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Everything is Connected (2019) - Kerry Ann Lee,
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This Statement of Performance Expectations documents planned activity, performance targets and forecasts financial information for the Arts Council of New Zealand Toi Aotearoa (Creative New Zealand) for the period 1 July 2020 to 30 June 2021.

Given the uncertainty when this plan was published in June 2020, we have updated this SPE as at January 2021 following consultation with the Associate Minister for Arts, Culture and Heritage.

It is presented in accordance with sections 149B to 149M of the Crown Entities Act 2004.

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Caren Rangi ONZM

Acting Chair, Arts Council New Zealand
24 February 2021

A handwritten signature in black ink, featuring a large, stylized initial 'M' followed by a series of loops and a long horizontal stroke.

Michael Prentice

Arts Council of New Zealand
24 February 2021

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S1

INTRODUCTION

KUPU ARATAKI

FOREWORD *KUPU WHAKATAKI*

We're pleased to present our Statement of performance Expectations for 2020/21, the second annual plan under our Statement of Intent 2019–2029.

This year's plan is delivered in response to what is arguably the biggest set of challenges the arts in New Zealand have ever faced.

We know the arts are central to so many lives and livelihoods in Aotearoa. Our focus since March 2020 has been on supporting the arts community to adjust to the impact of COVID-19, as it starts to reset for the future.

At a special meeting in March, the Arts Council empowered Creative New Zealand to respond to these extraordinary circumstances in an extraordinary way. The arts sector's uptake of our Emergency Response Package was overwhelming. In the seven weeks that the Phase 1 funding programmes were open, we received triple the number of applications we would have normally in an entire year. In the last week of Phase 1 alone, we received more applications than in a single year.

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

In the year ahead, we're focusing on recovery, resilience and renewal in the sector. The Government's multi-million dollar investment in the arts and culture sector – the biggest since 2000 – is great news. It recognises the contribution of the arts to the wellbeing of New Zealanders and gives us the ability to plan confidently for the year ahead and respond to the enormous challenges facing the arts community.

Forecasting shows that COVID-19 will hit the cultural sector harder than the wider New Zealand economy. We know that creative workers are at risk of job loss, and that Māori and Pasifika artists are especially vulnerable. We also know that many artists and arts organisations will experience further income loss. The COVID-19 lockdown raised many questions about how we view digital engagement, access and equity in the sector.

In response to the continuing challenges we face, our 12-month plan will include additional investment:

- in our Toi Tōtara Haemata and Toi Uru Kahikatea investment programmes to make sure critical arts infrastructure as well as jobs are retained
- in Grants to ensure arts activity can resume and to support artists and arts practitioners
- in the Creative Communities Scheme to support community wellbeing
- to support Māori and Pasifika artists and arts practitioners
- to support arts in the regions through our Ngā Toi a Rohe – Arts in the Regions initiative.

While direct financial support is critical, we know the sector is interested in wider action to promote resilience and adaptability, including new and deeper levels of collaboration.

Leadership has been at the heart of our country's response to COVID-19, and will continue to be as we move into recovery. We've seen the leaders in our sector stand up over recent months and we thank them for their hard work, initiative and support in creating a strong and resilient arts sector.

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

Thankful for Art (#TFA) campaign video.



We thank New Zealanders for supporting and taking part in the arts in communities across the country, especially over the past few months. Our *Thankful for Art (#TFA)* advocacy campaign reached over 1.2 million people in April and May. During the ‘Thankful for Art’ campaign, artists shared stories and insights, and inspiring ways to engage with the arts while we were in lockdown. We’ll build on this success and keep advocating for the arts over 2020/21.

While there’s still uncertainty around what attendance and participation in the arts might look like in the ‘new normal’, digital content and performances continue to grow across the sector, and online audiences continue to increase. Our triennial *New Zealanders and the arts* research will be repeated this year, and will help us understand how people intend to re-engage with the arts.

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

Mā whero, mā pango ka oti ai te mahi

With red and black the work will be complete

Stephen Wainwright

Chief Executive, Creative New Zealand
24 February 2021

Caren Rangi ONZM

Acting Chair, Arts Council New Zealand
24 February 2021

IMPACT OF COVID-19 ON THE ARTS

NGĀ PAPĀTANGA O TE MATE KORONA KI RUNGA I NGĀ TOI

Creative New Zealand's COVID-19 response – Phase 1 of our Emergency Response Package

Before we report on our plan for 2020/21, it's useful to review what we did between March and the end of June 2020 to support the arts sector through the devastating impacts of COVID-19.

Emergency Response Package overview

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

As a result, the Emergency Response Package was put in place, including a first phase \$16 million investment to buffer and support the arts community.

Phase 1 of the Emergency Response Package was developed within the broader context of the Government's overall COVID-19 response, including its Economic Recovery Package.

Creative New Zealand planned to distribute the initial \$16 million investment to the sector through to 30 June 2020. It included \$4.5 million of new money drawn from reserves, plus a further \$11.5 million repurposed from other programmes (as part of Phase 1, and to be as flexible and responsive to the arts sector as we could, existing programmes were suspended and funding reallocated to the Emergency Response Package).

