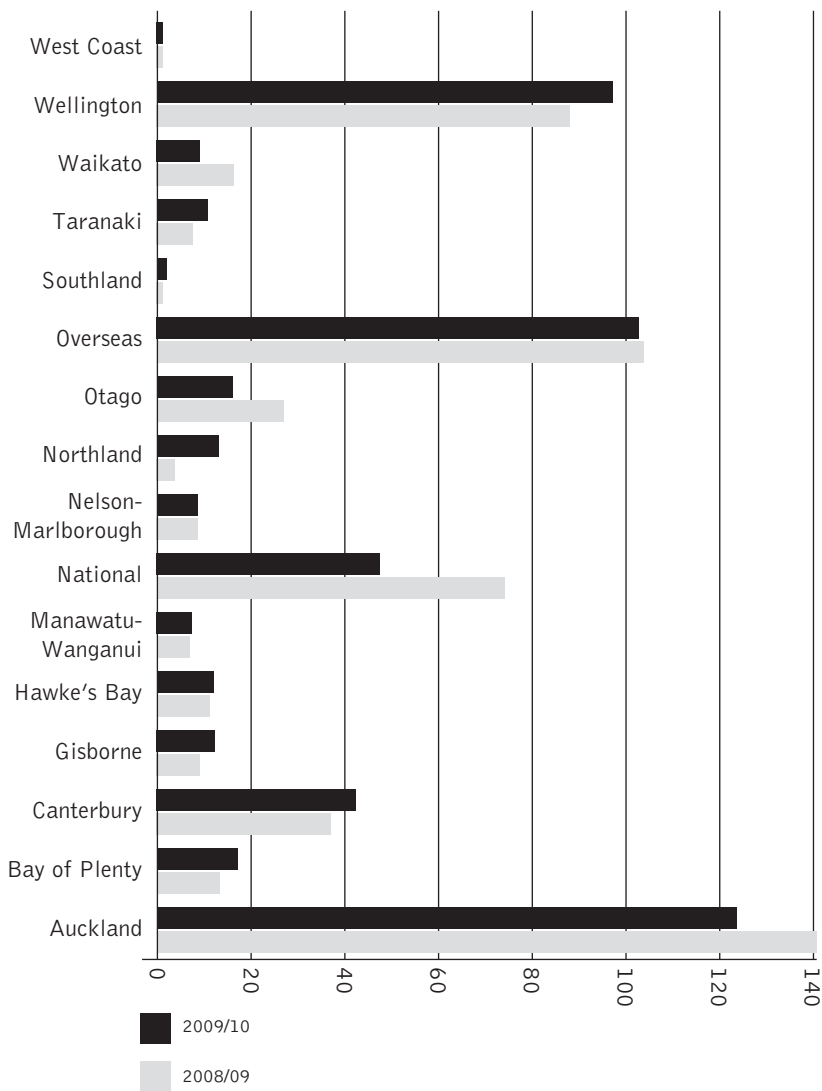
Creative New Zealand's Statement of Intent 2009–12 lists several performance measures designed to measure medium to long term

success related to Outcome 1. Pending the implementation of the reviews of both the Creative Communities Scheme (starting 2010/11) and the recurrently funded organisations

(implementation to begin in 2012), the measurements are limited to the Contestable Funding programme and research projects.

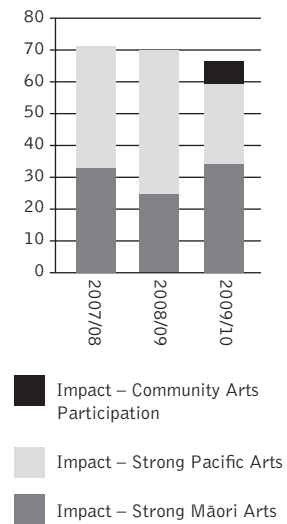
Impact	Performance measure	Standard	Proof of performance
Short to medium term			
Māori communities are supported to preserve, strengthen and transmit their cultural traditions and artistry	The number of projects satisfactorily completed per region, including a breakdown of Māori, Pacific and diverse projects	Maintain or increase the number of projects completed	See Figure 18 (projects satisfactorily completed by location) and Figure 19 (projects satisfactorily completed by impact)
Pacific communities are supported to preserve, strengthen and transmit their customary artistic practices			
Diverse, local and ethnic communities are supported to participate in and develop their art			
Long term			
New Zealanders are engaged in the arts	Level of New Zealanders' participation in the arts	Maintain or increase 2008 participation levels, as shown by <i>New Zealanders and the arts</i> research	Of the population aged 15 and over, percentage actively participating in the arts: 2005: 50% 2008: 48% 2011: TBA

Figure 18: Projects satisfactorily completed, by location of the project (Contestable Funding programme)



It should be noted that, since the overall rate of acquittals for all projects funded by Creative New Zealand is over 99%, performance against the standard is dependent on the number of grants awarded in 2009/10 and past years.

Figure 19: Projects satisfactorily completed against Outcome 1 (by impact, Contestable Funding programme)



Outcome 2: High-quality New Zealand Art is Developed

New Zealand arts
depend on the
creativity of artists.

Creative New Zealand
seeks to ensure that
New Zealand artists
have the opportunity to
fulfil their potential by
continually developing
their artforms, the
quality of their work,
and their skills and
capability.



Recipients of the Prime Minister's Awards for Literary Achievement 2009 were Dr Ranginui Walker, CK Stead and Brian Turner (see story below).

Impact 1: High- quality Artists

New Zealand artists, practitioners
and organisations who are
acknowledged for innovation and
quality are supported.

WHAT WE DID

Creative New Zealand recognised
excellence through presenting a
range of fellowships and awards⁹ in
2009/10 including:

- The **Prime Minister's Awards
for Literary Achievement** were
presented in October 2009
to Dr Ranginui Walker (non-
fiction), CK Stead (fiction) and
Brian Turner (poetry).

⁹ Residencies, bursaries and scholarships
are included under the Developing
Potential impact of Outcome 2 – see
pages 40–42.

Three New Zealand literary icons celebrated

Three of New Zealand's most celebrated writers, Dr Ranginui Walker, CK Stead and Brian Turner, were honoured by the Prime Minister's Awards for Literary Achievement in 2009. They were recognised for their contribution to New Zealand literature in the categories of non-fiction, fiction and poetry respectively.

Prime Minister John Key said it was a pleasure to honour such great writers. "As New Zealanders we should celebrate success more. I am proud to acknowledge the legacy and continued involvement of these well-deserving recipients."

Creative New Zealand Chair, Alastair Carruthers, thanked the writers for their outstanding contribution. "These three writers came of age in times of radical political, artistic and social change. They heralded a new order among New Zealand's literary community and their legacy will influence future writers."

The Prime Minister's Awards for Literary Achievement are administered by Creative New Zealand.

- Kate De Goldi was awarded the \$100,000 **Creative New Zealand Michael King Writers' Fellowship** 2010 to research and write a non-fiction book about children's literature.
- The **Te Waka Toi Awards** were held on 29 August 2009. These are the only national Māori arts awards that celebrate all artforms, with seven awards and three scholarships presented. Witi Ihimaera was honoured with the première Māori arts award Te Tohutiketike a Te Waka Toi.
- Five **Arts Pasifika Awards**, celebrating the rich and diverse range of Pacific art in New Zealand, were presented on 13 November 2009. Tongan master craftsman, Sopolimalama Filipe Tohi, received the Senior Pacific Artist Award (\$10,000) in acknowledgement of his outstanding contribution to the traditional art of lalava and his mana within the community.
- Choreographer and dance film maker, Daniel Belton, was awarded the **2010 Creative New Zealand Choreographic Fellowship** to research and develop new work. Worth \$65,000, it is the largest

choreographic award or fellowship available in New Zealand.

Please refer to www.creativenz.govt.nz for further detail on all recipients.

Out of the 35 recurrently funded organisations supported by Creative New Zealand, 34 contributed to the development of high-quality art by providing artists, arts practitioners and arts organisations with the opportunity to develop the quality of their work.¹⁰

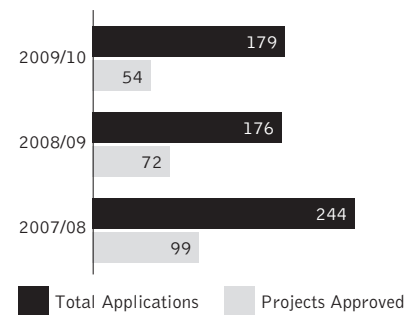
However, until further analysis has been undertaken to identify which proportions of the work delivered by each organisation can be aligned with each of Creative New Zealand's strategic outcomes and impacts, the funding associated with all recurrently funded organisations has been allocated to Outcome 3, with the exception of those organisations that are specifically cited against particular impacts under Outcome 1.

Refer to www.creativenz.govt.nz for a full list of 2009/10 contestable and recurrent funding grants.

¹⁰ Arts on Tour does not deliver services contributing to this impact.

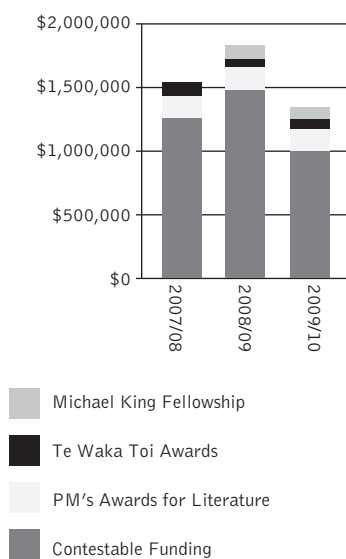
HOW WE PERFORMED

Figure 20: High-quality Artists: Applications and projects approved through the Contestable Funding programme



Contestable funding grants supported high-quality artists in 2009/10. The Arts Board, Te Waka Toi and Pacific Arts Committee supported 54 innovative and quality projects, with grants totalling \$998,599 awarded to artists, arts practitioners and arts organisations.

Figure 21: Contestable and special opportunities investment in High-quality Artists



Under the previous (pre-February 2009) Contestable Funding programme, this impact included a grants category of 'Creative and Professional Development'. This category has now been split between creative development contributing to high-quality artists and professional development (which is included under the Developing Potential impact of Outcome 2).

A total of 70 projects (worth \$1,213,479) funded through the Contestable Funding programme in 2009/10 and prior years were satisfactorily completed in 2009/10.

Impact 2: Producing Innovative Work

The development of new, high-quality, innovative and culturally diverse work is supported.

WHAT WE DID

Examples of projects supported by the Contestable Funding programme in 2009/10 include:

- **Art & Industry Biennial Trust** – towards commissioning new works for SCAPE 2010¹¹
- **Daniel Belton and Good Company** – towards completion of 'Line Dances' – a series of new dance films
- **John Reynolds** – towards the research and creation of three new bodies of work to be

exhibited at three international art fairs

- **Jack Body and Gillian Whitehead** – towards the commission of works in collaboration with Cambodian musicians
- **Natalie Medlock and Dan Musgrove** – towards writing and workshopping a new solo show for Michael Hurst

The Smash Palace Fund,¹² administered by Creative New Zealand but funded by the Ministry of Research, Science and Technology is designed to support collaborative projects between New Zealand artists and scientists and also supports this impact. The aim of the fund is to facilitate the sharing of knowledge and expertise across arts and science disciplines. Seven projects received support from the fund in 2009/10 to

undertake a concept design phase. They included:

- **Fire Organ** – the creation of an organ made of glass pipes and played by applying heat to the pipes.
- **Live Sculptures and Soft Machines** – making Māori art objects and patterns, such as kowhaiwhai (painted designs), come alive using electroactive polymer materials, also known as artificial muscles.

The Independent Filmmakers' Fund also supports this impact. A total of 14 projects were funded in 2009/10 to a cost of \$500,000.

During the year, but after the 2009/10 Independent Filmmakers' Fund round was held, the New Zealand Film Commission, a partner in the fund, made the decision to disinvest in the fund. One further round was offered – in 2010/11.

11 See www.scapebiennial.org.nz for further information.

12 See www.morst.govt.nz

Show of new artistic talent features *A Deaf Piano*

Experimental and innovative artworks created by recent graduates from Otago Polytechnic School of Arts are showcased annually at Dunedin's Blue Oyster Art Project Space. This year's Grad Show featured works by Debbie Adamson, Gwen Hudson, John Paxie, Lars Preisser, Jesse Simons and Alex MacKinnon's *A Deaf Piano*. The 2010 *Grad Show* was curated by a recent graduate of the University of Otago's Theory and History of Art programme, Lauren Gutsell.

Each work she selected centred on a change or transformation of materials, concepts, expectations or processes. The aim being to lead the viewer to ask questions about how the work came to be, how it functioned and on what assumptions it was based. By existing as only one of many potential resolutions or applications, the works encouraged members of the audience to expand their views on what was possible. The exhibition ran from 26 January to 20 February 2010. It was funded by Creative New Zealand as part of the Blue Oyster Art Project Space 2009 Sector Investment grant of \$89,910, which was awarded for a 12-month programme of exhibitions and events in 2010.

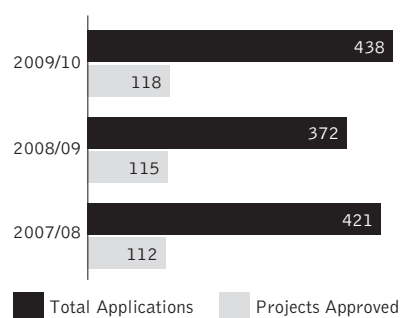


A Deaf Piano by Alex McKinnon featured in the *Grad Show* at Dunedin's Blue Oyster Art Project Space (see story page 30). Photo courtesy of Markus Gradwohl.

Refer to www.creativenz.govt.nz for a full list of contestable funding and recurrent funding grants for 2009/10.

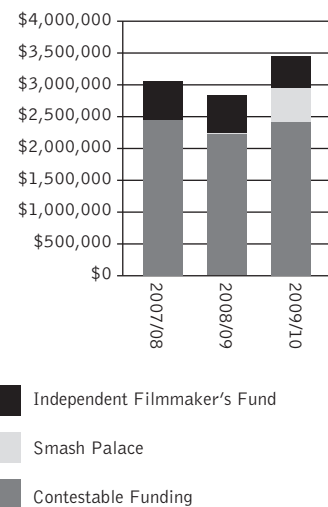
HOW WE PERFORMED

Figure 22: Producing Innovative Work: Applications and projects approved through the Contestable Funding programme



Changes to the Contestable Funding programme in early 2009 and the implementation of new criteria and funding priorities have not had a significant effect on this impact because both the current and previous programmes had specific support for innovative work. There has been no substantial change to the number of grants awarded, although application numbers have fluctuated.

Figure 23: Total investment in Producing Innovative Work



The Arts Board, Te Waka Toi and Pacific Arts Committee supported **118** projects, with grants totalling **\$2,427,168** awarded to artists, arts practitioners and arts organisations.

Figure 23 shows the effect on the total investment of the start of the 2009–11 Smash Palace round. Previous rounds were held in 2003 and 2005–2007.

A total of **172** projects (worth **\$3,101,637**) funded through the Contestable Funding programme in 2009/10 and prior years were satisfactorily completed in 2009/10.

Impact 3: Developing Potential

Artists, practitioners and organisations with high potential are supported to develop their skills and capabilities.

WHAT WE DID

Professional development opportunities were supported through the Contestable and Recurrent Funding programmes in 2009/10 to ensure that artists were able to learn, develop and experiment with their arts practice and develop the quality of their art. In particular, support to youth-focused projects that encourage the artistic potential of young artists at the early stages of their careers.

An example is Tautai Contemporary Pacific Arts Trust, which offers programmes such as Fresh Horizons,¹³ a series of workshops for young/emerging artists in secondary schools. The workshops provide opportunities to experiment, try new art-related ideas or hone special talent, with known artists as tutors. The programme gives students visible role models – people they can relate to who are successful. The aim is to give the students a

¹³ See www.tautaipacific.com/fresh-horizons for further information.



Music duo *Rosy Tin Teacaddy* visited the Rotorua Lakes region, as recipients of the Wild Creations Residency, to write and record a new album based on their experiences and the people and history of Lake Tarawera. The Wild Creations residency, offered in conjunction with the Department of Conservation, enables artists to spend six weeks working in iconic New Zealand locations. Photo courtesy of the Department of Conservation.

stimulating art experience under the eye of positive, enthusiastic role models and to reinforce the value of continued education.

Several recurrently funded organisations supported emerging artists to reach their potential in 2009/10. An example is The NBR New Zealand Opera, which

Emerging arts and writers get a voice in *Hue & Cry*

New 'literary slash arts journal' *Hue & Cry* aims to promote the work of New Zealand's emerging artists and writers and has now published its fourth issue. Incorporating a mix of commissioned and contributed articles, the journal is encouraging interaction between the literary and art communities to create an inter-arts experience within its pages. The journal's editors act as mentors to help new contributors develop their content to publishable standard and this has been further enhanced with the appointment of a practising art curator, Andrea Bell, as arts editor.

Issue four also saw the introduction of a special feature of contributions from established writers, poets and artists including Charlotte Simmonds, Amy Brown and Pip Adam. *Hue & Cry* is available through bookstores and galleries in Auckland, Wellington, New Plymouth, Christchurch and Dunedin. Issue four was published with support from a \$4,000 Quick Response Grant from Creative New Zealand.

offers a three-tiered structure of internships for 'young artist', 'emerging artist' and 'resident artist', that identify talented singers and provide support to give them a head start in the competitive world of professional music.¹⁴

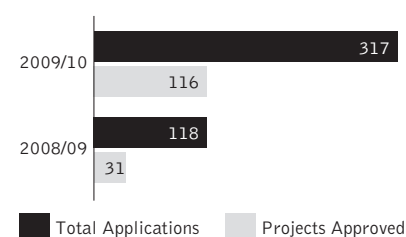
In addition, the Contestable Funding programme funded 11 residencies and scholarships/bursaries as follows:

- Fulbright-Creative New Zealand Pacific writers' residency in Hawaii
- Wild Creations residency (in partnership with the Department of Conservation)
- International Studio Programme visual arts residency in New York
- Creative New Zealand Berlin Visual Artists Residency at the Künstlerhaus Bethanien in Berlin
- Toi Oahu residency in Hawaii
- Toi Sgwigwialtxw residency in Seattle
- Creative New Zealand Pacific Arts Committee and the National University of Samoa Artist in Residence
- Michael King Writer's Centre writer in residence
- Todd New Zealand writers' bursary
- Louis Johnson new writers' bursary
- Edwin Carr Scholarship
- Refer to www.creativenz.govt.nz for a full list of contestable funding and recurrent funding grants for 2009/10.

¹⁴ Refer www.nzopera.com/behind-the-scenes/internships for further information.

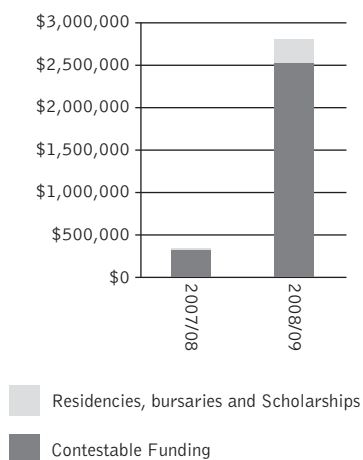
HOW WE PERFORMED

Figure 24: Developing Potential: Applications and projects approved through the Contestable Funding programme



The 2008/09 year was the first time that projects were directly funded against this objective, therefore data for three years is not available. Because the first round of the new Contestable Funding programme did not occur until February 2009, comparisons between the years cannot be made.

Figure 25: Investment in Developing Potential through the Contestable Funding programme and special initiatives



Most of the contestable funding shown for 2008/09 would have been in the form of residencies, bursaries and scholarships.

A total of **42** projects (to a value of **\$374,503**) funded through the Contestable Funding programme in 2009/10 and prior years were satisfactorily completed in 2009/10.

The Arts Board, Te Waka Toi and Pacific Arts Committee supported **116** projects in 2009/10, with grants totalling **\$3,012,530** awarded to artists, arts practitioners and arts organisations.

Some of the funding shown in Figure 25 has moved from the High-quality Artists impact (with one of the result areas assigned to this impact under the previous Contestable Funding programme being split between the two impacts). Much of the rest has come from additional funding allocated to the Contestable Funding programme and grants awarded under this impact.

Outcome 2: Summary

Overall, support for Outcome 2 – High-quality New Zealand Art is Developed – has risen consistently over the past three years, although there have been changes in the levels of funding of the individual impacts contributing to the outcome.

The numbers of applications and grants approved have both increased by over 36% in 2009/10 as against 2007/08.

Figure 26: Outcome 2: Trends in applications and approvals by impact (Contestable Funding programme)

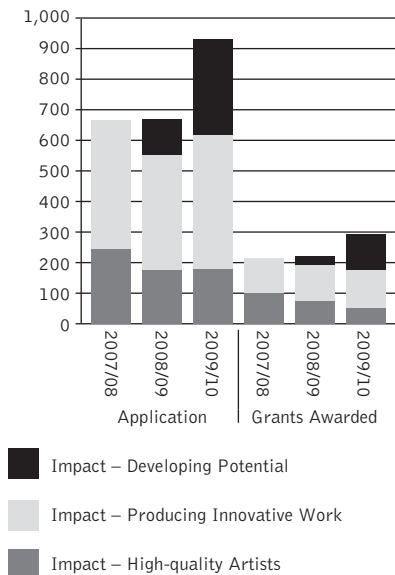
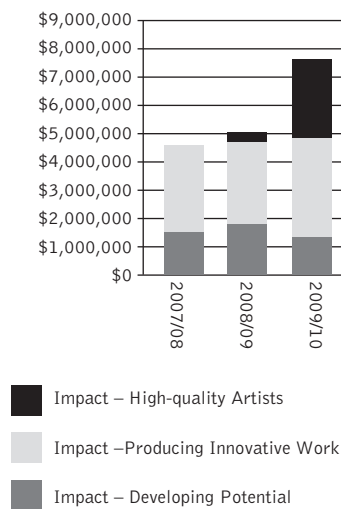


Figure 26 shows the effect of the new Developing Potential impact from February 2009 onwards, in

terms of both applications and grants made.

Figure 27: Outcome 2: Trends in total investment by impact



The total investment in supporting art and artists under Outcome 2 has increased substantially as a result of the majority of additional Creative New Zealand funding being targeted towards this outcome. In particular, the addition of the Developing Potential impact under the new (post-February 2009) Contestable Funding programme accounts for most of the increase.

MEDIUM TO LONG TERM SUCCESS

Creative New Zealand's Statement of Intent 2009–12 lists several

performance measures designed to measure success related to Outcome 1. Pending the implementation of the results of the review undertaken in

2009/10 of the Recurrently Funded Organisations, these performance measures only apply to the Contestable Funding programme and Capability Building projects.

Impact	Performance measure	Standard	Proof of performance
Short to medium term			
New Zealand artists, practitioners and organisations who are acknowledged for innovation and quality are supported	The number of residencies, bursaries, scholarships or fellowships that are satisfactorily completed	15–20 each year	16 residencies, bursaries and scholarships from previous years were satisfactorily completed 11 residencies, bursaries and scholarship were awarded in 2009/10
The development of new, high-quality, innovative and culturally diverse work is supported	The number of innovative, high-quality and culturally diverse projects satisfactorily completed	200–250 each year	242 70 projects under Innovative and High-quality Artists impact plus 172 under Producing Innovative Work were satisfactorily completed in 2009/10
Artists, practitioners and organisations with high potential are supported to develop their skills and capabilities	Artists, practitioners and organisations agree that participating in programmes has enabled them to increase their skills or knowledge	90–100% satisfaction rate	Refer to Statement of Service Performance – Output 2 – Capability Building for detailed information
Long term			
High-quality New Zealand art is developed	High-quality New Zealand works are presented	Increase the number of high quality works presented ¹⁵	See Figure 20 for the number of projects awarded grants. The number of works presented is not currently captured in a format that supports easy reporting of this measure. Work is being undertaken to develop reporting systems that capture project completion information

¹⁵ 'Presented' refers to works being performed, exhibited or published.

Outcome 3: New Zealanders Have Access to High-quality Arts Experiences

Creative New Zealand will continue to broaden the opportunities for New Zealanders to access the arts by supporting arts experiences across New Zealand and contributing to the organisations that provide them. The availability of Māori and Pacific art is a critical component of this outcome, as is increasing the geographic distribution of diverse arts experiences.

Impact 1: Delivery of the Arts

Artists, practitioners and organisations are supported to deliver arts experiences to the four main centres.

Artists, practitioners and organisations are supported to deliver arts experiences to regional centres.

WHAT WE DID

In 2009/10, with Creative New Zealand support through the Recurrent Funding programme, New Zealanders living in the main centres (Auckland, Wellington, Christchurch and Dunedin) and those in provincial and rural areas had the opportunity to access high-quality arts experiences. Eleven recurrently funded organisations toured their work outside of their main centre locations, delivering



Footnote Dance performs *2010 Made in New Zealand* (see story over). Photo courtesy of Footnote Dance.

Footnote Dance marries New Zealand music to New Zealand dance

Footnote Dance presented its popular 2010 *Made in New Zealand* production that celebrated New Zealand Music Month and featured new dance works by local choreographers. In May 2010, Footnote travelled to Nelson, Christchurch, Oamaru, Dunedin, Invercargill, Auckland and Wellington with new Kiwi contemporary dance.

The programme featured two major new works: *Purlieu* by Malia Johnston to new music by Eden Mulholland and *i changed* by Sarah Foster, with music by Andrew Foster. Two solo works from the 2009 *Footnote Forte Series* were also featured: a solo by Michael Parmenter (*Somebody's Darling*), which was inspired by the unknown grave at Millar's Flat, Central Otago, to music by Douglas Lilburn; and a solo by Ross McCormack (*Stealth*) inspired by the graffiti art of DLT, to music by Jody Lloyd. In the larger cities Claire O'Neil's *MTYLAND* was also presented, following its premiere at the 2010 New Zealand International Arts Festival. Footnote Dance is supported with funding from Creative New Zealand.

approximately 1,070 events and attracting around 123,000 attendances.

Notwithstanding the economic recession, around 656,000 people attended performances or events offered by recurrently funded organisations in the 2009 calendar year (compared with 640,000 in 2008).¹⁶

¹⁶ This is the number of tickets sold at recurrently funded organisation events directly supported by Creative New Zealand, but it does not include attendances at events the organisations hire productions and performances out to nor does it include free concerts.

In 2008/09, Creative New Zealand developed a distribution strategy to support the delivery of arts experiences to New Zealanders living outside the main centres. In 2009/10, three initiatives were launched to deliver the distribution strategy in 2010–13.

1. Develop the skills of arts distributors (Touring Skills Development Course). The course was successfully run in June 2010 in partnership with The Edge in Auckland.

2. Expand the regional touring of New Zealand art works (Regional Presenter and Audience Development Fund). Applications closed June 2010 and successful recipients advised.
3. Build regional audiences for New Zealand art works (Regional Presenter and Audience Development Fund). This project is to be finalised in association with the successful regional presenting consortia.



New Zealand writers (from left) David Hill, Janet Hunt, Alison Wong, Duncan Sarkies and Briar Grace-Smith go up the mountain on their literary road trip through Taranaki (see story opposite). Photo courtesy of Janet Hunt.

Changes to the Contestable Funding programme implemented in February 2009 have resulted in adjustments to the levels of funding awarded to certain outcomes and impacts as the categorisation of applications has become more detailed.

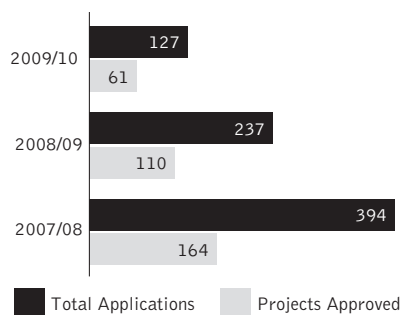
Delivery of the Arts was the primary category for a substantial proportion of total grants and initiatives under the pre-February 2009 programme. Under the current programme, there are several additional impacts, especially in Outcomes 2 and 3, and these are reflected in the downward trend under this impact in both numbers of applications and grants awarded and in the dollar value of grants awarded.

Contestable funding grants also supported the delivery of the arts in 2009/10. Refer to www.creativenz.govt.nz for a full list of contestable

and recurrent funding grants in 2009/10.

HOW WE PERFORMED

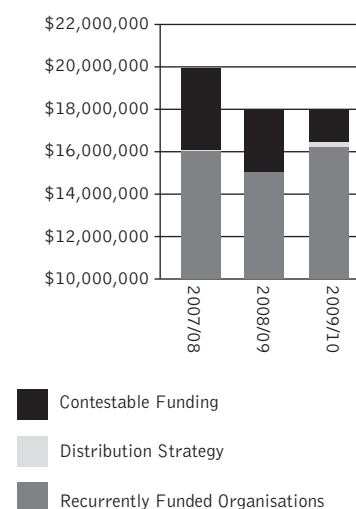
Figure 28: Delivery of the Arts: Applications and projects approved through the Contestable Funding programme



The Arts Board, Te Waka Toi and Pacific Arts Committee supported 61 Delivery of the Arts projects, with grants totalling \$1,533,175 awarded to artists, arts practitioners and arts organisations in 2009/10. This can be compared with 110 projects and \$2,866,023 awarded in 2008/09.

A total of 117 projects, (worth \$3,139,187), funded through the Contestable Funding programme in 2009/10 and prior years were satisfactorily completed in 2009/10.

Figure 29: Total investment in Delivery of the Arts



Literary road-trip for five top New Zealand writers

Five of New Zealand's top writers took a Taranaki road trip bringing literature to life in the *Words on Wheels* tour organised by the New Zealand Book Council. On the road were teen-fiction writer David Hill, fiction writer Duncan Sarkies, scriptwriter Briar Grace-Smith, poet and novelist Alison Wong and non-fiction writer Janet Hunt. Each year the council sends leading local writers to a different area of New Zealand where they hold public readings as well as writing workshops for budding young writers. In its 18 years, *Words on Wheels* has toured New Zealand from Northland to the Bluff. *Words on Wheels* is supported with funding from Creative New Zealand.

The tours reach places that many other arts tours cannot. Every time I do a tour I hear people say how brilliant it is to see and hear writers in the flesh.

David Hill
Writer

Impact 2: Audience Development

The range of arts experiences available reflects New Zealand's diverse population.

WHAT WE DID

In the 2006 Census figures, 65% of people described themselves as 'European'; 14% as 'Māori'; 7% as 'Pacific peoples'; 9% as 'Asian' and 11% as 'New Zealander'.¹⁷

The 'Asian' ethnic group is the fastest growing in New Zealand. Two-thirds of the people in this group live in Auckland (which is the most ethnically diverse area of the country). Research undertaken by Creative New Zealand in 2008 found that the arts add to a sense of cultural identity, bring communities together and build bridges across cultures.¹⁸

Based on that research, Creative New Zealand developed the *Asian Aucklanders and the Arts* strategic action framework in partnership with the Auckland City Council and ASB Community Trust.

¹⁷ See www.statistics.govt.nz. All figures are rounded to the nearest percentage point and some people declared for more than one ethnicity.

¹⁸ *New Zealanders and the arts: Attitudes, attendance and participation in 2008* is available at www.creativenz.govt.nz

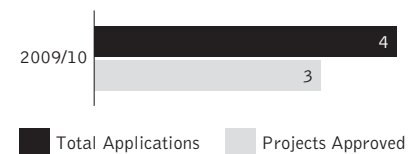
Under this programme, in 2009/10, two grants were awarded to Auckland arts organisations – Auckland Festival Trust and ARTSPACE (Aotearoa) Trust – to run an internship programme designed to maximise the engagement and participation of the Asian community. The programmes must be completed by December 2010 when the organisations are expected to report fully on the outcomes achieved through the internships.

The 2009/10 year was the first full year that the Contestable

Funding programme provided the opportunity for artists, arts practitioners and arts organisations to apply for funding to deliver to this impact.

HOW WE PERFORMED

Figure 30: Diversity in the Arts: Applications and projects approved through the Contestable Funding programme



Auckland Girls' Grammar students engaging with Tiffany Singh's work *Newton and the piece bomb* as part of ARTSPACE's 2010 New Artists' Show (see story opposite). Photo courtesy of Vera Mey.

The Arts Board, Te Waka Toi and Pacific Arts Committee supported 3 projects, with grants totalling \$45,500 awarded to artists, arts practitioners and arts organisations in 2009/10.

Because 2009/10 was the first year that funding was offered under this impact, no projects were satisfactorily completed.

Talking to diverse audiences

Two new Creative New Zealand-funded Asian internships at the Auckland Festival Trust and ARTSPACE (Aotearoa) Trust are helping build stronger connections between the arts and Asian communities in the Auckland region. Two grants of \$20,000 each have allowed ARTSPACE and the Auckland Festival Trust to employ interns to develop and engage with new Asian audiences and communities.

Creative New Zealand, Chief Executive Stephen Wainwright said it was important for the agency to find innovative ways of encouraging the diverse communities in New Zealand to get involved with the arts, both as participants and audiences.

The internships are the result of a collaborative project between Creative New Zealand, Auckland City Council and ASB Community Trust, which resulted in publication of the report, *Asian Aucklanders and the Arts: Attitudes, attendance and participation*. In discussions with the Asian community the partners agreed internships would be the best next steps towards building the relationship between Auckland arts organisations and the Asian community. The scheme began in January 2010.

Impact 3: Developing Potential

Artists, practitioners and organisations are supported to broaden, deepen and diversify their audiences.

WHAT WE DID

In 2009/10, Creative New Zealand delivered advice and capability-building initiatives to artists, arts practitioners and arts organisations, including programmes targeting leadership, governance, internal organisational systems and processes, and audience development.



Writer and performer Jacob Rajan as Kutisar in *The Guru of Chai* by Indian Ink Theatre Company (see story below). Photo courtesy of Indian Ink Theatre Company.

The audience and market development programme supports this impact. In 2009/10, the programme ran several initiatives, as outlined below.

- The third **21st Century Arts Conference** was held in Christchurch in June 2010. The theme was 'Dream it. Do it. Prove it'. It attracted 154 attendees from across the arts sector.
- **Spotlight on Diversity** – the development of the *Arts for All: opening doors to disabled people* publication, produced in partnership with Arts Access Aotearoa. A series of follow-up workshops were held in Auckland, Wellington and Christchurch to help organisations implement practical solutions to inaccessibility.
- **Audience 360°** – this is an online tool for analysing customer information drawn

The Guru of Chai goes from living rooms to the international stage

Indian Ink Theatre Company's *The Guru of Chai* was inspired by the Indian folk story of Punchkin and several meetings between Jacob Rajan and master mask dancer and shadow puppeteer Nyomen Suketra (the inspiration for the play's central character Kutisar).

In a new approach, the play was performed in homes and community venues, allowing the work to be refined and for the company to reach new audiences. Indian Ink will tour the play in New Zealand and is also looking forward to international opportunities after being signed by influential United States agent David Lieberman. Lieberman, who also represents the renowned Kronos Quartet and Tim Robbin's Actors' Gang theatre company, was impressed by *The Guru of Chai* after seeing an excerpt at the Australian Performing Arts Market in Adelaide. Creative New Zealand supported Indian Ink during the development of *The Guru of Chai* and to showcase the work.

from box office systems that brings together customer data daily from any number of arts venues, including different box office systems. This allows Creative New Zealand to access and analyse transactional data to understand the health of the arts market nationally, regionally and by artform. To date, **19** arts organisations and venues are participating in the project.