The Emergency Response Package included two main components.

1. **Resilience Grants** for eligible artists, arts practitioners, arts groups and arts organisations (non-investment clients) who were suffering, to help them recover, maintain and develop their practice in a completely changed environment. Two opportunities were available.
 - (a) **Arts Continuity Grants** (up to \$50,000), supporting the creation of new work or the reframing of an existing project in light of COVID-19, including creative and professional development, promotion and distribution (for example, supporting new ways of working).
 - (b) **Emergency Relief Grants** (up to \$10,000 per individual), for eligible artists and arts practitioners, collectives and groups who were experiencing devastating loss of income and opportunity and an uncertain future, and who have applied for the announced Government support.
2. **Short-term Relief for Investment Clients** that supports existing investment clients on top of existing funding. Priority is given to those materially and negatively affected by COVID-19, to help them stabilise their businesses and remain viable. Investment clients are the 83 multi-year funded arts organisations in the Toi Tōtara Haemata (Tōtara) and Toi Uru Kahikatea (Kahikatea) investment programmes, which employ between them artists and arts practitioners (including technical specialists), and that may have had to cancel or defer programmes and carry the impact of incurred costs without the anticipated revenue.

Because of strong demand for the Emergency Response Package programmes, the Arts Council agreed to close the Resilience Grants programmes (Emergency Relief Grant and Arts Continuity Grants) early, on 29 May 2020, ahead of the initially advised date of 18 June 2020. Due to the extraordinarily high volume of applications, however, in early June the Arts Council approved investing a further \$13 million into the Phase 1 pūtea. This brought our total investment to \$29 million – nearly double the \$16 million initially allocated.

**#TFA
showcased
many
different
artforms
and
highlighted
a variety
of ways art
contributes
to society**

In the seven weeks that the Phase 1 programmes were open, we received triple the number of applications we normally would in an entire year. In the last week alone, we received more applications than in a single year.

Emergency Response Package statistics are given on pages 5-10, along with positive feedback received from the sector in response to the programmes to date.

Our COVID-19 response continues, with a 12-month investment plan announced and some opportunities opening on 3 August.

National advocacy response

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

The aim was to provide an innovative, dynamic arts advocacy response to COVID-19 that promoted the value of the arts to New Zealanders and helped to tautoko the arts community through the crisis.

This work was built on the things we heard the sector call for, and our wider purpose of encouraging, promoting and supporting the arts in New Zealand for the benefit of all New Zealanders.

The Phase 1 advocacy response included:

- a public national advocacy campaign, Thankful for Art (#TFA), promoting the value of the arts during lockdown
- local government guidance on how to support its arts communities and continue to foster community engagement with arts and culture
- pitching for arts content and opinion pieces in mainstream media (acknowledging the closure of a high number of media outlets impacted the ability to secure coverage).



Creative New Zealand also supported the Arts Foundation's Boosted crowdfunding site (Boosted Live) to establish an online live-streaming platform with a complementary fundraising function.

We developed our advocacy response by testing ideas with artists, arts practitioners and sector colleagues, and seeking feedback along the way. We also kept our ear to the ground – reading updates from our clients, excellent writing on the effect of the crisis on our arts communities, calls on social media and various sector hui.

The advocacy response was also developed in line with the aims of Creative New Zealand's *Advocacy Strategy 2016–2021* and consistent with the refocusing of *Te Hā o ngā Toi—Māori Arts Strategy 2019–2024* and the *Pacific Arts Strategy 2018–2023*.



How Creative New Zealand has been working

Our priority over the crisis period has been to be as flexible and responsive to the arts sector as we can.

In late March 2020, we established a taskforce to work through what COVID-19 meant for our own business continuity, as well as how to develop and deliver an appropriate response and support package for the arts sector. In doing so, we reprioritised our work, from both a people and a financial perspective, and put systems and processes in place to best support the sector.

Our focus has been on making fast decisions for the arts community and ensuring we distribute the emergency funds as fairly and efficiently as we can. Quick application turnarounds and rolling weekly decisions were in place for both the Arts Continuity Grants and Emergency Relief Grants.

We're thankful for the rōpū of experienced external assessors, all experts in their artform, who have contributed significantly to our decision-making processes.

Staff brought artists, arts practitioners and arts organisations together through many different ways:

- Leading engagement with artists, communities, and sector and key stakeholders to identify the main impacts, issues and opportunities.
- Initiating, hosting and participating in online 'zui' and 'zono' (Zoom hui and fono) to engage and share information about our Emergency Response Package, and to talk to the sector about the big issues they're facing.
- Convening conversations to keep the sector connected and maintain channels of communication with Creative New Zealand.
- Advising applicants to the Arts Continuity Grants programme, providing strategic analysis for decision-making and attending weekly funding panel meetings.
- Working with others to reset strategic directions and focus for *Te Hā o ngā Toi—Māori Arts*

Strategy 2019–2024 and the Pacific Arts Strategy 2018–2023.