- **Move on Up** – this programme enables arts organisations to become increasingly vision-led and audience focused. The programme takes up to four organisations through this development process bi-annually. Organisations are selected on the basis of their aspirations towards becoming financially solvent, developing strong leadership, showing strong artistic vision, being open to change and having access to their own audience data. This year’s participant organisations were: Auckland Writers and Readers Festival, Toi Māori Aotearoa, Footnote Dance Company and ARTSPACE.
- **SmART Talk Forums** – in partnership with The Big Idea,¹⁹ Creative New Zealand presented three online forums on branding, online marketing

19 See www.thebigidea.co.nz for further information.

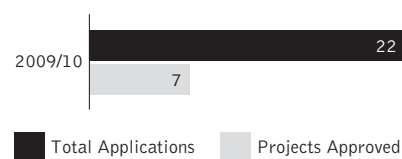
and philanthropy. The forums, branded SmART Talk, feature an expert moderator for the duration of the forum. The moderator is available for contributors to ask advice and questions on specific subjects identified as growth and development areas for arts organisations.

The Arts Organisations’ Development Programme also supports this impact. A programme of 16 workshops covering leadership for governors and senior arts sector leaders, financial human resources and governance skills was provided in 2009/10. All workshops were well attended.

The 2009/10 year was the first full year that the Contestable Funding programme provided the opportunity for artists, arts practitioners and arts organisations to apply for funding to deliver to this impact.

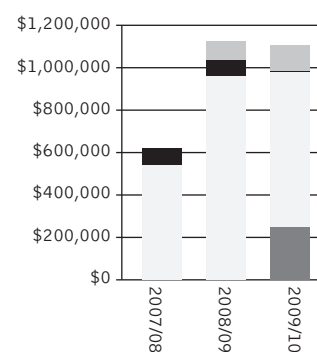
HOW WE PERFORMED

Figure 31: Developing Potential: Applications and projects approved through the Contestable Funding programme



The Arts Board, Te Waka Toi and Pacific Arts Committee received **22** applications through the Contestable Funding programme in 2009/10 that aimed to contribute to this impact and **7** projects were awarded a total of **\$247,600**.

Figure 32: Total Investment in Developing Potential



- Conferences/events
- One-off RFO Capability Building
- Capability-building programmes
- Contestable Funding

(Note: ‘RFO’ = recurrently funded organisations.)

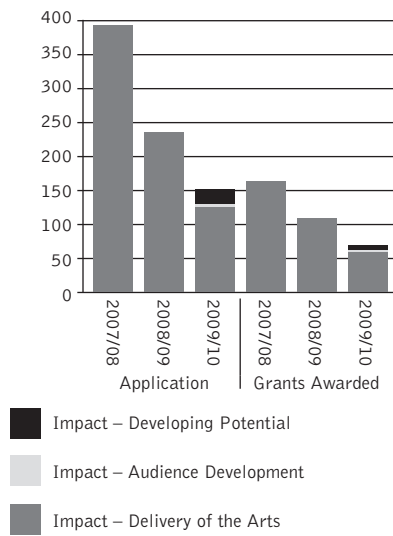
A total of **2** projects (worth **\$23,700**) funded through the Contestable Funding programme in 2009/10 and prior years were satisfactorily completed in 2009/10.

Outcome 3: Summary

Changes to the Contestable Funding programme implemented in February 2009 have resulted in adjustments to the levels of funding awarded to certain outcomes and impacts as the categorisation of applications has become more detailed.

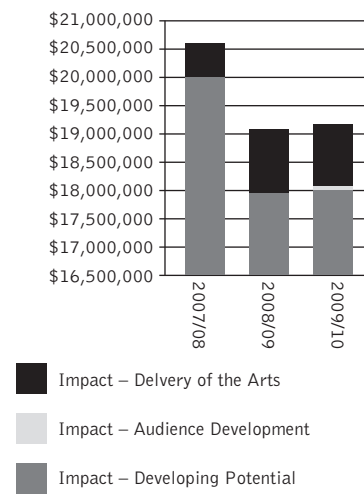
Increased funding to grants and initiatives under Outcome 2 appears to have been at the expense of decreased support to Outcome 3. However, because the changes occurred mid-2008/09, the three years cannot be directly compared and trends have yet to be properly established.

Figure 33: Outcome 3: Trends in applications and approvals by impact (Contestable Funding programme)



Delivery of the Arts was the primary category for a substantial proportion of total grants and initiatives awarded through the pre-February 2009 Contestable Funding programme. The decline in numbers of applications and grants for this impact is clearly shown in Figure 33.

Figure 34: Total investment in Outcome 3 (includes all recurrently funded organisations not reported elsewhere)



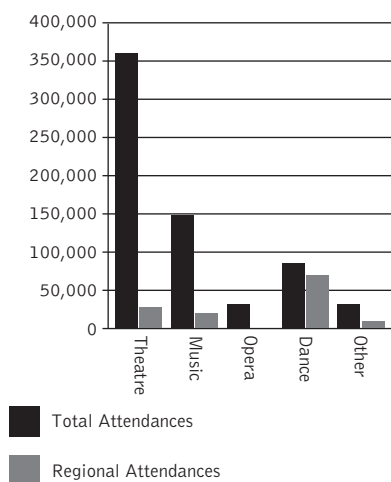
As in Figure 33, the decline in applications and grants under Delivery of the Arts is reflected in the dollar values invested.

MEDIUM TO LONG TERM SUCCESS

Creative New Zealand's Statement of Intent 2009–12 lists several performance measures designed to measure success related to Outcome 3.

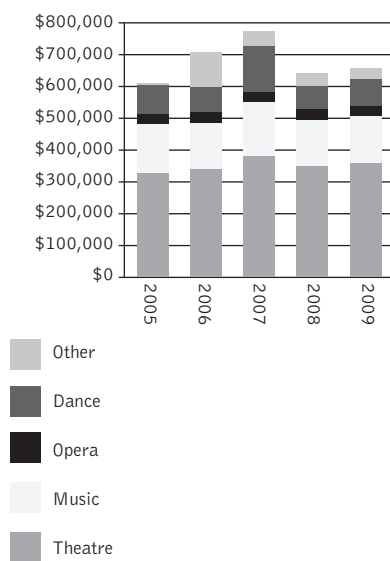
Impact	Performance measure	Standard	Proof of performance
Short to medium term			
New Zealanders in Auckland, Wellington, Christchurch and Dunedin have regular access to arts experiences	The number of presentations delivered per geographical location	Maintain or increase presentations per location based on 2005–2008 baseline data	The information that Creative New Zealand has on events and attendances is not recorded by geographical location Some information is available for 2009/10 on a main centre/provincial centre split as shown in Figure 35
New Zealanders in identified provincial centres have regular access to arts experiences			
The range of arts experiences available reflects New Zealand's diverse population	The number of projects delivered through contestable funding that have high scores for cultural diversity	As this is a new funding criterion the benchmark for this will be established in 2009/10	The measure has been tracked during 2009/10 132 grants (out of 467) were awarded to applications with a high/very high score for cultural diversity (score = 6 or 7)
Artists, practitioners and organisations are supported to broaden, deepen and diversify their audiences	Artists, practitioners and organisations agree that participation in programmes has enabled them to increase their skills or knowledge	90–100% satisfaction rate	Refer to Statement of Service Performance – Output 2 – Capability Building for detailed information
Long term			
New Zealanders access high-quality arts experiences	The number of regions that have demonstrated increased participation	Increase attendance in each region	Creative New Zealand does not have regional attendance figures other than for 2009. Figure 36 shows total attendances as an overall trend indicator

Figure 35: Total and regional attendances at performances by recurrently funded organisations, 2009



The results shown in Figure 35 have been supplied by individual recurrently funded organisations and are not necessarily prepared on a common basis. They should be treated as indicative only.

Figure 36: Total attendances at performances/events by recurrently funded organisations, 2005–2009,²⁰ by artform



The results shown in figure 36 have been supplied by individual recurrently funded organisations and are not necessarily prepared on a common basis. They should be treated as indicative only.

²⁰ These figures are for the calendar year, not the financial year and do not include data from all recurrently funded organisations.

Outcome 4: New Zealand Arts Gain International Success

Creative New Zealand aims to position the best of New Zealand's arts and artists internationally, working collaboratively with its partners to achieve lasting success in target markets. Target markets include Australia, Asia and the West Coast of North America, plus specific events such as Talente and the Venice Biennale.



Performers Kali Kopae, Jason Chasland, Martyn Wood and Nikita Tu-Bryant from New Zealand's first opera for children, *Kia Ora Khalid*, Capital E National Theatre for Children (see story below). Photo courtesy of Capital E.

Most of the activity under Outcome 4 is substantially different from that under the other outcomes. Support is generally targeted interventions by Creative New Zealand in order to meet its strategic goals, rather than contestable applications.

Impact 1: New Zealand's Distinctive Voice is Heard Overseas

The development and presentation of distinctive, high-quality, 'internationally ready' art is supported.

Artistic links between tūngata whenua and other first-nations people are supported.

WHAT WE DID

One of the flagship projects under this impact is attendance at the Venice Biennale. Creative New Zealand supported two artists to the 2009 Biennale held from June to November 2009 and

Capital E tells a story that speaks to all

On a school playground, Tom stands separate from Khalid, unwilling to let an Afghan refugee join his lunchtime game of rugby. Trang, a first generation Cambodian New Zealander, and Serena, a migrant from Samoa, are torn between loyalty to Tom and compassion for Khalid. A punch is thrown and lands in the wrong place. As Serena's and Khalid's stories overlap in an ominous way, Khalid is forced to tell a reluctant tale.

Capital E National Theatre for Children has united leading New Zealand artists to create a musical journey that takes the audience across continents to discover that we don't have to look far to find the refugee story in all of us. From New Zealand and the island paradise of Samoa to Kabul and the killing fields of Cambodia, *Kia Ora Khalid* tells a fascinating story of four children struggling to claim their place. Showcased at the 2010 Australian Performing Arts Market in Adelaide, *Kia Ora Khalid* will be performed in Melbourne in October 2011 supported through Creative New Zealand's International programme.



invested \$593,733 in this project, with the balance of the funding coming from private sources.

Painter Judy Millar's project, *Giraffe-Bottle-Gun*, was installed in the neo-classical, circular church, La Maddelena, and designed to create tensions between notions of inside and outside, large and small, and real and illusionistic space. The largest piece in Millar's exhibition, sited in the centre of the church, was a painting in the round, which bulged and intruded into the viewer's space in three dimensions. In other parts of the church, oddly shaped canvasses leant against the walls, stretching their elongated necks to the ceiling, making obvious their temporary

More than 100 canoes representing first-nations people are welcomed to the Suquamish reservation at the end of the Great Canoe Journey 2009 (see story below). Photo: courtesy of Travis Mercier, Confederated Tribes of Grande Ronde.

Historic canoe journey builds links between first-nations people

Thousands of kilometres of ocean may separate them, but first-nations people from the United States, Canada and New Zealand came together for the Great Canoe Journey 2009 in Puget Sound, Washington State.

Māori carver, Dr Takirangi Smith, and six other Māori artists – two weavers and four other carvers – and a filmmaker, joined 100 canoes for the five-day, 180 nautical mile trip. The roopu were guests of the Skokomish people and their double waka was the first Māori-made vessel to make the journey.

Dr Smith met the Skokomish when he was the 2006 Toi Sgwigwialtxw artist in residence at Evergreen State University in Olympia, Washington. At that time, he carved one of the waka used for the 2009 journey. A second waka was made the following year in Tacoma for the Tall Ships Festival at the invitation of local chief, Phillip Redeagle.

The canoes were hosted by the Suquamish tribes of Puget, with performances, story-telling and other cultural exchanges made at each stop. The project was funded by a \$12,000 grant from Te Waka Toi, the Māori Arts Board of Creative New Zealand. Also participating in the 2009 journey as guests of the Confederated Tribes of Grand Ronde, Oregon were representatives of Toi Māori, Tamahou Temara and Francis Mamaku.

placement in Venice and their provisional relationship with this place of worship and belief.

Sculptor Francis Upritchard's installation, *Save Yourself*, included clusters of figures situated on table-like wooden platforms extending out from the base of giant antique mirrors. Each grouping occupied an imaginary landscape that existed in an indeterminate historical period. The figures populating these fantasy scenes were detailed with a psychedelic surface and a handmade quality. They were searchers, dreamers, dancers; consumed by their acts of meditation or lost in reverie.

Creative New Zealand's International touring programme supported artists appearing overseas including:

- performances by New Zealand artists/companies at two indigenous exchange events – Planet IndigenUs in Canada (seven artists) and The Dreaming in Brisbane (three artists)
- a group of eight New Zealand writers attending seven international literary festivals
- a tour of Australia and Europe by Mau Dance Company
- appearances by Pacific Curls at the Winter Olympic Games and the Talking Stick Festival in Canada
- tours for Ladi6, Batucada Sound Machine, Kora, Apollo 13 and Julia Morrison.

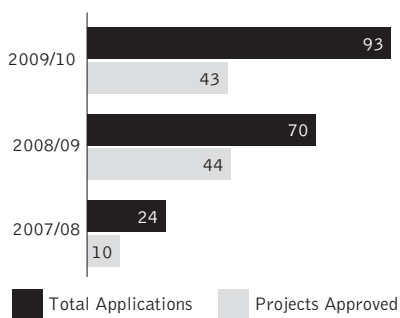
Artists join the international touring programme having first attended one of the markets or fairs²¹ to which Creative New Zealand supports access or by participating in the incoming visitors programme and then by receiving an invitation to tour overseas from an international presenter.

The 25 touring projects that contributed to this impact were supported through the International Funding programme in 2009/10, with a total of \$187,612 awarded to artists, arts practitioners and arts organisations.

21 The markets and fairs are reported against in Impact 2: Market Development under Outcome 4.

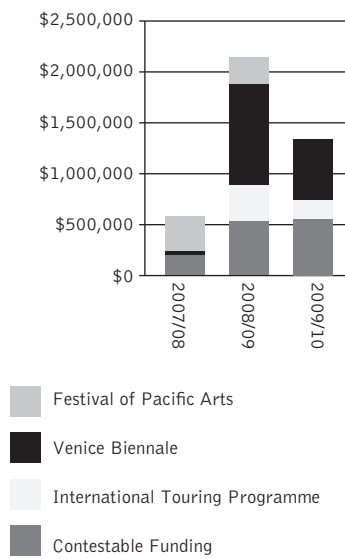
HOW WE PERFORMED

Figure 37: New Zealand's Distinctive Voice is Heard Overseas: Applications and projects approved through the Contestable Funding programme



In addition to the targeted initiatives undertaken through the International Funding programme, the Arts Board, Te Waka Toi and Pacific Arts Committee considered 93 applications for contestable funding against this impact and 43 grants worth \$558,499 were approved.

Figure 38: Total investment in New Zealand's Distinctive Voice is Heard Overseas



A total of 40 projects valued at \$412,901 funded through the Contestable Funding programme in 2009/10 and prior years were satisfactorily completed in 2009/10.

Impact 2: International Market Development

International markets and audiences for New Zealand art are developed.

WHAT WE DID

Through the International Funding programme Creative New Zealand supported 38 individuals and 18 organisations to attend 7 international markets or fairs including:

- Talente, Munich
- Frankfurt Book Fair
- Australian Performing Arts Market, Adelaide
- Australasian World Music Expo, Melbourne
- Melbourne Arts Fair
- Western Arts Alliance Performing Arts Market, Phoenix, United States



Ladi6 (Karoline Tamati) described by London's Metro Magazine as 'One to Watch' (see story below). Photo courtesy of *Ladi6*.

- World Music Expo, Copenhagen.

The programme also brought 49 overseas presenters, agents, directors and other international

experts into New Zealand to attend local events and work with arts organisations.

International opportunities for New Zealand musicians developed

The World Music Expo (WOMEX) in Europe and annual Australasian World Music Expo (AWME) are important forums for showcasing New Zealand music.

In 2009 Creative New Zealand supported a delegation of five managers representing artists at WOMEX and a host of New Zealand musicians showcased their talent at AWME in Melbourne. Present at both international markets was agent Rebecca Caughey representing *Ladi6*. As a result of her attendance several invitations were received for Karoline Tamati (*Ladi6*) who has subsequently performed more than 60 shows in Europe and the United Kingdom.

As part of this international initiative, a CD of contemporary New Zealand music was also compiled for distribution at AWME and WOMEX. The Pacific Arts Committee and Creative New Zealand International touring fund provided funding of \$7,500 towards the *Ladi6* European tour.

Young New Zealand talent showcased in Europe

Young New Zealand artists Jacqui Chan and Mike Crawford showcased their work at the prestigious European exhibition of emerging talent in design, technology and craft, *Talente*, in Munich.

Now in its 30th year, *Talente* offers a platform for young artists to launch their creative careers to a European market. Both Jacqui and Mike were selected to exhibit because of their stand-out experimental approach to materials and craft design techniques. They were funded by Creative New Zealand to attend with mentor Fran Allison, who advised the artists on how to make the most of their time at the exhibition and introduced them to key contacts.

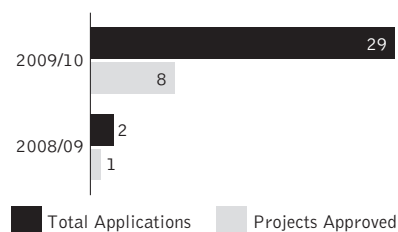
Creative New Zealand's international team, in liaison with the craft/art community, identified the show as an important development opportunity for New Zealand artists. In addition to Jacqui and Mike, artists Amy Li and Gillian Deary were also selected to present work at *Talente*.

Market Development is one of the key aspects of Creative New Zealand's International Strategy, which guides investment under Outcome 4.

The results of market development investments are not always realised in the investment year because it takes time to build an effective presence in a new market and expand the relationships required for success.

HOW WE PERFORMED

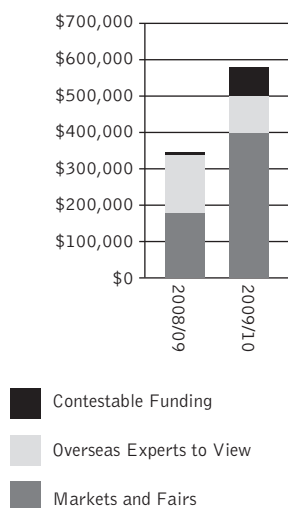
Figure 39: International Market Development: Applications and grant approvals through the Contestable Funding programme



The 2009/10 year was the first full year that applications could

be made from the Contestable Funding programme against this impact, so results from a full three-year period are not available.

Figure 40: Total investment in International Market Development



Total International market development funding under this impact is \$499,830.

The Arts Board, Te Waka Toi and Pacific Arts Committee supported a further 8 projects, with grants

totalling \$81,079 awarded through the Contestable Funding programme in 2009/10.

A total of 2 projects worth \$14,812 funded through the Contestable Funding programme in 2009/10 and prior years were satisfactorily completed in 2009/10.

Impact 3: Developing Potential

The arts sector is supported to build skills and capabilities for engaging internationally.

WHAT WE DID

In 2009/10, Creative New Zealand began an integrated series of workshops designed to support artists, arts practitioners and arts organisations wanting to engage internationally. Workshops covered topics such as intellectual property rights, contracts and negotiation, winning sales pitches, project management, tour logistics, tax and visas, international marketing and finance. The workshop series runs across the 2009/10 and 2010/11 years.

In addition, Creative New Zealand took 13 performance, music and installation artists to Singapore for a cluster project, ConversAsians; brought 8 international curators to the New Zealand Indigenous Exchange – First Nations Curators event; took 7 New Zealand artist managers to Te Manu Ka Tau Music (Sounds Aotearoa); and created an international tax and visa resource that is available to everyone via the Creative New Zealand website.

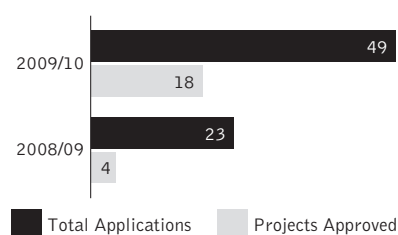


APOLLO 13: Mission Control enjoyed a highly successful season at the Sydney Opera House in March 2010 (see story over). Photo taken at the New Zealand International Arts Festival 2010, courtesy of Philip Merry.

HOW WE PERFORMED

The results of the initiatives above are not always realised in the investment year.

Figure 41: Developing Potential: Applications and projects approved through the Contestable Funding programme



The Arts Board, Te Waka Toi and Pacific Arts Committee supported **18** projects, with grants totalling **\$139,356** awarded through the Contestable Funding programme in 2009/10.

The 2009/10 year was the first full year that applications could be made from the Contestable Funding programme against this impact, so results from a full three-year period are not available.

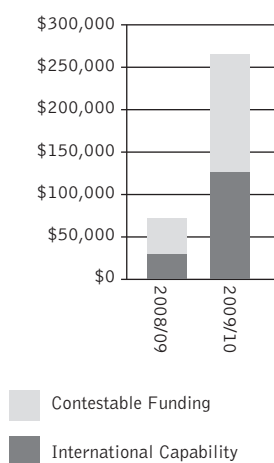
International touring skills developed

Building skills for international touring is the motivation behind the new Creative New Zealand programme *Succeed on the World Stage*. Presented in collaboration with WHK Gosling Chapman, the workshops are designed to help managers, producers, agents, publishers and those working in the arts to plan and execute an international tour. Mark Westerby, producer and general manager of *APOLLO 13: Mission Control*, wanted an understanding of the challenges he might face when taking projects overseas.

The international touring workshops have really equipped me with the knowledge and contacts that make the transition to the international stage seem less overwhelming. The speakers – all incredibly knowledgeable – demystified subjects like international tax, logistics, freight and visas. I have been able to directly apply the programme to ... APOLLO 13 as we are currently negotiating seasons for the show in Australia, the United States and the United Kingdom.

Mark Westerby, *APOLLO 13: Mission Control*

Figure 42: Total investment in Developing Potential



A total of **11** projects (worth **\$59,031**) funded through the Contestable Funding programme in 2009/10 and the previous year were satisfactorily completed in 2009/10.

Outcome 4: Summary

The International Funding programme and most internationally focused activities have grown substantially in the past three years, reflecting the implementation of Creative New Zealand's International Strategy from 2009 onwards.

Figure 43: Outcome 4: Trends in applications and approvals by impact (Contestable Funding programme)

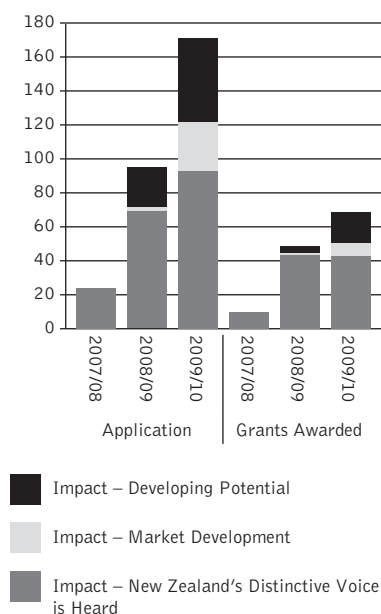
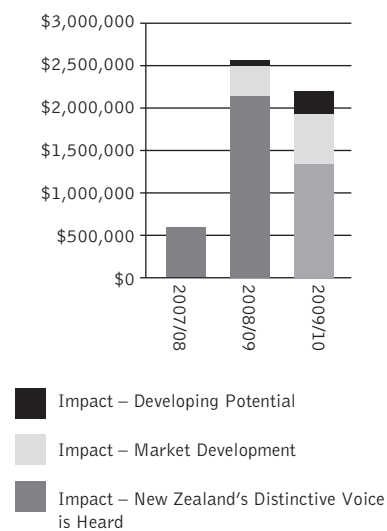


Figure 44: Outcome 4: Trends in total investment by impact



Investment in the 2009 Venice Biennale is reflected in the spike in funding for 2008/09 compared with 2009/10 shown in Figure 44 (see Figure 38 for the detail).

MEDIUM TO LONG TERM SUCCESS

Creative New Zealand's Statement of Intent 2009–12 lists several performance measures designed to measure success related to Outcome 4.

Impact	Performance measure	Standard	Proof of performance
Short to medium term			
The development and presentation of distinctive, high-quality 'internationally ready' art is supported	The number of projects that are presented at key international events and markets	Because these are new funding criteria the standards of delivery will be established in 2009/10	See Statement of Service Performance Output 3: Advocacy for attendance at markets and fairs against targets
International markets and audiences for New Zealand art are developed	Sale of work per key market		The International touring programme is targeted at key markets – see Statement of Service Performance Output 1.4: International Funding . Each tour supported is a direct result of an invitation or sale following appearance at one of the capability-building performance events (eg WOMEX)
The arts sector is supported to build skills and capability for engaging internationally	The number of artists listed as having international potential who move to being internationally ready		Data not available Experience has shown that artists can move onto the potential list and then from international potential to internationally ready too quickly for this to be useful as an annual measure of performance
Artistic links between tāngata whenua and other first-nations people are supported	The number of projects satisfactorily completed that contribute to artistic links		4 projects completed: <ul style="list-style-type: none"> • Festival of the Pacific Arts • Planet IndigenUs • The Dreaming • indigenous curators' exchange
Long term			
New Zealand art gains international success	Artists and works presented at key international events and markets receive positive critical acclaim and invitations for further international engagement		Feedback on acclaim and subsequent invitations is collected at the individual project level but not yet in a format that supports easy reporting

Part Three:
Governing Creative
New Zealand

Te Whakahaere i a Toi Aotearoa

Creative New Zealand's Governance Structure

Ngā tikanga whakahaere a Toi Aotearoa

Creative New Zealand's structure is determined by the Arts Council of New Zealand Toi Aotearoa Act 1994 (the Act). The structure consists of:

- the Arts Council
- two arts boards: the Arts Board and Te Waka Toi (the Māori arts board), and
- the Pacific Arts Committee, which is a committee of the Arts Board.

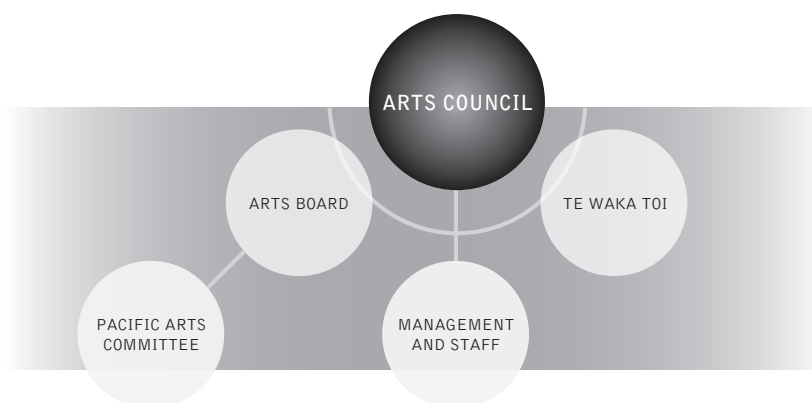
Role of the Arts Council

The Arts Council of New Zealand Toi Aotearoa is the governing board of Creative New Zealand.

Members of the Arts Council are appointed by the Minister for Arts, Culture and Heritage. The Minister must consult with the Minister of Māori Affairs before appointing Māori members.

The Arts Council is responsible for:

- setting Creative New Zealand's policy and strategic direction
- allocating funding to the arts boards for them to invest



- delivering funding in accordance with the allocation decisions of the arts boards
- undertaking specific initiatives aimed at achieving its goals.

The Arts Council is also responsible for, and monitors, the overall performance of Creative New Zealand and the arts boards.

The Arts Council has three committees, which undertake work on its behalf – the:

- Finance, Risk and Audit Committee
- Chief Executive Performance Review Committee
- Chairs' Committee.

FUNCTIONS OF THE ARTS COUNCIL

The Act sets out the Arts Council's principal functions in section 7. They are to:

- encourage, promote and support the arts in New Zealand for the benefit of all New Zealanders
- recognise in the arts the role of Māori as tāngata whenua
- promote the development of a New Zealand identity in the arts
- encourage, promote and support the arts of the Pacific Islands' peoples of New Zealand and the arts of New Zealand's diverse cultures
- determine the level of funding that should be available for each arts board to allocate

- deliver funding in accordance with the allocation decisions of the arts boards
- formulate policies for the direction of the arts boards
- ensure that the arts boards encourage, promote and support professional and community arts
- uphold and promote the rights of artists and the right to freedom in the practice of the arts
- maintain relationships with other agencies and organisations
- give advice to the Minister for Arts, Culture and Heritage on any matter relating to or affecting the Arts Council's functions.

The Council carries out its statutory functions with funds provided by the Government through Vote: Arts, Culture and Heritage and the New Zealand Lottery Grants Board, and it is accountable to the responsible Minister.

Role of the Arts Boards

The Act establishes two funding boards, the Arts Board and Te Waka Toi. The Act also establishes the Pacific Arts Committee as a committee of the Arts Board.

The members of the two arts boards are appointed by the Minister for Arts, Culture and Heritage. The Minister consults with the Minister of Māori Affairs before appointing members to Te Waka Toi. Members of the Pacific Arts Committee are appointed by the Arts Board and the committee is chaired by an Arts Board member.

Creative New Zealand's *Strategic Plan 2007–10* provides direction for the arts boards.

FUNCTIONS OF THE ARTS BOARDS

The general functions of the arts boards reflect those of the Arts Council. The boards are required to:

- encourage, promote and support the arts in New Zealand for the benefit of all New Zealanders
- recognise in the arts the role of Māori as *tāngata whenua*
- promote the development of a New Zealand identity in the arts.

In carrying out those general functions, the arts boards have these specific functions:

- to allocate available funding to arts projects for professional and community arts.

(The Arts Board allocates funding for the arts in New Zealand generally, but also specifically for the arts of the Pacific peoples (through the Pacific Arts Committee) and for the diverse cultures of New Zealand. Te Waka Toi allocates funding for Māori arts.)

- to establish mechanisms for peer assessment and guidelines for allocating funding
- to set guidelines for designated community arts providers
- to ratify and monitor funding decisions.

The arts boards also:

- make such inquiries, and provide the Arts Council with such reports, in connection with any matter referred by the Arts Council, as the Arts Council directs
- perform such functions as may be delegated under section 73 of the Crown Entities Act 2004
- keep the Arts Council fully informed of all activities in their area of responsibility
- co-operate fully with and assist the Arts Council and each other in the carrying out of their functions.

Role of Committees

There are three committees of the Arts Council that undertake work on its behalf: the Finance, Risk and Audit Committee, Chief Executive Performance Review Committee and Chairs' Committee. Their roles are outlined below.

- The **Finance, Risk and Audit Committee** meets bi-monthly to ensure Creative New Zealand

meets accounting and financial reporting standards, monitors risk, receives advice from auditors and makes recommendations to the Arts Council on financial policy.

- The **Chief Executive Performance Review Committee** meets as required to monitor the performance of the Chief Executive.
- The **Chairs' Committee** is advisory only and meets

as required to advise the Arts Council Chair on the implementation of Council policy and delivery of organisational processes as they apply to the arts boards and to ensure communication between the Arts Council and arts boards. In addition, the Chairs of the arts boards and the Pacific Arts Committee attend meetings of the Arts Council.

Arts Council / Arts Board / Pacific Arts Committee Membership

Membership of the Arts Council, boards and Pacific Arts Committee as of 30 June 2010 is outlined below.

Council	Appointed	Current term expires
Alastair Carruthers (Chair)*	1 July 2007	30 June 2010
Oscar Kightley**	16 July 2007	30 June 2010
Erima Henare	1 July 2008	30 June 2011
Jimmy Wallace	1 July 2009	30 June 2012
Anne Rush	1 July 2009	30 June 2012
Helen Kedgley	1 November 2009	31 October 2012
Dame Judith Binney	1 November 2009	31 October 2012 Resigned 13 July 2010

Notes

* Reappointed for a one-year term.

** Term expired on 30 June 2010 and a new appointment was made effective 1 July 2010 (see below under New Members).

Arts Board	Appointed	Current term expires
Alan Sorrell (Chair)*	1 July 2007	30 June 2010
Terry Snow	1 June 2005	30 June 2011
Michael Prentice	1 July 2006	30 June 2012
Pele Walker	1 July 2006	30 June 2012

Arts Board CONTINUED	Appointed	Current term expires
Sid Ashton**	1 July 2007	30 June 2010
Penny Eames**	1 July 2007	30 June 2010
Nandor Tanczos	1 July 2009	30 June 2012

Notes

* Reappointed for a one-year term.

** Terms expired on 30 June 2010 and new appointments were made effective 1 July 2010 (see below).

Pacific Arts Committee	Island representative	Appointed	Current term expires
Pele Walker (Chair)		July 2006	July 2012
Rev Suamalie Iosefa*	Tuvalu	October 2003	June 2009
Taniela Vao	Tonga	August 2007	August 2010
Ema Tavola	Fiji	August 2007	August 2010
Matafetu Smith	Niue	June 2008	June 2011
Frances Hartnell	Cook Islands	June 2008	June 2011
John Puka	Tokelau	December 2008	December 2011
Fuimaona Karl Pulotu-Endemann	Samoa	August 2009	August 2012

Note

* Reappointment decision pending.

Te Waka Toi	Appointed	Current term expires
Darrin Haimoana (Chair)	1 July 2006	30 June 2012
Marina Sciascia	1 June 2005	30 June 2011
Te Kāhautu Maxwell	1 July 2008	30 June 2011
John Huria	1 July 2008	30 June 2011
Kura Te Waru Rewiri	1 July 2008	30 June 2011
Matanuku Mahuika	1 July 2009	30 June 2012
Nathan Gray	1 July 2009	30 June 2012

New Members

Several new members have been appointed to the Arts Council and Arts Board effective 1 July 2010. The new appointments are listed below.

	Body	Appointed	Current term expires
Emeritus Professor John Davidson	Arts Council	1 July 2010	30 June 2013
Anne Rush	Arts Board (also a member of the Arts Council)	1 July 2010	30 June 2011
Jocelyn Afford	Arts Board	1 July 2010	30 June 2011

Directions from the Minister

Creative New Zealand did not receive any directions from the Minister for Arts, Culture and Heritage in 2009/10.

Acts in Breach of Statute

Creative New Zealand cannot act in a way that is contrary to, or outside the authority of, an Act of Parliament. Creative New Zealand has not performed any *ultra vires* transactions (section 19 of the Crown Entities Act 2004).

Permission to Act

Under the Crown Entities Act 2004, a member who is interested in a matter relating to a Crown entity must not vote or take part in any discussion or decision of the board or any committee relating to that matter. However, the Chair of a Crown entity may exempt one or more board members from this requirement if it is in the public interest to do so (section 68(6) of the Crown Entities Act 2004). No exemptions were granted in 2009/10.

Governance and Management

The Arts Council delegates to the Chief Executive authority to manage the operational performance of Creative New Zealand. These delegations are detailed in Creative New Zealand's Delegations Schedule, which is approved by the Arts Council.

The roles of governance and management are well defined and there is a successful working relationship between the governors and senior management team at Creative New Zealand.