As we continue our COVID-19 response, we'll keep listening to and working with our artists, arts practitioners, arts organisations, and the wider arts sector. This open dialogue and the insights the sector generously shares are critical to our success.

Further details of our 12-month plan is explained on page 14.

Impact of COVID-19 – June 2020 snapshot

The table on page 25 provides a summary of the impacts of COVID-19 on our outcomes on the period through to, at least, 31 December 2020

Emergency Response Package Phase 1 – June 2020 snapshot

As at 30 June we had granted \$21,935,763 from the Emergency Relief Grant and Arts Continuity Grant funds. A snapshot of this grants funding is provided here and an overview of all Phase 1 funding will be available in our Annual Report 2019/20. A full snapshot can be seen on the following pages.

A third fund available through the Emergency Response Package phase – Short-term Relief for Investment Clients – provided an avenue of support for the 83 arts organisations currently receiving multi-year funding via our Tōtara and Kahikatea investment programmes. This fund focused on providing emergency support for existing Tōtara and Kahikatea investment clients to survive the impact of COVID-19, maintain their key people and in some cases support the broader ecology of freelance practitioners until 30 June 2020.

As at 30 June, \$1.7 million in funding has been approved for seven investment clients, with further applications still to be processed.

The table on page 25 provides a summary of the impacts of COVID-19 on artists and arts organisations at least until the period to 31 December 2020. We will provide further analysis of the impact of COVID-19 in our Annual Report 2019/20.

EMERGENCY RESPONSE PACKAGE PHASE 1

(AS AT 30 JUNE)

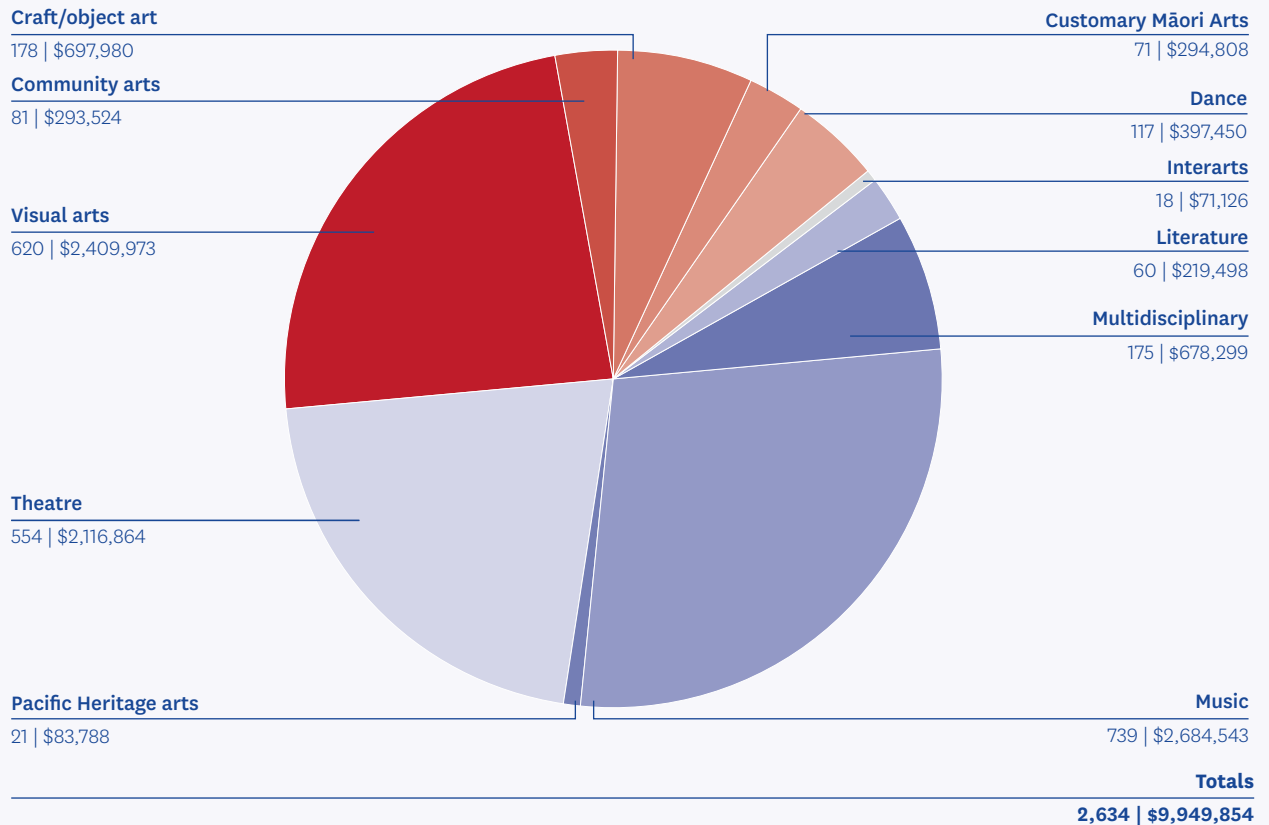
\$9,949,854

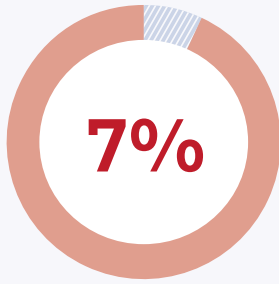
OFFERED TO SUPPORT PROJECTS BY NEW ZEALAND ARTISTS