Creative New Zealand's senior management team comprises the following people:

Chief Executive: Stephen Wainwright		
Arts Development	Manager: Cath Cardiff	<p>The Arts Development team is divided into the programmes team and the strategy team. Both teams provide advice to the Arts Council, Arts Board and Pacific Arts Committee. Advisers from these teams combine their sector knowledge with expert advice from the other Creative New Zealand teams and their networks in the sector, including external assessors.</p> <p>The programmes team works directly with artists and arts organisations and manages contestable funding programmes (including the Creative Communities Scheme), initiatives and special opportunities for artists.</p> <p>The strategy team works on specific policy and strategy projects. These can cover sector, pan-arts and artform strategies, and issues and major reviews.</p>
Arts Infrastructure Services	Manager: Jane Clarke	<p>The Arts Infrastructure Services team supports the development of a sustainable infrastructure for the arts sector. This is achieved through the recurrent funding of invited arts organisations, building capability through targeted training and strategic intervention and also by developing initiatives that strengthen markets and audiences within New Zealand.</p>
Business Services	Manager: Angus Evison	<p>The Business Services team provides administration, grants processing, accounting, information technology, records management and human resource services to the organisation.</p>
International	Manager: Carla van Zon	<p>The purpose of the International team is to promote New Zealand arts internationally, build and strengthen international relationships and develop international markets and audiences for New Zealand art.</p> <p>The team also assists artists, arts practitioners and arts organisations to develop their work to an international level and to gain the skills required to present their work internationally.</p>
Māori Arts Services	Manager: Muriwai Ihakara	<p>The Māori Arts Services team provides leadership to Creative New Zealand management and staff on Māori arts issues, artform advisory services and advice on strategies for arts development for Māori. It also advises on the allocation of Creative New Zealand funding to the Māori arts sector.</p> <p>The team contributes strategic advice to support the implementation of the Creative New Zealand strategic direction and oversees the servicing of Te Waka Toi.</p>
Planning Performance and Stakeholder Relations	Manager: Elizabeth Beale	<p>The Planning, Performance and Stakeholder Relations team manages communications with the media and other stakeholders, initiates and implements advocacy initiatives, produces publications, and provides information to the arts sector and members of the public.</p> <p>The team also manages government relations, including accountability documents, public and government requests for information, business planning and governance policy.</p>

Managing Organisational Health

Te whakahaere i te ora o te tari

Creative New Zealand recognises that its organisational culture and its people, systems, processes, decision making and relationships are critical in enabling it to achieve its outcomes. Its organisational health and capability goals are aligned with the Equal Employment Opportunities principles.

Creative New Zealand employs 50.4 full-time equivalent staff (52 individuals), including 5 part timers and 4 staff on fixed-term contracts replacing staff on parental leave or secondments.

Key organisational health highlights and achievements are listed below.

BEST ORGANISATIONAL CULTURE

- Creative New Zealand has in place a strategy for partnering with Māori.
- The organisation again participated in the Best Workplaces Survey and the overall result was an

improvement on the two previous years.

- Across the organisation a variety of initiatives were developed to lift performance further, including offering training and implementing 360° assessments for management.
- Health and safety:
 - all new staff received workplace assessments
 - all staff were offered flu vaccinations.

BEST PEOPLE

- All staff were provided with training and development opportunities during the year. Many of these were tailored to specific individual needs, and others, such as the Plain English Writing programme, were offered across the whole organisation. Te reo Māori training continues to be offered.
- Senior staff took part in a 360° feedback programme to aid with their development as managers.
- Several managers were offered leadership development training.
- The staff turnover rate for the year to 30 June 2010 was 11.5%.

BEST RELATIONSHIPS

- In 2009/10, Creative New Zealand made submissions on:
 - draft legislation and funding plans for the new Auckland Council governance structure
 - several draft annual plan and arts policy documents from local government
 - Standards New Zealand's Draft Code of Funding Practice.
- As part of its advocacy strategy, Creative New Zealand commenced research into ways to strengthen private sector support for the arts.
- Creative New Zealand has continued to maintain and develop relationships with key stakeholders, including local authority partners.

BEST THINKING AND DECISIONS

- Creative New Zealand has begun the development and implementation of a Balanced Scorecard to provide management with improved decision-making tools. Implementation will be completed in 2010/11.

- In 2009/10, Creative New Zealand:
 - completed research into the health of Māori Heritage Arts
 - published research into the health of Pacific Heritage Arts and presented the results to key stakeholders
 - began a research project into young and emerging artists.
- Creative New Zealand also undertook a major review of the Recurrent Funding programme, including undertaking consultation with organisations currently in receipt of recurrent funding, with the wider arts sector and members of the general public. The results of the review were published in July 2010 and will be implemented in 2010/11. New funding programmes will apply from July 2012.

BEST GOVERNANCE AND MANAGEMENT

- Creative New Zealand has in place a comprehensive Governance Manual and Delegation Schedule assigning responsibility to the Arts Council, arts boards and management.

- An annual meeting calendar is established for the Arts Council, arts boards and committees and a work plan is in place for each.
- Members are aware of the duty to manage existing and potential conflicts of interest. A conflict of interest register is maintained, and meeting processes support individual members to manage all existing and potential conflicts of interest.
- New Arts Council, arts board and committee members receive a comprehensive induction to Creative New Zealand and their specific roles.
- The Arts Council of New Zealand Toi Aotearoa Bill was introduced to Parliament in June 2010.
- Creative New Zealand has developed a governance transition project to ensure, subject to the new legislation being passed:
 - the new Arts Council, once appointed, is able to assume its responsibilities and fulfil its functions from day one
 - there is minimal or no disruption to external clients who use Creative New Zealand's services

- stakeholders, customers and clients are informed of the changes in a timely manner.

BEST STRUCTURES AND PROCESSES

- Creative New Zealand has developed an overarching ICT strategy of making better use of 21st century tools. As an indication of the plan, at June 2010, grants management and financial systems are being reviewed, (including being part of the team involved in the 'all of government' approach to granting). The capability of the infrastructure is to be increased to provide improved connections between the offices; this will incorporate video conferencing, and better disaster recovery.
- The Finance, Risk and Audit Committee maintains an overview of Creative New Zealand's financial position, risk management and legislative compliance.

Performance measure	Standard	Proof of performance
Best organisational culture		
Employee satisfaction levels	10% increase over three years, measured by the Best Workplaces Survey	<p>Overall Performance Index:</p> <p>August 2008: 68.6%</p> <p>August 2009: 70.7%</p> <p>August 2010: 77.0%</p> <hr/> <p>Culture and Values Index:</p> <p>August 2008: 71.0%</p> <p>August 2009: 70.7%</p> <p>August 2010: 79.0%</p> <hr/> <p>Overall Perceptions Index:</p> <p>August 2008: 73.1%</p> <p>August 2009: 76.0%</p> <p>August 2010: 78.7%</p>
Implement initiatives to enhance organisational culture based on staff feedback		Management and leadership training was offered as a result of past feedback from the Best Workplaces Survey
Best people		
Staff undertake learning and development opportunities	90% each year	100% of staff were offered training and development opportunities; in some cases, more than one opportunity, in 2009/10
Implement training in management and leadership development		<p>15 managers underwent 360° assessments and follow-up coaching to build management and leadership skills</p> <p>Four managers also attended a residential leadership development programme and two others attended a conference on leadership</p>
Best relationships		
Client/stakeholder satisfaction rate	To be developed	Benchmark research planned for 2010/11
Implement a proactive plan for advocacy	To be developed	Advocacy strategy to be reviewed in 2010/11

Performance measure	Standard	Proof of performance
Best Thinking and Decisions		
Benchmark data is increasingly available for all funding programmes	Benchmark data is available for the Contestable Funding programme and aspects of the International programme Creative Communities Scheme data is expected to be available by end 2010/11 – the first year of the revised scheme Data for the new programmes replacing Recurrent Funding will be available in 2012	A monitoring and evaluation manager has been appointed with the responsibility to further develop Creative New Zealand's monitoring and evaluation systems for all funding programmes
Reviewing the success of the new Contestable Funding system		Ongoing improvements are identified after every funding application round. A review and evaluation of the new programmes is planned
Best governance and management		
Annual survey of satisfaction of members of the Arts Council, arts boards and Pacific Arts Committee	80% satisfaction across a range of measures	An average of 80% or over was achieved for the Arts Council, Arts Board, Te Waka Toi and Pacific Arts Committee across a range of satisfaction measures: Arts Board 83% Te Waka Toi 80% Pacific Arts Committee 83% Arts Council 85%
Implementing an improved grant management policy that provides increased transparency for clients		Grants management systems are being reviewed, (including being part of the team involved in the 'all of government' approach to granting)
Best structures and processes		
Contestable Funding applications processed within advertised timeframes	100%	See Statement of Service Performance, Output 1.2: Contestable Funding on page 73
Develop and implement an Information and Communication Technology strategy to improve the efficiency, effectiveness and accessibility of services		An over arching ICT strategy has been developed (see first bullet point above under 'Best structures and processes')

Part Four:
Organisational Performance
Ngā Whakatutukitanga O Te Tari

Non-financial Performance: Statement of Service Performance Ngā Kaupapa Utukore: Te Pūrongo Whakaritenga Ratonga

The Statement of Intent 2009–12 set out the forecast for Creative New Zealand’s outputs for 2009/10.

The following section presents Creative New Zealand’s achievements in 2009/10 through its three main output areas. The structure of the outputs in this Non-financial Performance: Statement of Service Performance has changed between 2008/09 and 2009/10. Consequently, the comparative performance information and figures for 2008/09 have not been audited in this format and are presented for information only.

An overview of the achievements throughout the year is also presented on pages 7 to 67.

Creative New Zealand operates under one output class: *Promotion and Support of Arts and Film*. Funding is received from the Government through Vote: Arts, Culture and Heritage and the New Zealand Lottery Grants Board.

	2010/11 Forecast (\$000)	2009/10 Actual (\$000)	2009/10 Budget (\$000)
Income	40,154	44,474	39,212
Expenditure	41,140	42,555	41,188
Net operating surplus	(-986)	1,919	(-1,976)

Output 1: Funding for Artists, Practitioners and Organisations

Description

Creative New Zealand provides funding to artists, practitioners and organisations and their projects. It provides this funding in a variety of ways:

- funding for organisations by invitation
- as grants in response to applications that meet published criteria
- through initiatives established by the arts boards and Pacific Arts Committee in response to specific needs
- through devolving funds to partners for them to distribute

The four key funding programmes are: **Recurrent Funding**, **Contestable Funding** and **International Funding** and the **Creative Communities Scheme**.

Output 1.1: Recurrent Funding

Description

Creative New Zealand's investment in this programme supports the development of a sustainable infrastructure in the arts sector by funding key arts organisations for a fixed term. With such support, organisations are able to plan one, two or three-year programmes of activity.

Arts organisations must be invited to apply for recurrent funding by the Arts Board or Te Waka Toi.

To be considered, organisations must have a close alignment with Creative New Zealand's outcomes and a proven track record of Creative New Zealand project funding (usually of at least three years' duration). They must also have a strong governance and management structure, and a reputation for delivering quality arts activities or services.

Creative New Zealand regularly monitors the performance of the organisations throughout the year, and works with them to improve their performance, as demonstrated under **Output 2: Capability-building for artists, practitioners and organisations**.

Performance measures

	Notes	Target	% Achieved	2009/10 Actual		2008/09 Actual	
				Number	\$	Number	\$
Quantity							
Number of organisations with signed recurrent funding contracts	1	100%	100%	35/35	16,666,780	36/36	15,161,780
Quality							
Programmes of activity and budgets are approved annually and aligned with Creative New Zealand's strategic outcomes	2	100%	97%	34/35	16,666,780	36/36	15,161,780
Organisations' performances or services are assessed against quality criteria	3	100%	51%	18 Organisations 23 Peer Assessments		22 Organisations 23 Peer Assessments	
Timeliness							
Payments delivered within agreed timeframes	4	100%	100%	439	18,034,279	438	16,566,591

Notes

The figures in the above table are for the 2009/10 financial year. Recurrently funded organisations (RFOs) have traditionally planned and reported on calendar years so comparisons with previous Annual Reports are not possible.

- Dollar value includes core funding only.
- One RFO, MIC Toi Rerehiko, submitted a deficit budget for the 2010 calendar year that Creative New Zealand was unable to approve.
- In the **2009/10 financial year**, 18 RFOs were peer assessed 23 times.
However, in the **2009 calendar year**, 37 peer assessments were undertaken in 27 organisations – that is 77% of the target.
Only one RFO has not been peer assessed in the last two financial years.
Assessments are undertaken by professional peers from within the arts sector, who review at least two performances/exhibitions of the RFO each year. Reviews are undertaken anonymously and only counted when reports are received from the assessor, not when they are commissioned.
- Includes core funding and one-off payments.

Output 1.2: Contestable Funding

Description

Creative New Zealand provides contestable funding through a range of programmes, selecting the best artists, practitioners and organisations and their projects. Approximately **500 projects** are supported each year through the Contestable Funding programme.

A key aspect considered by the Contestable Funding assessment process is how effectively a project will achieve one, or more, of the results ('impacts') that Creative New Zealand is seeking.

There are four main types of grants or investments available through Contestable Funding: Quick Response Grants, Arts Grants, Arts Investments and Sector Investments.

The quality of projects is assessed by Creative New Zealand staff. Arts Grants, Arts Investments and Sector Investments projects are also assessed by external peer assessors. Projects are assessed for artistic quality on a seven-point scale across four areas.

1. The idea: What is it that you want to do?
2. The process: How will you carry out the project and where and when will it occur, and how will you evaluate the completed project?
3. The people: Who is involved?
4. The budget: How much will it cost?

Where relevant, projects are also assessed for their contribution to cultural diversity, innovation and community arts participation. Projects are also assessed against how they meet one or more of Creative New Zealand's impacts.

The Contestable Funding programme includes Special Opportunities (residencies, bursaries, scholarships) and the Toi Ake programme. Applicants are assessed against additional criteria that are specific to these particular programmes. Information about Creative New Zealand's Contestable Funding is available at www.creativenz.govt.nz.

Performance measures

	Notes	Target no. of grants (at least)	2009/10 Actual					2008/09 Actual ¹		
			Grants approved	Approved \$	Grants retired	Retired \$	Balance of grants	Balance \$	Balance of grants	Balance \$
Quantity – Number of projects funded per programme										
Quick Response grants		230	202	1,130,281	3	22,525	199	1,107,756	78	466,073
Arts Grants	2	255	176	4,331,654	1	22,800	175	4,308,854	129	2,768,013
Arts Investments		50	13	1,103,585	–	–	13	1,103,585	2	175,000
Sector Investments		50	58	3,133,865	2	150,000	56	2,983,865	–	–
Special Opportunities	3	15	42	1,360,210	–	19,000	42	1,341,210	18	649,208
Toi Ake		10	5	151,582	–	–	5	151,582	6	140,375
Independent Filmmakers/ Screen Innovation			14	500,000	–	–	14	500,000	34	600,000
<i>For 2008/09 Only</i>										
Arts Board			n/a	n/a					153	3,816,172
Te Waka Toi			n/a	n/a					44	688,913
Pacific Islands Arts Committee			n/a	n/a					20	261,619
Other			n/a	n/a					43	245,528
Subtotal		610	510	11,711,177	6	214,325	504	11,496,852	527	9,810,901
Quality										
Project acquittal rate	4	99%	99.61%						99%	
Timeliness										
Grants processed within published timeframes		100%	100%						100%	

Notes

A new Contestable Funding system was implemented in February 2009, so comparisons with previous years cannot be made at the programme level. The estimated targets laid down in the Statement of Intent 2009–12 (as shown in the Targets column) were initial estimates and have not been achieved. Targets for 2010/11, 2011/12 and 2012/13 have been reduced to reflect proven trends.

1. The 2008/09 figures for Quick Response Grants, Arts Grants, Arts Investments and Sector Investments include only one contestable round in 2008/09; the others were done under the previous programme categories and are reported against the decision-making body (for example, Arts Board).
2. The Arts Grants dollar figure for 2009/10 includes \$7,800 from special funds.
3. Special Opportunities include funding provided to support residencies, fellowships, scholarships, bursaries and awards.
4. A project is satisfactorily completed when a project completion report has been received. Because a project may not be completed in the same year as it is funded, the project acquittal rate presented here includes all contestable projects funded across previous financial years. A total of 522 projects from the 2009/10 year and earlier (worth \$9,289,524) were satisfactorily completed in 2009/10 (as compared with 549 projects worth \$9,396,172 satisfactorily completed in 2008/09).

Output 1.3: Creative Communities Scheme

Description

Established in 1995, the Creative Communities Scheme is a small-grants scheme that supports community arts projects and activities that take place within the local area of a territorial authority (TA). In contrast with the

Recurrent Funding and Contestable Funding programmes, funding under the Creative Communities Scheme is devolved by Creative New Zealand to 73 local authorities, which administer the scheme themselves or through suitable third parties.

Local assessment committees consider applications for funding

under the scheme. Funding decisions are made on the basis of criteria set by Creative New Zealand. Among other things, these criteria seek to promote the uniqueness and cultural diversity of local communities.

This output directly supports **Outcome 1: New Zealanders are engaged in the arts.**

Performance measures

Notes	Target TAs	2009/10 Actual						2008/09 Actual			
		No. of TAs	CNZ allocation	Total available	\$ Grants approved	No. of grants approved	No. of TAs	CNZ allocation	\$ Grants approved	No. of grants approved	
Quantity											
Number of territorial authorities that will distribute Creative Communities Scheme funding	1	73	73	2,800,450	3,126,866	2,924,322	2,418	73	2,613,656	2,728,045	2,333
Quality											
Annual contracts are signed in accordance with the Creative Communities Scheme agreement	100%	100%						100%			

Notes:

- 'CNZ allocation' is the amount transferred by Creative New Zealand to the territorial authorities in the Creative Communities Scheme. 'Total available' includes some unexpended funding from the 2008/09 year that was able to be rolled forward into 2009/10, plus a limited amount of additional resources from other sources that have been allocated to the Creative Communities Scheme by the respective territorial authorities.

Output 1.4: International Funding

Description

Through International Funding, Creative New Zealand identifies opportunities to support individual artists, practitioners, organisations or clusters of artists to tour,

exhibit or perform internationally. International Funding also provides support for a New Zealand work to be performed by an overseas artist or company. This might happen after a New Zealand artist or work has appeared at a trade fair overseas or after a particular market-development initiative.

The delivery of this programme is specific and targeted.