2,634

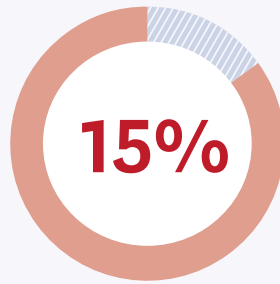
EMERGENCY RESPONSE PACKAGE GRANTS

EMERGENCY RELIEF GRANTS BY ARTFORM

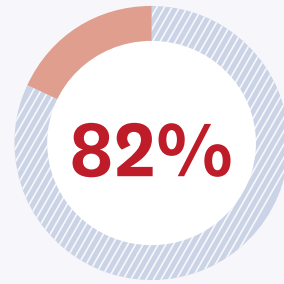




SELF-IDENTIFIED AS PASIFIKA

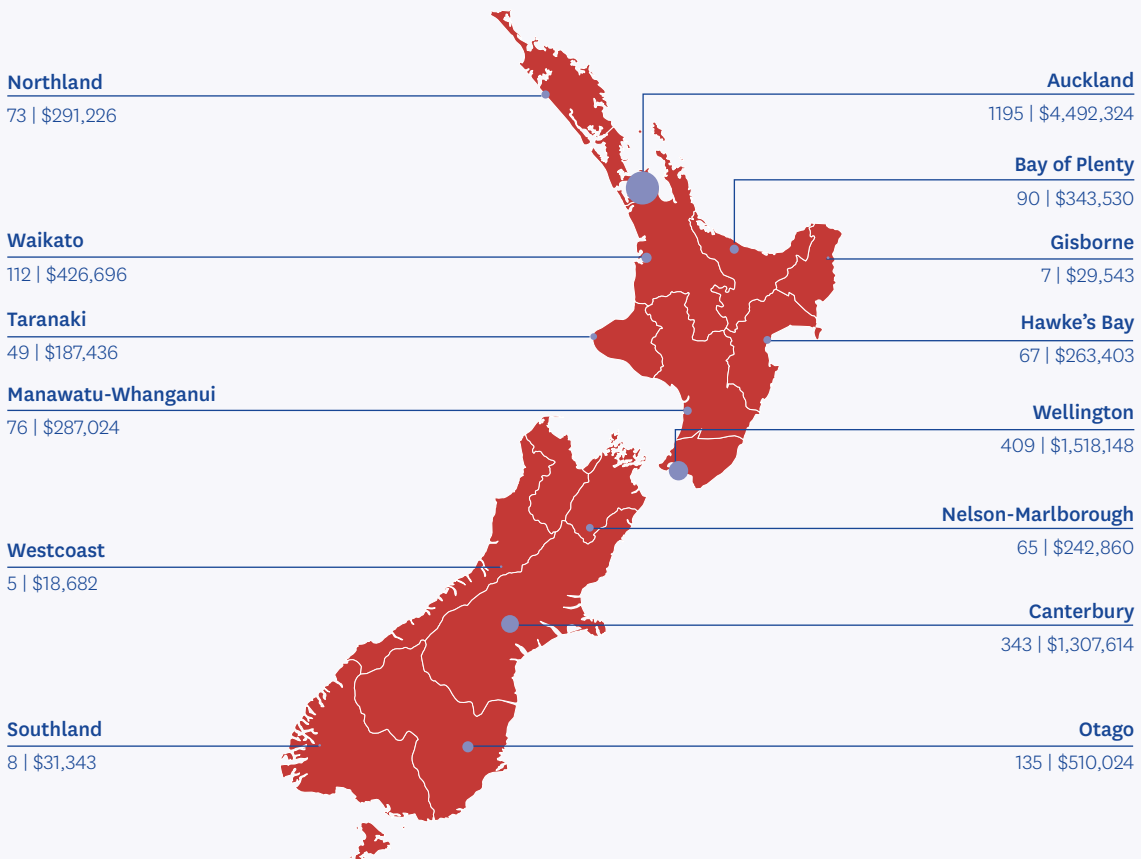


SELF-IDENTIFIED AS MĀORI



RECIEVED A FULL-TIME GRANT

EMERGENCY RELIEF GRANTS BY LOCATION (REGION)



We'll provide a full analysis of the impact of COVID-19 in our Annual Report 2019/20, however above is an early snapshot of the impact of COVID-19 on existing Creative New Zealand projects, along with a summary of Phase 1 funding as at 30 June 2020.

ARTS CONTINUITY GRANTS PHASE 1 (AS AT 30 JUNE)

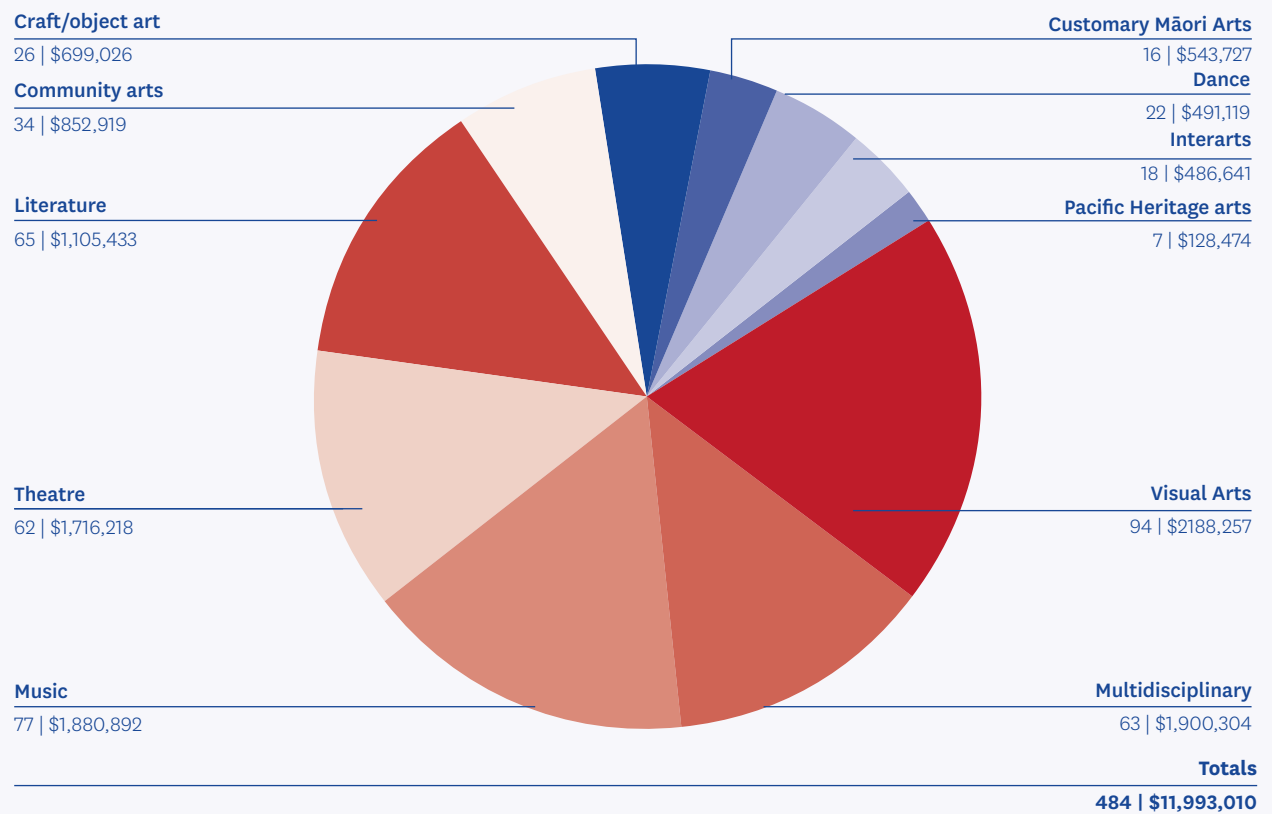
\$11,993,010

OFFERED TO SUPPORT PROJECTS BY NEW ZEALAND ARTISTS

484

OFFERED TO SUPPORT PROJECTS BY NEW ZEALAND ARTISTS

ARTS CONTINUITY GRANTS BY ARTFORM



The success rate as at 30 June was 50 percent

184

projects support the development of arts practice and the creation of new work

60

projects support building the resilience of the New Zealand arts sector

46

projects will enable New Zealanders to experience high-quality arts

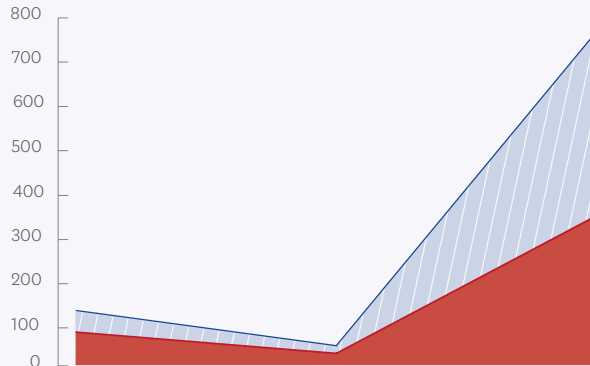
45

projects will enable New Zealanders to participate in the arts

10

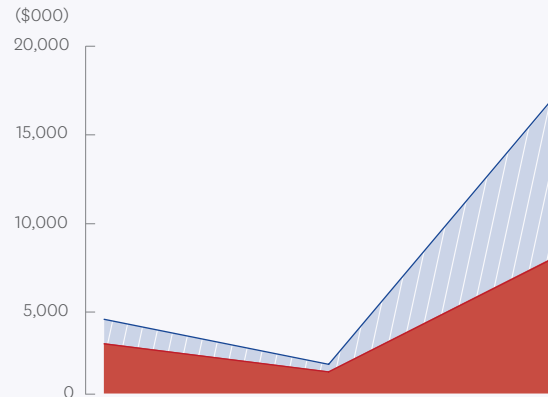
projects will enable New Zealand arts to gain international success