This output directly supports **Outcome 4: New Zealand arts gain international success.**

Performance measures

	Notes	Target	2009/10 Actual		2008/09 Actual	
			Achieved	\$ Cost	Number	\$ Cost
Quantity						
Number of 'internationally ready' artists or organisations to present internationally	1	At least 5	25 (8 individuals, plus 17 organisations or acts)	187,612	20	354,108
Venice Biennale				593,766		987,887
Totals			25	781,378	20	1,341,995
Quality						
Proportion of projects satisfactorily completed	2	At least 85%	3/10 (30%)		n/a	n/a

Notes

- Covers funding to support New Zealand artists touring overseas.
- International project reporting in 2010 was due in August 2010. The figures represent those projects which reported before 30 June 2010. Since the end of the financial year, a further 5 projects have been successfully completed, bringing the total to 8/10 or 80%.
International projects are generally longer term and outcomes take a minimum of six months and potentially up to 18 months to be fully recognised.

Output 2: Capability- building for Artists, Practitioners and Organisations

Description

Creative New Zealand delivers advice and capability-building initiatives to artists, practitioners and organisations. Capability building is provided in several areas, including leadership, governance, internal organisational systems and processes, audience development, market development and to support international engagement.

This output is supported by three key programmes: **Arts Organisations' Development**, **Audience and Market Development** and **International Capability Building**.

Output 2.1: Arts Organisations' Development Programme

Description

This programme delivers capability-building initiatives aimed at increasing the skills of arts organisations and practitioners, including arts leadership.

The delivery of this programme is specific and targeted.

Several of the courses offered in 2009/10 were new; created following a recent survey of the Arts Organisations' Development Programme offerings which found additional needs in the areas of financial skills and human resources.

Performance measures

Capability-building initiatives	Notes	Target		2009/10 Actual				2008/09 Actual	
		Initiatives	Feedback	Achieved	% Positive feedback ¹	Attendees	\$ Cost	Numbers	\$ Cost
Leadership for Governors		3	At least 90% positive feedback	3	71.4% very/highly relevant: 64.3% effective/highly effective	22	93,501	1 workshop 19 participants	67,385
Leading the Arts		4		4	100% relevant/effective	20		4	
Governance Training		1		1	100% relevant/effective	19		1	
The Welcome Process	2	1		0	n/a	n/a		1	
Senior Leaders		4		4	100% relevant/effective	14	23,840	2 workshops, 35 participants	
Financial Skills				1	100% relevant/effective	15	11,670	New in 2009/10	
Human Resources course				1	100% relevant/effective	9		New in 2009/10	
Initiative Impact survey				1			3,255	New in 2009/10	
Cultural diversity audience development internships		2		2	n/a	2	40,000		21,985
Other items covered by this output									
Festival of Pacific Arts							–		258,706
Pacific Arts Summit	3						40,248		–
Distribution Strategy							262,500		–
One off interventions to RFOs	4						7,298		86,808
Totals		15		17		101	482,312		434,884

Notes

1. No quality measurements were undertaken on the Arts Organisations' Development Programme in prior years.
2. The Welcome Process is an induction day for new people in senior management positions within arts organisations to enable them to gain a good understanding of the ways in which Creative New Zealand works. There was no need for it during this financial year because there was little change at senior management level within arts organisations.
3. The Pacific Arts Summit also received \$20,000 funding from the Contestable Funding programme.
4. RFOs = recurrently funded organisations.

Output 2.2: Audience and Market Development Programme

Description

This programme of work delivers strategic initiatives that aim to encourage arts organisations and individuals to build dynamic and sustainable audience relationships. Key initiatives for 2009/10 are:

- 21st Century Arts Conference
- Audience 360° (vital statistics audience data programme)
- Move On Up coaching programme
- Optimise (was Getting On-line)
- Spotlight on Diversity programme

The programme offers advice, insight and audience intelligence

through research, capability-building initiatives and coaching consultancies. The programme involves experts working alongside practitioners to develop strategies for attracting new and retaining existing audiences, and to gather data to help organisations benchmark their performance.

The delivery of this programme is specific and targeted.

Performance measures

Name of initiative	Notes	Targets	2009/10 Actual				2008/09 Actual	
			Achieved	Number of attendees	% attendees who found Initiative relevant and helpful	\$ Cost	Achievement of targets	\$ Cost
21st Century Arts Conference		5 initiatives	1	154 delegates	92% satisfaction rate	67,655	6 programmes	86,574
Audience 360°	1		1	19 venues participated	n/a	80,509		52,557
Move on Up	2		1	4 organisations	n/a	46,145		71,905
Optimise (previously Getting Online)		90% satisfaction	1	40 organisations responded to survey	Not measured	15,365	197 participants	27,275
SmART talk forums	3		1	n/a	Not measured			
Spotlight on Diversity			1	72 from the arts sector, local authority.	100% very useful/ useful; 87.9% met expectations	26,072	90% satisfaction rate	14,320
Other items covered by this output								
toi iho™	4					63,241		228,868
Total		5	6			298,987		481,499

Notes:

1. The feedback survey was conducted at the end of August 2010. Results will be included in the 2010/11 Annual Report.
2. This is a two-year programme so evaluations are not due until 2012.
3. Web-based forum. No data on individual participants or satisfaction are available.
4. In 2009/10, Creative New Zealand made the decision to disinvest in the toi iho™ programme.

Output 2.3: International Capability-Building

Description

This programme delivers strategic initiatives that aim to build the skills of artists, practitioners

and organisations to produce and/or curate, plan, promote, negotiate, market, sell and manage international engagements. The programme does this through workshops, master classes and other programmes for building skills and capability. The delivery

of this programme is specific and targeted.

This output directly supports **Outcome 4: New Zealand arts gain international success.**

Performance measures

	Notes	Target	2009/10 Actual			2008/09 Actual	
			Achieved	No. of attendees	\$ Cost	Number	\$ Cost
Number of capability-building initiatives		At least 5					
Workshops			2	37	23,889	3	29,735
Web resource development (2009/10 programme only)	1		1	n/a	21,087	n/a	n/a
Other capability-building projects			5	28	81,819	n/a	n/a
Subtotal		5	8	65	126,795	3	29,735
Quality							
Proportion of participants who find the capability-building initiatives to be relevant and effective	2	At least 90%	89%			n/a	n/a

Notes:

1. The web resource includes taking digital photographs and video footage of performances, exhibitions and making these available to the artists via the web.
2. Feedback is based on six workshops in the series. The 89% satisfaction is calculated on ratings of excellent or very good. No ratings of below average or poor were received.

Output 3: Advocacy for the Arts

Description

The main aims of the advocacy programme are to raise awareness of the role and contribution of the

arts and of key issues affecting the sector, and to change the environment for the benefit of the arts.

The advocacy programme includes the following types of activity:

- carrying out research for the arts sector

- developing strategic partnerships to increase support for the arts
- participating in cross-government initiatives
- where relevant, making submissions on issues affecting the arts sector or Creative New Zealand.

Performance measures

	Notes	Target	2009/10 Actual		2008/09 Actual	
			Achieved	\$ Cost	Number	\$ Cost
Quantity						
<i>International Market Development</i>						
Number of 'internationally ready' or 'international potential' artists/organisations to present at trade fairs and markets		At least 5	56 participants (38 individuals plus 18 acts/organisations) at 7 fairs/markets	400,725	4 fairs attended	178,436
Number of international presenters, curators, directors to view New Zealand work		At least 10	49 visitors (4 events/areas)	99,105	30	157,885
<i>Research</i>						
Number of research projects delivered to the sector		2	2	54,737	1	158,745
<i>Strategic Partnerships</i>						
Number of meetings per key partner	1	2	2		2	
Subtotal		19	109	554,567		495,066
Quality						
Proportion of participants who find market development initiatives to be relevant and effective	2	At least 85%	Not recorded		n/a	

Notes:

1. Identified key partners for 2009/10 are Auckland City Council and Wellington City Council.
2. International projects are generally longer term and outcomes take a minimum of six months and potentially 18 months to be fully recognised.

Financial Performance

Ngā Whakaritenga Pūtea

Audit Report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the readers of The Arts Council of New Zealand Toi Aotearoa's financial statements and statement of service performance for the year ended 30 June 2010

The Auditor-General is the auditor of the Arts Council of New Zealand Toi Aotearoa. The Auditor-General has appointed me, Robert Manktelow, using the staff and resources of Audit New Zealand, to carry out the audit on her behalf. The audit covers the financial statements and statement of service performance included in the annual report of Arts Council of New Zealand Toi Aotearoa for the year ended 30 June 2010.

UNQUALIFIED OPINION

In our opinion:

- The financial statements of Arts Council of New Zealand Toi Aotearoa on pages 85 to 119:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:

- Arts Council of New Zealand Toi Aotearoa's financial position as at 30 June 2010; and
- the results of its operations and cash flows for the year ended on that date.
- The statement of service performance of Arts Council of New Zealand Toi Aotearoa on pages 69 to 80:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects for each class of outputs:
 - its standards of delivery performance achieved, as compared with the forecast standards outlined in the statement of forecast service performance adopted at the start of the financial year; and
 - its actual revenue earned and output expenses incurred, as compared with the forecast revenues and output expenses outlined in the statement of forecast service performance adopted at the start of the financial year.

The audit was completed 27 October 2010, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

BASIS OF OPINION

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and statement of service performance did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and statement of service performance. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement and statement of service performance disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial

statements and statement of service performance.

We evaluated the overall adequacy of the presentation of information in the financial statements and statement of service performance. We obtained all the information and explanations we required to support our opinion above.

RESPONSIBILITIES OF THE COUNCIL AND THE AUDITOR

The Council is responsible for preparing the financial statements and statement of service performance in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of Arts Council of New Zealand Toi Aotearoa as at 30 June 2010 and the results of its operations and cash flows for the year ended on that date. The statement of service performance must fairly reflect, for each class of outputs, Arts Council of New Zealand Toi Aotearoa's standards of delivery performance achieved and revenue earned and expenses incurred, as compared with the forecast standards, revenue and expenses adopted at the start of the financial year. The Council's responsibilities arise from the Crown Entities Act.

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

INDEPENDENCE

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

Other than the audit, we have no relationship with or interests in Arts Council of New Zealand Toi Aotearoa.



Robert Manktelow
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Statement of Responsibility

for the year ended 30 June 2010

The Council of Creative New Zealand accepts responsibility for the preparation of Creative New Zealand's financial statements and statement of service performance, and the judgements made in them.

The Council of Creative New Zealand 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 of Creative New Zealand, the annual financial statements and the statement of service performance for the year ended 30 June 2010 fairly reflect the financial position and operations of Creative New Zealand.

Signed on behalf of the Arts Council:



Alastair Carruthers
Chair, Arts Council
27 October 2010



Erima Henare
Arts Council member
27 October 2010

Statement of Financial Performance

for the year ended 30 June 2010

BUDGET 2010 \$000		NOTE	ACTUAL 2010 \$000	ACTUAL 2009 \$000
INCOME				
15,689	Crown revenue	2	10,189	15,937
22,125	New Zealand Lottery Grants Board		32,344	22,125
178	Revenue from other government agencies		228	915
350	New Zealand Film Commission		250	350
10	The Todd Trust		10	10
586	Interest received		564	842
74	Other revenue	3	382	205
200	Grant retirements and gains	4	507	406
39,212	TOTAL INCOME		44,474	40,790
EXPENDITURE				
32,099	Grants and initiatives	9	33,688	32,865
4,454	Personnel	5	4,402	4,332
275	Depreciation and amortisation	6	426	245
284	Council, board and committee fees	7	277	272
–	Net foreign exchange loss		25	–
4,076	Other operating expenses	8	3,737	3,958
41,188	TOTAL OPERATING EXPENDITURE	9	42,555	41,672
(1,976)	NET OPERATING SURPLUS / (DEFICIT)		1,919	(882)

Statement of Comprehensive Income

for the year ended 30 June 2010

BUDGET			ACTUAL	ACTUAL
2010			2010	2009
\$000		NOTE	\$000	\$000
(1,976)	Net operating surplus / (deficit) for the year		1,919	(882)
	Other comprehensive income			
-	Revaluation of land and buildings	13	(252)	(564)
-	Revaluation of works of art	14	(102)	79
(1,976)	Total comprehensive income		1,565	(1,367)

Statement of Changes in Equity

for the year ended 30 June 2010

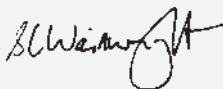
BUDGET			ACTUAL	ACTUAL
2010			2010	2009
\$000		NOTE	\$000	\$000
11,761	Total public equity as at 1 July		11,807	13,174
(1,976)	Net operating surplus / (deficit) for the year		1,919	(882)
	Other comprehensive income		(354)	(485)
(1,976)	Total comprehensive income		1,565	(1,367)
9,785	TOTAL PUBLIC EQUITY AS AT 30 JUNE		13,372	11,807
6,514	Accumulated funds as at 1 July		7,045	7,927
(1,976)	Net operating surplus / (deficit) for the year		1,919	(882)
4,538	Accumulated funds as at 30 June		8,964	7,045
5,247	Revaluation reserve as at 1 July		4,762	5,247
-	Revaluation of land and buildings	13	(252)	(564)
-	Revaluation of works of art	14	(102)	79
5,247	Revaluation reserve as at 30 June		4,408	4,762
9,785	TOTAL PUBLIC EQUITY AS AT 30 JUNE		13,372	11,807

THE ACCOMPANYING ACCOUNTING POLICIES AND NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Statement of Financial Position

as at 30 June 2010

BUDGET 2010 \$000		NOTE	ACTUAL 2010 \$000	ACTUAL 2009 \$000
PUBLIC EQUITY				
5,247	Revaluation reserves	10	4,408	4,762
4,538	Accumulated funds		8,964	7,045
9,785	TOTAL PUBLIC EQUITY		13,372	11,807
Represented by:				
ASSETS				
Current assets				
14,041	Cash and cash equivalents	11	17,696	15,751
78	Debtors and other receivables	12	374	150
116	Prepayments		114	139
14,235	Total current assets		18,184	16,040
Non-current assets				
5,319	Property, plant and equipment	13	4,579	4,821
2,260	Works of art	14	2,237	2,339
544	Investment property	15	550	491
500	Intangible assets	16	539	605
8,623	Total non-current assets		7,905	8,256
22,858	TOTAL ASSETS		26,089	24,296
LIABILITIES				
Current liabilities				
3,009	Creditors and other payables	17	1,729	1,914
235	Employee entitlements	19	329	297
9,829	Grants committed		10,623	10,251
13,073	Total current liabilities		12,681	12,462
Non-current liabilities				
–	Employee entitlements	19	36	27
–	Total non-current liabilities		36	27
13,073	TOTAL LIABILITIES		12,717	12,489
9,785	NET ASSETS		13,372	11,807


Stephen Wainwright
 Chief Executive
 27 October 2010


Alastair Carruthers
 Chair
 27 October 2010

THE ACCOMPANYING ACCOUNTING POLICIES AND NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Statement of Cash Flows

for the year ended 30 June 2010

BUDGET 2010 \$000		ACTUAL 2010 \$000	ACTUAL 2009 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
15,689	Crown revenue	10,189	15,937
22,125	New Zealand Lottery Grants Board	32,344	22,125
612	Third-party revenue	833	1,534
43	Net goods and services tax	(705)	32
–	Retirement of grants	163	–
576	Interest received	590	802
39,045		43,414	40,430
Cash was applied to:			
4,472	Payments to employees	4,361	4,261
36,224	Payments of grants	33,031	33,582
2,508	Payments of operating expenses	3,887	4,896
43,204		41,279	42,739
(4,159)	NET CASH FLOWS FROM OPERATING ACTIVITIES	2,135	(2,309)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
–	Sale of property, plant and equipment	2	–
Cash was applied to:			
211	Purchase of property, plant, equipment and intangible assets	192	352
(211)	NET CASH FLOWS FROM INVESTING ACTIVITIES	(190)	(352)
(4,370)	NET INCREASE / (DECREASE) IN CASH HELD	1,945	(2,661)
Add opening cash brought forward:			
210	Cash on hand and at bank	522	210
18,200	Short-term deposits	15,229	18,200
–	Add effect of unrealised foreign currency gain	–	2
14,040	BALANCE AT END OF YEAR	17,696	15,751
Represented by:			
Closing cash carried forward:			
80	Cash on hand and at bank	142	522
13,960	Short-term deposits	17,554	15,229
14,040		17,696	15,751

The goods and services tax (GST) (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

THE ACCOMPANYING ACCOUNTING POLICIES AND NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Reconciliation of the Net Surplus from Operations with the Net Cash Flows from Operating Activities

	ACTUAL 2010 \$000	ACTUAL 2009 \$000
Net surplus / (deficit) from operations	1,919	(882)
Add / (less) non-cash items:		
Depreciation and amortisation	426	245
(Gain) / loss on foreign exchange	–	(2)
Loss on disposal of property, plant and equipment	7	–
Loss / (gain) on revaluation of investment property	(59)	53
Retirement of grants	(285)	(350)
	89	(54)
Add / (less) movements in working capital items:		
Decrease (increase) in prepayments	25	(59)
Decrease (increase) in accounts receivable	(35)	(60)
Decrease (increase) in interest receivable	26	(40)
Increase (decrease) in GST payable / receivable	(705)	32
Increase (decrease) in accounts payable	120	(600)
Increase (decrease) in provision for employee entitlements	41	71
Increase (decrease) in current grants committed	657	(717)
	129	(1,373)
Add / (less) items classified as an investing activity		
Net loss / (gain) on the sale of property, plant and equipment	(2)	–
NET CASH FLOW FROM OPERATING ACTIVITIES	2,135	(2,309)

THE ACCOMPANYING ACCOUNTING POLICIES AND NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Statement of Commitments

as at 30 June 2010

	2010 \$000	2009 \$000
Capital commitments approved and contracted	–	–
Non-cancellable operating lease commitments (as lessor) receivable:		
Creative New Zealand leases out part of the Old Public Trust building under an operating lease. The future minimum lease payments under the terms of the non-cancellable lease are as follows:		
Not later than one year	46	70
Later than one year and not later than two years	–	46
	46	116
Non-cancellable operating lease commitments (as lessee) payable:		
Not later than one year	151	148
Later than one year and not later than two years	145	154
Later than two years and not later than five years	217	307
Later than five years	10	65
	523	674
Grant commitments, payable:		
Not later than one year	10,301	–
Later than one year and not later than two years	214	–
	10,515	–
TOTAL COMMITMENTS	11,038	674

OPERATING LEASE COMMITMENTS

The Arts Council leases office premises in Christchurch and Auckland, photocopiers, facsimile machines and printers. The non-cancellable leasing period for these leases range from two to six years. There are no contingent rents payable and no sublease income receivable on these operating leases.