ARTS CONTINUITY GRANTS FUNDING (TOTAL APPLICANTS)



Funding Type	Total applicants	Total applicants approved
Māori Arts	138	90
Pacific Arts	59	42
General Arts	765	352
Totals	962	484

ARTS CONTINUITY GRANTS FUNDING (TOTAL FUNDING)



Funding Type	Total funding requested \$	Total funding approved \$
Māori Arts	4,262,420	2,872,237
Pacific Arts	1,640,733	1,205,904
General Arts	17,130,839	7,914,869
Totals	23,033,992	11,993,010

ARTS CONTINUITY GRANTS BY LOCATION (REGION)

Location	Total applicants approved	Total funding approved \$
Auckland	140	3,404,193
Online 📺	100	2,467,496
Wellington	77	1,815,609
National* 🌐	29	776,876
Bay of Plenty	19	622,444
Canterbury	28	561,434
Waikato	15	407,811
Northland	13	343,430
Manawatu-Whanganui	8	250,767
Otago	9	267,260

*Projects deliver to a number of locations nationally.

Location	Total applicants approved	Total funding approved \$
Overseas ✈️	12	254,706
Gisborne	8	237,084
Taranaki	6	155,924
Nelson- Marlborough	8	141,002
Hawke's Bay	5	135,280
Southland	3	72,657
West Coast	1	40,131
Chatham Islands	1	13,006
Not captured	2	25,900
Totals	484	11,993,010

IMPACT OF COVID-19

(AS AT 17 JUNE)

72 grants projects have been delayed or required change as a result of the impact of COVID-19. As expected, attendance, participation and the creation of new works have all been affected. See below for some early analysis of affected projects.

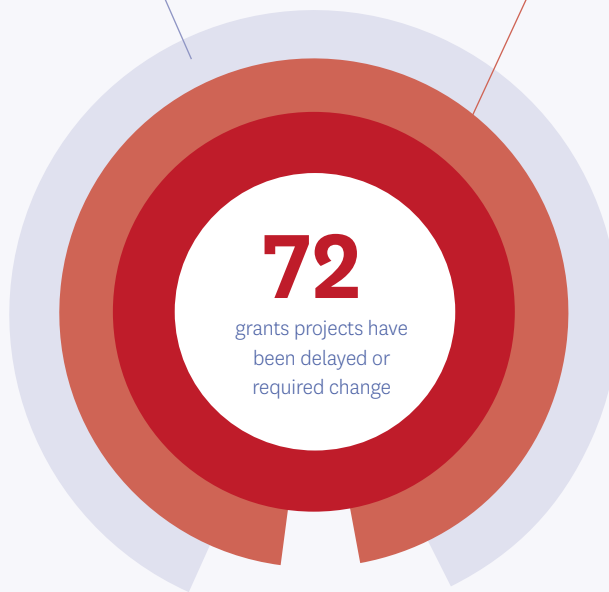
62

Auckland and Wellington performances across all artforms are hardest hit, with 62 activities delayed or changed



35

activities located overseas have also been delayed.



72

grants projects have been delayed or required change

69

that will contribute to our outcome 'New Zealanders participate in the arts' have been delayed or changed



134

individual activities across the country have been delayed with theatre hit the hardest (41 activities). This has a direct effect on the number of opportunities available for 'New Zealanders to participate in the arts.'

Of the 72 projects, 37 projects that will directly contribute to our outcome 'New Zealanders experience high-quality arts' have been delayed or changed. Within these projects, 83 individual activities (77 of them exhibitions or live performances) have been affected, with activities across the country delayed. Theatre and Music artforms are mainly affected, with 36 and 18 activities delayed respectively.

Again, performances in Auckland and Wellington are hardest hit, with 39 activities delayed or changed. Twenty activities located overseas have also been delayed.

Of the 72 projects impacted overall, 28 projects that will directly contribute to our outcome 'High quality New Zealand art is developed' have been delayed. These projects include 35 activities that will see 71 projected new works created. Of these, 21 are new dance works and 16 are Pacific works.

Of the 72 projects impacted overall, 14 projects that will contribute to our outcome 'New Zealand arts gain international success' have been delayed or changed as a result of the impacts of COVID-19. These projects were expected to result in 84 events in total. As above, exhibitions and live performance are hardest hit, with 80 projected events delayed and a further four changed. Sixty-seven of these events are based in Australia, the United Kingdom and the United States.

These figures do not include activities delivered through the Tōtara and Kahikatea organisations. We will provide an analysis of the impact of COVID-19 on these organisations in our Annual Report 2019/20.

POSITIVE FEEDBACK FROM THE SECTOR

We've been overwhelmed by the feedback from artists, practitioners and arts organisations to Creative New Zealand's emergency response. To receive messages of appreciation and know we are making a difference during this time has made all the hard mahi worthwhile for all the team.

“

Your support means so much, and will have a massive impact on the support we are in turn able to give to our tamariki and whānau during this unsettling period of change. Your swift and clear response to support our organisation through the challenges of COVID-19 will enable our tutors to be able to stay connected with our tamariki, and continue their musical learning from within their bubble.

Thank you for the incredible hard work you and your team are putting in. It really makes the difference between there being an arts industry post-COVID, or not.

Thank you to the CNZ team for the speedy reply to all email questions and application being processed so quickly. A huge help in such trying times.

Wow, this is going to make such a huge practical and psychological difference to the next few weeks. Thank you very very much.

I know you are crazy busy and won't expect a response but. THANK YOU!!! You and the team at Creative NZ are very much appreciated and the emergency fund makes a huge difference. Like most other of my contemporaries, all of my work and future recording schedule disappeared off of the books so it means a lot to have this assistance. Thanks again and have a great day!

This putea is so appreciated. Nga mihinui ki a koutou.

Thank you so much!! I do not know who to physically thank at Creative New Zealand so I would be grateful if you could pass my deepest appreciation and thanks to any and all at CNZ.

Thank you for the great support you provide not only financially but by acknowledging the value of artists and their difficult present time. Should I be any help in return, let me know what I can do!

”

Our strategic direction underpinning our work in 2020/21



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

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

Through the **Creative New Zealand perspective**, our priority this year is to be as flexible and responsive to the arts sector as we can. This means working to provide programmes and initiatives that are fit for purpose in the short to medium-term for artists, arts practitioners and arts organisations.