GRANT COMMITMENTS

Contracts are entered into with organisations, which the Arts Council funds on a three-year basis. Amounts granted under these contracts are disclosed in the Statement of Financial Performance to the extent that they relate to the financial year.

THE ACCOMPANYING ACCOUNTING POLICIES AND NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Statement of Contingent Liabilities

as at 30 June 2010

OLD PUBLIC TRUST BUILDING STRENGTHENING

In April 2010, the Arts Council was notified by the Wellington City Council pursuant to s124 of the Building Act 2004 that the Old Public Trust Building has been classified as earthquake prone. The Building Act 2004 and associated Wellington City Council Earthquake Prone Buildings policy would suggest that significant upgrade of the Old Public Trust Building is required within a 10 to 15 year period; however, some discretion is permitted for heritage buildings. The Old Public Trust Building is a category 1 Heritage Place. The Arts Council has noted that doing nothing to the building is not seen as appropriate given the building's importance or for the safety of its occupants.

The Arts Council's share of the estimated cost of \$1.267 million for the strengthening of the Old Public Trust Building (not including refurbishment) would be \$0.836 million, with the other members of the body corporate paying the balance.

BANK GUARANTEES

	ACTUAL 2010 \$000	ACTUAL 2009 \$000
Bank of New Zealand	150	150
	150	150

Statement of Contingent Assets

as at 30 June 2010

As a result of a review of policy relating to grant defaults, the Arts Council has started to invoice grantees who are in default of their grant position. The issuance of these invoices could result in either the grantee producing a satisfactory acquittal report or the repayment of 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 2010 have not been recognised in the Statement of Financial Position. Instead, the invoiced amounts are disclosed below as a contingent asset in accordance with NZ IAS 37.

At 30 June 2010, the total invoiced to grantees in a default position was as follows:

	2010 \$000	2009 \$000
Granting board or committee		
Arts Board	16	33
Te Waka Toi	75	65
Pacific Arts Committee	48	64
Screen Innovation Fund	36	47
	175	209

THE ACCOMPANYING ACCOUNTING POLICIES AND NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Notes to the Financial Statements

1: Statement of Accounting Policies

for the year ended 30 June 2010

1.1 REPORTING ENTITY

The Arts Council of New Zealand Toi Aotearoa (the Arts Council) 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.

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

Its purpose, as defined under the Arts Council of New Zealand Toi Aotearoa Act 1994, is to encourage, promote and support the arts in New Zealand for the benefit of all New Zealanders.

Accordingly, the Arts Council has designated itself as a public benefit entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of the Arts Council are for the year ended 30 June 2010 and were authorised for issue by the Arts Council on 27 October 2010.

1.2 BASIS OF PREPARATION

1.2.1 Statement of Compliance

The financial statements have been prepared in accordance with the Arts Council of New Zealand Toi Aotearoa Act 1994 and Crown Entities Act 2004, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

These financial statements comply with NZ IFRS, and other applicable financial reporting standards, as appropriate for public benefit entities.

1.2.2 Measurement Base

The financial statements have been prepared on an historical cost basis, modified by the revaluation of land and buildings, works of art and investment property.

The accrual basis of accounting has been used unless otherwise stated.

1.2.3 Functional and Presentation Currency

The financial statements are presented in New Zealand dollars (\$), and are rounded to the nearest thousand dollars (\$000), unless otherwise stated. The functional currency of the Arts Council is New Zealand dollars.

THE ACCOMPANYING ACCOUNTING POLICIES AND NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

1.2.4 Changes in Accounting Policies and Estimates

There have been no changes in accounting policies since the date of the last audited financial statements, other than the impact of changes in NZ IFRS. These policies have been applied on a basis consistent with previous years. If errors are detected that have a material impact on prior periods, then these are applied retrospectively and comparatives are restated.

The Council has adopted the following revisions to accounting standards during the financial year, which have had only a presentational or disclosure effect.

NZ IAS 1 Presentation of Financial Statements (Revised 2007) replaces *NZ IAS 1 Presentation of Financial Statements (Issued 2004)*. The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a Statement of Comprehensive Income. The Statement of Comprehensive Income will enable readers to analyse changes in equity resulting from non-owner changes separately from transactions with owners. The Council has decided to prepare two separate statements (a separate Income Statement followed by a Statement of Comprehensive Income) for the year ended 30 June 2010 under the revised standard. Financial statement information for the year ended 30 June 2009 has been restated accordingly. Items of other comprehensive income presented in the Statement of Comprehensive Income were previously recognised in the Statement of Changes in Equity.

1.3 STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED

The following new standards, amendments or interpretations that have been issued but are not yet effective, may be relevant for the Arts Council's financial statements in the future. These standards, amendments or interpretations have not been applied in these financial statements, but could have a material effect on these prospective financial statements if they had been applied.

NZ IFRS 9 Financial Instruments, effective from 1 January 2013, replaces *NZ IAS 39 Financial Instruments: Recognition and Measurement*. NZ IAS 39 is being replaced in the following three main phases: Phase 1 – Classification and Measurement, Phase 2 – Impairment Methodology and Phase 3 – Hedge Accounting.

Phase 1 on the classification and measurement of financial assets has been completed and published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in NZ IAS 39. The new standard is required to be adopted for the year ended 30 June 2014. The Council does not have complex financial and/or long-term financial assets, and does therefore not expect material changes to current disclosures.

NZ IAS 24 Related Party Disclosures (Revised 2009) replaces *NZ IAS 24 Related Party Disclosures (Issued 2004)*. The revised standard simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition, and provides a partial exemption from the disclosure requirements for government-related entities. The new standard is required to be adopted for the year ended 30 June 2012. The Council does not have complex related party transactions and does therefore not expect material changes to current disclosures.

1.4 ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

1.4.1 Recognition of Revenue and Expenditure

Revenue is recognised and measured at the fair value of consideration received or receivable to the extent it is probable that the economic benefits will flow to the Arts Council and the revenue can be reliably measured.

Crown revenue

The Council receives a significant amount of its funding from the Crown, which is restricted in its use for the purpose of meeting its objectives as specified in the *Statement of Intent*.

Revenue from the Crown is recognised as revenue when earned and is reported in the financial period to which it relates.

Other grants

The Council receives the majority of its funding from the New Zealand Lottery Grants Board. This is recognised as revenue when it becomes receivable unless there is an obligation 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 recognised as revenue when conditions of the grant are satisfied.

Revenue received from third parties on the condition that it is used for a particular purpose is recognised in the Statement of Financial Performance only when the funds are spent for the designated purpose. Any unspent funds at the reporting date are included within current liabilities in the Statement of Financial Position and carried forward to the next financial year.

Interest

Interest income is recognised as it accrues on bank account balances, on-call and short-term deposits, using the effective interest method.

Rental income

Rental income is recognised in the Statement of Financial Performance on a straight line basis over the term of the lease.

1.4.2 Recognition of Grants and Initiatives Expenditure

Non-discretionary grants are those grants awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Arts Council has no obligations to award on receipt of the grant application and are recognised as expenditure when approved by the Arts Council and the approval has been communicated to the applicant.

The liability disclosed in the Statement of Financial Position represents financial grants to New Zealand artists and arts organisations committed by the Arts Council but not uplifted at balance date.

When grants that were committed by the Arts Council in previous years are no longer required for the purpose for which they were committed, they are retired and recognised as a gain in the Statement of Financial Performance.

During the year, funds may be set projects, known as initiatives, led by the Council or one of the arts boards. If these funds are not fully expensed at the end of the financial year they are carried forward to the next financial year within current liabilities in the Statement of Financial Position.

1.4.3 Foreign Currency Transactions

Foreign currency transactions are translated into New Zealand dollars using the exchange rates prevailing 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.

1.4.4 Income Tax

The Council is a public authority and consequently is exempt from the payment of income tax in accordance with the Income Tax Act 1994. Accordingly, no charge for income tax has been provided.

1.4.5 Leases

The Council leases office premises in Christchurch and Auckland, photocopiers, facsimile machines and printers.

These leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight line basis over the term of the lease in the Statement of Financial Performance.

The Council does not have any finance lease arrangements.

1.4.6 Property, Plant and Equipment

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Revaluation

Land and buildings 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 registered valuer. All other asset classes are carried at depreciated historical cost.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values.

The net revaluation results are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity for that class of assets. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the Statement of Financial Performance. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the Statement of Financial Performance will be recognised first in the Statement of Financial Performance up to the amount previously expensed and then recognised in other comprehensive income.

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 the Arts Council and the cost of the item can be measured reliably.

Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are included 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.

Subsequent costs

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 the Arts Council 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.

Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment, other than freehold 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:

Land	Not depreciated	
Building	35 years	2.9%
Building improvements	10 or 35 years	10% or 2.9%
Furniture, equipment and fittings	5 years	20%
Computer equipment	4 years	25%

1.4.7 Works of Art

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

1.4.8 Investment Property

Investment property consists of part of the Old Public Trust building on which rental income is earned.

The fair value of the Arts Council's ownership of the premises is determined by an independent registered valuer using market-based evidence. To determine the fair value of the investment property, this valuation has been apportioned between the areas occupied by the Arts Council and the areas leased out on the basis of potential net rental income earning capacity of each area.

Any change in the fair value of investment property is recognised in the Statement of Financial Performance in the year of valuation.

1.4.9 Intangible Assets

Software acquisition and development

Acquired computer software licenses are 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, employee costs and an appropriate portion of relevant overheads.

Staff training costs 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 Statement of Financial Performance.

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

Web portal	4 years	25% straight line
Acquired computer software	1 – 4 years	25% straight line

1.4.10 Impairment of Non-Financial Assets

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for indicators of 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 depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Arts Council would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the Statement of Financial Performance.

For assets not carried at a revalued amount, the total impairment loss is recognised in the Statement of Financial Performance.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the Statement of Financial Performance, a reversal of the impairment loss is also recognised in the Statement of Financial Performance.

1.4.11 Financial Instruments

The Council is party to non-derivative financial instruments as part of its normal operations. These financial instruments include bank accounts, on-call deposits, short-term deposits, trade and other receivables, and trade 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 Statement of Financial Performance.

The Council does not use derivative financial instruments.

1.4.12 Cash and Cash Equivalents

Cash and cash equivalents held by the Arts Council include bank balances, on-call bank deposits and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

1.4.13 Debtors and Other Receivables

Debtors and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for impairment.

1.4.14 Creditors and Other Payables

Creditors and other payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Arts Council before the end of the financial year that are unpaid and arise when the Arts Council becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

1.4.15 Employee Entitlements

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, retiring and long service leave entitlements expected to be settled within 12 months, time in lieu accrued up to balance date and sick leave.

The Council recognises a liability for sick leave to the extent that compensated absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent the Arts Council anticipates it will be used by staff to cover those future absences.

The Council recognises a liability and an expense for bonuses where it is contractually obliged to pay them, or where there is a past practice that has created a constructive obligation.

Long-term employee entitlements

Employee entitlements that are due to be settled beyond 12 months, such as long service leave and retirement 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.

1.4.16 Superannuation Scheme

Defined contribution scheme

Obligations for contributions to KiwiSaver and the State Sector Retirement Savings Scheme are accounted for as defined contribution superannuation scheme and are recognised as an expense in the Statement of Financial Performance as incurred.

1.4.17 Goods and Services Tax

All items in the financial statements are exclusive of goods and services tax (GST), with the exception of accounts receivable and accounts payable, 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 (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from, the IRD, 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.

1.5 BUDGETED FIGURES

The budget figures are derived from the Statement of Intent as approved by the Arts Council at the beginning of the financial year. The budget figures have been prepared in accordance with NZ IFRS, using accounting policies that are consistent with those adopted by the Arts Council for the preparation of these financial statements.

1.6 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. The Council continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. The Council bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

The Council has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

1.6.1 Significant Accounting Judgements

Impairment of non-financial assets

The Council assesses impairment of all assets at each reporting date by evaluating conditions specific to the Arts Council and to the particular asset that may lead to impairment. These include property, plant and equipment, works of art and intangible assets. If an impairment trigger exists the recoverable amount of the asset is determined. Given the current uncertain economic environment management considered that the indicators of impairment were significant enough and as such these assets have been tested for impairment or revalued in this financial period.

Operating lease commitments – the Council as lessor

The Council has entered into commercial property leases on its investment property. The Council has determined that it retains substantially all the significant risks and rewards of ownership of the property primarily as the lease does not transfer ownership of the asset to the lessee at the end of the lease term. Thus the Arts Council has classified the leases as operating leases.

1.6.2 Significant Accounting Estimates and Assumptions

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience and economic life of assets. In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary. The useful life of the Old Public Trust building has been reassessed at 30 June 2009 to be 35 years.

Revaluation of land and buildings

The revaluation of land and buildings is performed by independent valuer, using the capitalisation of the potential net income and discounted cash flow analysis. These methods are based upon assumptions including future rental income, anticipated maintenance costs and an appropriate discount rate.

2: Crown Revenue

The Council has been provided with funding from the Crown for the specific purposes of the Arts Council as set out in its founding legislation and the scope of the government appropriations. Apart from these general restrictions, there are no unfulfilled conditions or contingencies attached to government funding (2009: nil).

The funding provided from the Crown amounted to \$10.189 million (2009: 15.937 million). This includes a one-off transfer of \$5.5 million to the Crown for redistribution in Vote: Arts, Culture and Heritage portfolio.

3: Other Revenue

	2010 \$000	2009 \$000
Rental income	71	65
Te Matatini Society	–	127
Venice 2009 Patrons	299	–
Other	12	13
	382	205

4: Grant Retirements and Gains

	2010 \$000	2009 \$000
Retirement of grants	448	350
Net foreign exchange gain	–	56
Increase in fair value of investment property	59	–
	507	406

5: Personnel Expenses

	2010 \$000	2009 \$000
Wages and salaries	3,919	4,011
Other staff-related costs	425	238
Movement in employee entitlements	26	52
Employer contributions to defined contribution plans	32	31
Termination benefits	–	–
	4,402	4,332

Employer contributions to defined contribution plans include contributions to KiwiSaver and personal schemes of certain employees.

During the year ended 30 June 2010, one employee received \$10,730 relating to the cessation of their employment with the Arts Council (2009: \$nil).

Personnel expenses comparative figures have been restated to better reflect the true nature and comparison of the expenditure incurred.

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

Total remuneration and benefits \$000	Number of employees	
	2010	2009
100–110	2	1
110–120	2	5
120–130	2	1
130–140	1	Nil
140–150	Nil	Nil
150–160	Nil	Nil
160–170	Nil	Nil
170–180	Nil	Nil
180–190	Nil	Nil
190–200	Nil	Nil
200–210	Nil	Nil
210–220	Nil	1
220–230	Nil	Nil
230–240	Nil	Nil
240–250	1	Nil

The Chief Executive's remuneration and benefits is in the \$240,000 to \$250,000 band. This includes a one-off payment of the accumulated annual leave of \$13,335.

6: Depreciation and Amortisation

	2010	2009
	\$000	\$000
Depreciation		
Building	84	64
Building improvements	45	36
Furniture, equipment and fittings	21	23
Computer equipment	98	77
Amortisation		
Computer software	44	23
Partnership portal	134	22
	426	245

7: Council / Board / Committee Fees

Arts Council, Arts Board, Te Waka Toi and Pacific Arts Committee members earned the following fees/honoraria during the year for attendance at Council, Board and/or assessment committee meetings.

Member	Fees 2010	Fees 2009
	\$	\$
A Carruthers (Chair, Arts Council)	31,690	24,001
A Sorrell (Chair, Arts Board)	21,000	21,000
D Haimona (Chair, Te Waka Toi)	21,000	11,500
N Te Awekotuku	–	21,000
P Walker (Chair, Pacific Arts Committee)	11,625	15,000
O Kightley	8,550	9,500
J Ng	3,167	9,025
A Shaw	3,167	9,500
E Henare	9,500	9,025
A Rush	9,500	–
J Wallace	9,025	–
J Binney	2,375	–
H Kedgley	6,333	–
J May	–	8,550
W Vercoe	–	792
J Plane – Te Paa	–	9,500
S Ashton	11,500	10,925
P Eames	11,500	11,500
M Prentice	11,500	11,500

Member	Fees 2010 \$	Fees 2009 \$
T Snow	11,500	11,500
N Tanczos	10,925	–
K De Goldi	–	4,792
K Te Waru Rewiri	11,500	11,500
J Huria	11,500	11,500
T Maxwell	11,500	10,925
M Mahuika	11,500	–
N Gray	11,500	–
M Sciascia	11,500	10,925
R Ngarimu	–	11,500
V Iosefa	1,800	2,713
T Vao	2,500	2,713
E Tavola	2,500	2,013
F Hartnell	2,150	2,363
M Smith	2,500	2,713
F Endermann	1,800	–
J Puka	1,100	1,413
A Refiti	–	2,713
	277,207	271,601

8: Other Operating Expenses

	2010 \$000	2009 \$000
Capability-building programmes	1,088	1,159
Auditors' remuneration to Audit New Zealand comprises:		
Audit fees for financial statement audit	50	50
Additional fee for the 2008 financial statement audit	–	4
Operating lease payments	153	149
Net loss on disposal of property, plant and equipment	8	1
Decrease in fair value of investment property	–	53
Other operating expenses	2,438	2,542
	3,737	3,958

9: Statement of Expenditure

For the year ended 30 Jun 2010

	ACTUAL 2010 \$000	ACTUAL 2009 \$000
Council		
Venice Biennale	594	987
Smash Palace Fund	522	1
Prime Minister's Awards for Literary Achievement	180	180
toi iho™ – Māori Made Mark	63	229
New Zealand Authors' Fund	–	2,041
10th Festival of Pacific Arts	–	259
Regional Strengths Maurangi Toi	–	14
	1,359	3,711
Arts Board		
Recurrent Funding	16,301	14,785
Arts Grants	3,034	1,986
Creative Communities Scheme	2,800	2,614
Sector Investments	2,501	–
Quick Response Grants	864	394
Arts Investments	805	175
Arts Organisations' Development Programme	588	467
New Work	309	1,264
Creative and Professional Development	–	903
Reserves Assistance Grants	223	20
Recurrently Funded Organisation Initiatives	108	151
Distribution Strategy	50	–
Presentation, Promotion and Audience Development	–	1,989
Capability Building	–	130
Screen Innovation Production Fund / Independent Filmmakers' Fund	500	600
Bridging Grants	–	325
	28,083	25,803
Te Waka Toi		
Recurrent Funding	1,239	1,155
Arts Grants	1,011	673
Sector Investments	398	–

	ACTUAL 2010 \$000	ACTUAL 2009 \$000
Arts Investments	298	–
Distribution Strategy	200	–
Experiencing Māori Art	80	393
Quick Response Grants	141	42
Toi Ake	152	137
Heritage Arts	104	117
Toi Atu Tohunga Tukunga	44	4
Toi Tuarangi	1	21
New Work	–	196
Indigenous Links	–	71
Te Reo	–	37
	3,668	2,846
Pacific Arts Committee		
Arts Grants	266	165
Quick Response Grants	104	29
Sector Investments	85	–
Heritage Arts	65	68
Pacific Arts Summit	40	–
Distribution Strategy	12	–
Health of Pacific Heritage Arts	6	–
Arts Development	–	152
Arts Promotion	–	91
Tāngata Whenua Links	–	–
	578	505
Total Grants and Initiatives	33,688	32,865
Governance	408	405
Management	8,459	8,402
	8,867	8,807
TOTAL EXPENDITURE	42,555	41,672

10: Revaluation Reserves

	2010	2009
	\$000	\$000
Revaluation reserves at 30 June consist of:		
Land and building revaluation reserve	2,173	2,425
Works of art revaluation reserve	2,235	2,337
	4,408	4,762

11: Cash and Equivalents

For the year ended 30 Jun 2010

	2010	2009
	\$000	\$000
Cash on hand and at bank	142	522
Cash equivalents – short term deposits	17,554	15,229
Total cash and cash equivalents	17,696	15,751

The carrying value of short term deposits with maturity dates of three months or less approximates their fair value.

The weighted average effective interest rate for short term deposits is 3.81% (2009: 6.60%).

12: Debtors and Other Receivables

		2010	2009
		\$000	\$000
GST receivable	17	215	–
Interest receivable		22	48
Sundry receivables		137	102
		374	150

Debtors and other receivables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of debtors and receivables is equivalent to the current fair value. There are no impaired receivables, or receivables that are past due but not impaired.

13: Property, Plant and Equipment

	Land \$000	Building \$000	Building Improvements \$000	Furniture, equipment & fittings \$000	Computer equipment \$000	Total \$000
Cost or valuation						
Balance at 1 July 2009	1,344	2,892	941	668	764	6,609
Additions	–	–	124	25	116	265
Reclassification	–	–	–	–	–	–
Revaluation increase/(decrease)	(96)	(240)	–	–	–	(336)
Disposals	–	–	(7)	(119)	(62)	(188)
Balance at 30 June 2010	1,248	2,652	1,058	574	818	6,350
Accumulated depreciation						
Balance at 1 July 2009	–	–	651	614	523	1,788
Depreciation expense	–	84	45	21	98	248
Eliminated on disposal/ reclassification	–	–	(2)	(119)	(60)	(181)
Eliminated on revaluation	–	(84)	–	–	–	(84)
Balance at 30 June 2010	–	–	694	516	561	1,771
Carrying amount 30 June 2010	1,248	2,652	364	58	257	4,579
Cost or valuation						
Balance at 1 July 2008	1,711	3,217	893	668	604	7,093
Additions	–	–	48	16	162	226
Reclassification	–	–	–	–	–	–
Revaluation increase/(decrease)	(367)	(325)	–	–	–	(692)
Disposals	–	–	–	(16)	(2)	(18)
Balance at 30 June 2009	1,344	2,892	941	668	764	6,609
Accumulated depreciation						
Balance at 1 July 2008	–	64	615	607	448	1,734
Depreciation expense	–	64	36	23	77	200
Eliminated on disposal/ reclassification	–	–	–	(16)	(2)	(18)
Eliminated on revaluation	–	(128)	–	–	–	(128)
Balance at 30 June 2009	–	–	651	614	523	1,788
Carrying amount 30 June 2009	1,344	2,892	290	54	241	4,821

The land and building assets represent the ownership of four floors of the Old Public Trust Building excluding the portion classified as Investment Property (note 15). The revalued land and building is stated at fair value as determined by Wayne Nyberg, the registered valuer with Darroch Limited, in international alliance with DTZ, as at 30 June 2010.

The fair value has been determined using the capitalisation of the potential net income and discounted cash flow analysis. These methods are based upon assumptions including future rental income, anticipated maintenance costs, and an appropriate discount rate.

	\$000
Fair value of the Old Public Trust Building and associated land at 30 June 2010 per valuation	4,450
Apportioned as follows:	
Land	1,248
Building	2,652
Investment Property (note 15)	550
	4,450

14: Works of Art

	Artworks \$000	Craftworks \$000	Total \$000
Valuation			
Balance at 1 July 2009	2,248	91	2,339
Additions	–	–	–
Revaluation increase/(decrease)	(99)	(3)	(102)
Disposals	–	–	–
Impairment losses	–	–	–
Carrying amount at 30 June 2010	2,149	88	2,237
Valuation			
Balance at 1 July 2008	2,177	83	2,260
Additions	–	–	–
Revaluation increase/(decrease)	71	8	79
Disposals	–	–	–
Impairment losses	–	–	–
Carrying amount at 30 June 2009	2,248	91	2,339

The works of art are stated at fair value as determined by Chris Moore of Chris Moore Gallery as at 30 June 2010. Mr Moore is an art dealer and an experienced valuer of artworks. There is no formal qualification for valuing artworks in New Zealand.

15: Investment Property

	2010 \$000	2009 \$000
Balance at 1 July	491	544
Acquisitions	–	–
Transfer from property, plant and equipment	–	–
Change in fair value	59	(53)
Balance at 30 June	550	491

Investment property consists of part of the Old Public Trust Building which is leased to third parties. The property was revalued at 30 June 2010, see note 13 for further details.

16: Intangible Assets

	2010 \$000	2009 \$000
Cost		
Balance at 1 July	1,299	1,179
Additions	112	126
Reclassification	–	–
Revaluation increase	–	–
Disposals	–	(6)
Balance at 30 June	1,411	1,299
Amortisation		
Balance at 1 July	694	655
Amortisation expense	178	45
Reclassification	–	–
Eliminated on disposal	–	(6)
Eliminated on revaluation	–	–
Balance at 30 June	872	694
Carrying amount 30 June	539	605

Intangible assets consist of a web portal and computer software.

17: Creditors and Other Payables

		2010 \$000	2009 \$000
Trade payables		915	603
Accrued expenses		149	177
GST payable	12	–	490
Special purpose funds	18	665	644
		1,729	1,914

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of creditors and other payables approximates their fair value.

18: Special Purpose Funds

Included within creditors and other payables are the following amounts that have been designated for special purposes.

2010	Opening balance \$000	Third party income	Expenditure	Closing balance \$000
Screen Innovation Production Fund / Independent Filmmakers' Fund	49	11	1	59
Tup Lang bequest	77	2	–	79
Butland Music Foundation	39	1	–	40
Louis Johnson bequest	53	1	1	53
The Todd Trust	–	10	10	–
Old Public Trust Body Corporate	12	128	127	13
Edwin Carr Foundation	411	13	7	417
Betty Reed Fund	–	–	–	–
Mataora Royalties	3	1	–	4
	644	167	146	665

2009	Opening balance \$000	Third party income	Expenditure	Closing balance \$000
Screen Innovation Production Fund / Independent Filmmakers' Fund	–	624	575	49
Tup Lang bequest	78	5	6	77
Butland Music Foundation	39	2	2	39
Louis Johnson bequest	53	3	3	53
The Todd Trust	–	10	10	–
Old Public Trust Body Corporate	6	131	125	12
Edwin Carr Foundation	408	24	21	411
Betty Reed Fund	–	20	20	–
Mataora Royalties	–	3	–	3
	584	822	762	644

The Screen Innovation Production Fund / Independent Filmmakers' Fund is a joint venture with the New Zealand Film Commission.

The Tup Lang bequest is held in trust and the income is given towards a grant for research and choreographic development of a new work.

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

The Louis Johnson bequest is held in trust and the income is given towards financing the Louis Johnson Writers' Bursary.

The Todd Trust contribution goes towards the Todd Writers' Bursary.

The Old Public Trust Body Corporate owns the Wellington premises occupied by the Arts Council.

The Edwin Carr Foundation was set up during 2004/05. Creative New Zealand administers the foundation and its associated scholarships.

The Betty Reed Fund is a one-off fund to be used for the support of music and art.

The Mataora Royalties are received for a book funded by Te Waka Toi. These royalties will go back to Te Waka Toi via its funding and granting decisions.

19: Employee Entitlements

	2010	2009
	\$000	\$000
Current employee entitlements are represented by:		
Accrued salaries and wages	48	34
Annual leave	243	225
Time in lieu	18	–
Long service leave	20	38
Total current portion	329	297
Non-current employee entitlements are represented by:		
Long service leave	36	27
Total non-current portion	36	27
Total employee entitlements	365	324

20: Related Parties

The Council is a wholly owned entity of the Crown.

The Council has entered into several transactions with government departments, Crown entities and state-owned enterprises on an arm's length basis. Those transactions that occur within a normal supplier or client relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Arts Council would have adopted if dealing with that entity at arm's length in the same circumstance are not disclosed.

The Council maintains interest registers for the Arts Council, funding bodies (Arts Board, Te Waka Toi and Pacific Arts Committee) and staff to record any interests they may have in an entity or person that is funded by or contracted to the Arts Council for services. Interests are declared and managed in line with the Arts Council's conflict of interest policy and the Crown Entities Act 2004.

All transactions entered into with related parties have been on terms and conditions no more or less favourable than those that it is reasonable to expect the Arts Council would have adopted if dealing with that entity on an arm's length basis.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

			Transaction value Year ended 30 June		Balance outstanding Year ended 30 June	
			2010	2009	2010	2009
Alick Shaw (Arts Council)	Wellington Museums Trust	Trustee (from July 2009)	412,393	–	239,960	–
	New Zealand School of Music*	Chair	25,000	29,950	25,000	29,950

Decisions to fund the Wellington Museums Trust and the New Zealand School of Music were made by the Arts Board. The Council itself does not make funding decisions.

* The funding granted under a two-year funding contract with Wellington Museum's Trust amounts to \$358,000 annually, for 2009/10 and 2010/11. The amount disclosed above includes the amount committed for 2009/10 financial year only.

			Transaction value Year ended 30 June		Balance outstanding Year ended 30 June	
			2010	2009	2010	2009
Pele Walker (Pacific Arts Committee)	St James Theatre Limited	Director	–	14,917	–	–

The transactions with St James Theatre Limited relate to venue hire and were carried out on a normal arm's length basis.

			Transaction value Year ended 30 June		Balance outstanding Year ended 30 June	
			2010	2009	2010	2009
Cath Cardiff (Senior Management Team)	Jessica Smith (Producer)	Family member	96,820	27,923	–	–

Jessica Smith was awarded two Arts Grants in 2009/10: one in partnership with Douglas Wright and the other in partnership with Shigeyuki Kihara. Both were administered by the Auckland Festival Trust. The decision to fund these projects was made by the Arts Board. Cath Cardiff declared her conflict of interest and therefore did not take part in any stage of the grant decision-making process.

	2010	2009
Key management personnel compensation	\$000	\$000
Salaries and other short-term employee benefits	1,220	1,158
Post employment benefits	39	38
Other long-term benefits (long service leave)	4	6
	1,263	1,202

Key management personnel include the Chief Executive and six members of the Senior Management Team as well as members of the Arts Council, Arts Board, Te Waka Toi and Pacific Arts Committee.

Key management personnel compensation comparative figures have been restated to better reflect the true nature and comparison of the expenditure incurred.

21: Financial Instruments

The Council's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The Council 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.

21.1 MARKET RISK

21.1.1 Currency Risk

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

The Council is exposed to foreign currency risk on payments and liabilities that are denominated in a currency other than the Arts Council'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 the Arts Council considers foreign exchange risk to be minimal. No forward contracts are entered into to hedge foreign currency risk exposure.

21.1.2 Interest Rate Risk

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

The Council has no borrowings and has adopted a policy of holding short-term investments until maturity at a fixed rate. Therefore the interest rate risk is considered to be minimal.

The interest rates for fixed term deposits at 30 June 2010 were 4.09%, 4.18% and 4.20% (2009: 4.30% and 4.82%). Call deposits are invested at the Official Cash Rate of 2.75% at 30 June 2009 (2009: 2.50%)

21.2 CREDIT RISK

Credit risk is the risk that a third party will default on its obligations to the Arts Council, causing it to incur a loss. Financial instruments, which potentially subject the Council to risk, consist principally of cash, bank deposits and trade debtors.

The Council is only permitted to deposit funds with the major banks which have a high credit rating, as defined by the Crown Entities Act 2004. For its other financial instruments, the Council does not have significant concentrations of credit risk.

The Council'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.

The Council holds cash with BNZ, ANZ National, Kiwibank, Westpac and ASB. These banks are part of the Crown Retail Deposit Guarantee Scheme and so all deposits with these banks up to \$1 million held are guaranteed by the Crown.

21.3 LIQUIDITY RISK

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

Contractual maturity analysis

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

	Carrying amount	Contractual Cash flows	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
2010						
Creditors and other payables	1,729	1,729	1,729	–	–	–
Grants committed	10,623	10,623	10,623	–	–	–
2009						
Creditors and other payables	1,914	1,914	1,914	–	–	–
Grants committed	10,251	10,251	10,251	–	–	–

21.4 FAIR VALUE

The carrying value of financial assets and liabilities equates to their fair value at 30 June 2010.

Financial assets and liabilities

	2010 \$000	2009 \$000
Financial assets		
Loans and receivables		
Cash and cash equivalents	17,696	15,751
Debtors and other receivables	374	150
Total financial assets	18,070	15,901
Financial liabilities		
Financial liabilities at amortised cost		
Creditors and other payables	1,729	1,914
Grants committed	10,623	10,251
Total financial liabilities	12,352	12,165

22: Capital Management

The Council's capital is its equity, which comprises accumulated funds and revaluation reserves. Equity is represented by net assets. As a Crown entity, the Arts Council uses its capital to achieve its strategic and other goals. The Council's statutory purpose is to encourage, promote and support the arts in New Zealand for the benefit of all New Zealanders, including both community and professional arts (Arts Council of New Zealand Toi Aotearoa Act 1994). Further details of the provisions of the Act are laid out on page 7 of this report.

The Council is independent in deciding how to best use its capital for achieving its goals. However, as a Crown entity, the Arts Council is subject to statutory and other requirements.

The focus of capital management therefore includes the following aspects:

- ensuring that the Arts Council's activities are for the statutory purpose only
- ensuring the Arts Council's financial viability, in terms of maintaining sufficient cash reserves and meeting minimum surplus and cash flow requirements.

23: Significant Budget Variances

The Council's budget figures were published in May 2009 in the Statement of Intent 2009–12.

Following the publication of this document the Arts Council was notified of additional funding from the New Zealand Lottery Grants Board at various stages during the 2009/10 financial year. This has resulted in the significant budget variances disclosed in these financial statements. The significant variances are outlined below.

STATEMENT OF FINANCIAL PERFORMANCE

Total income was greater than budget by \$5.262 million due to the factors outlined below.

- A change in the approach to calculating statutory body allocations by the New Zealand Lottery Grants Board resulted in the Arts Council receiving a one-off increase in the baseline allocation of \$2.13 million in August 2009.
- To manage the risk of fluctuations in the New Zealand Lottery Grants Board future years' profits, the Arts Council received a further one-off payment from Board's reserves of \$7.142 million in December 2009.
- A one-off transfer of \$5.5 million to the Crown for redistribution in Vote Arts, Culture and Heritage portfolio.

Total operating expenditure was greater than budget by \$1.367 million due to:

- increased grants and initiatives spending due to additional funds received being partially allocated to 2009/10 financial year.

STATEMENT OF FINANCIAL POSITION

The cash and cash equivalents balance has increased due to the increased funding received as explained above.

The movement in grants committed is due to the increased spending on grants and initiatives attributable to higher than expected funding received.

24: Events Subsequent to Balance Date

There have been no events subsequent to 30 June 2010 which materially affect these financial statements.

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Matters relating to the electronic presentation of the audited financial statements and statement of service performance

This audit report relates to the financial statements and statement of service performance of the Arts Council of New Zealand Toi Aotearoa (Creative New Zealand) for the year ended 30 June 2010 included on Creative New Zealand's website. Creative New Zealand's Council is responsible for the maintenance and integrity of Creative New Zealand's website. We have not been engaged to report on the integrity of Creative New Zealand's website. We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the website.

The audit report refers only to the financial statements and statement of performance named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and statement of service performance as well as the related audit report dated 27 October 2010 to confirm the information included in the audited financial statements and statement of service performance presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.