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

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

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

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



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

What we want to achieve by 2029 – Our goals

Outcomes and value perspective

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

Outcomes and value perspective

Mana and support perspective

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

Mana and support perspective

Sector perspective

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

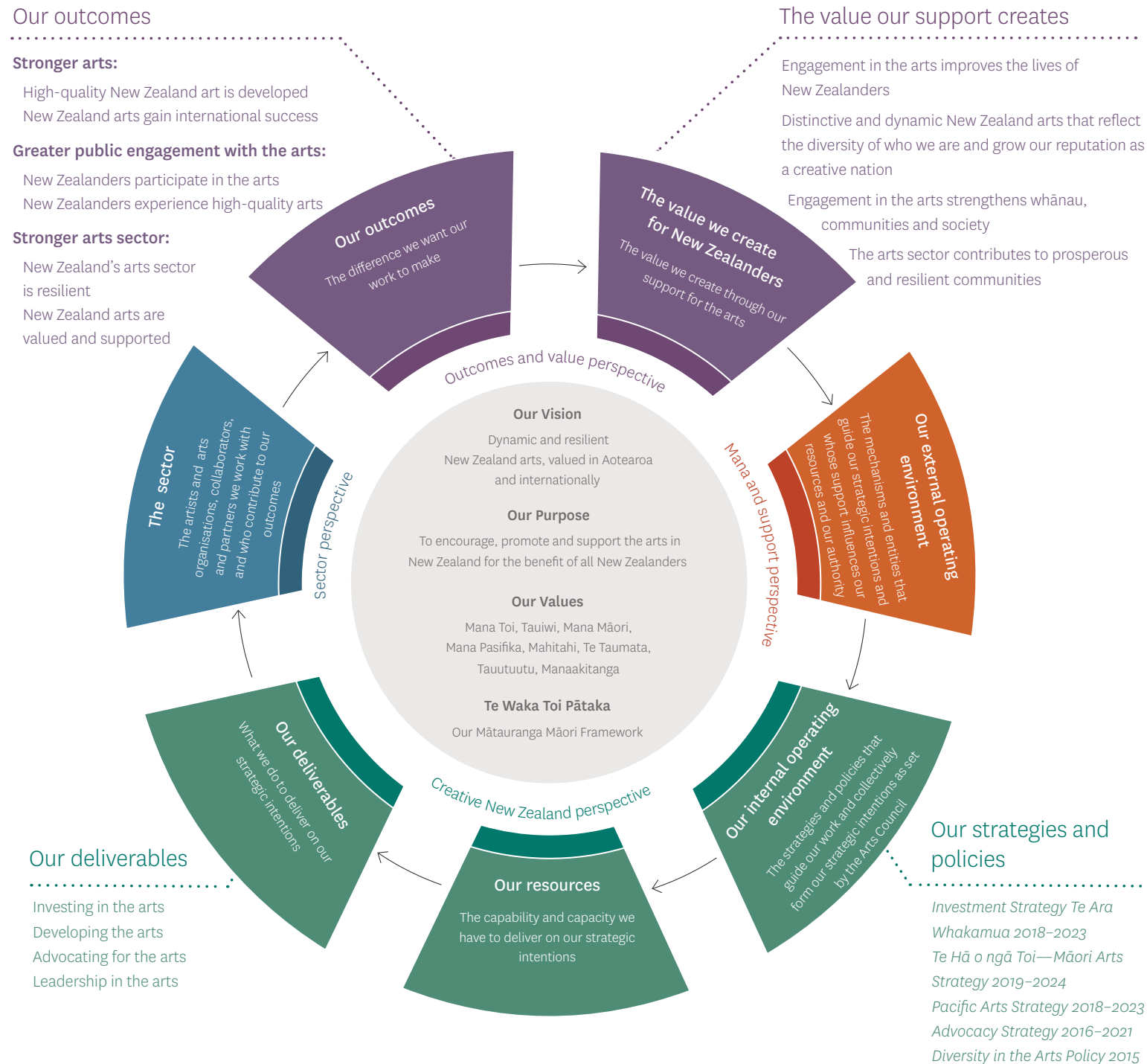
Sector perspective

Creative New Zealand perspective

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

Creative New Zealand perspective

How we create long-term value for New Zealanders



How our work links to government priorities

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

Subjective wellbeing Human capital
Health status
Education and skills

Social connections Social capital
Cultural identity
Civic engagement
Time use

Income and wealth Financial/physical capital
Jobs and earnings

Environment Natural capital

Ministers' priorities for Arts, Culture and Heritage

Valuing who we are as a country

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

All New Zealanders can access and participate in cultural experiences

The cultural sector is supported and growing sustainably

Our strategies and policies

Investment Strategy Te Ara Whakamua 2018–2023
Te Hā o ngā Toi—Māori Arts Strategy 2019–2024
Pacific Arts Strategy 2018–2023
Advocacy Strategy 2016–2021
Diversity in the Arts Policy 2015

Continuation of Creative New Zealand's COVID-19 response

Continuation of Creative New Zealand's COVID-19 response in 2020/21 will focus on sustainability and resilience, ensuring the arts sector can survive, adapt and engage the public as part of the nation's recovery.

Strategic foundation

Our strategic framework (that is, *Creating value for New Zealanders*, as set out in the *Statement of Intent 2019–2029*) remains relevant and has driven the 2020/21 planning process.

Over this time, however, there'll be a greater focus on the **Stronger arts sector** outcome and similar elements in our other key strategies: the **Resilient arts sector** feature of the *Investment Strategy Te Ara Whakamua 2018–2023*, and those in *Te Hā o ngā Toi—Māori Arts Strategy 2019–2024* and the *Pacific Arts Strategy 2018–2023*.

Factors affecting our response

With the shift to Alert Level 1 happening earlier than many were predicting, many parts of the arts sector have restarted activity. The COVID-19 crisis, however, will have negatively affected many organisations and will continue to have a long-term effect, including:

- **recessionary impacts:** whether people will be able and willing to spend, as well as potential impacts on business sponsorship, gaming and community trust funding, and philanthropy
- **retrenchment in local authority funding:** this is already evident in some areas
- **audience behaviour:** whether audiences will feel safe to return in the same numbers, with consequent impacts on box office revenue, and whether there'll be longer-term changes around people's engagement with online arts experiences.

Creative New Zealand continues to work with Manatū Taonga Ministry for Culture & Heritage and other government agencies to understand what role it can play in supporting other initiatives announced in late May, including the further \$175 million for the Government's wider arts and music recovery package, and funding for Mātauranga Māori and Pasifika Festivals.

Further challenges in the year ahead are set out in the **Financial performance** section on page 42.

Planning approach in 2020/21

Creative New Zealand has planned and budgeted in a dynamic way for the 2020/21 financial year and will continue to do so in response to changes in the external operating environment. Our 12-month investment programme offers arts funding for the financial year through to 30 June 2021, with the first decisions notified in mid-September 2020 at least.

Framework for developing our response

In developing its response, Creative New Zealand considered:

1. continuing or adapting Phase 1 programmes
2. repurposing or re-instigating suspended 'business as usual' programmes across all eight investment categories:
 - Toi Tōtara Haemata Investment programme
 - Toi Uru Kahikatea Investment programme
 - Grants (including Arts Grants and Special Opportunities)
 - Creative Communities Scheme
 - International Programme
 - Capability Building Programme
 - Advocacy
 - Initiatives and pilots
3. developing new initiatives or programmes to address gaps in provision, so as to better support the sector through the COVID-19 crisis.

Our 12-month investment programme includes a 'revitalise' part, addressing how the arts sector can contribute to medium-term recovery, both within the sector and more broadly to the national recovery effort (that is, in a similar way the arts played a vital role in Christchurch recovering from the earthquakes).

Pages 34-35 set out the key programmes restarting under our 12-month investment programme. Our approach will continue to be agile and responsive, as we consider the 'new normal'. Further detail on our priorities for 2020/21 is given on page 39.

Ministerial expectations for 2020/21

By convention, the Associate Minister for Arts, Culture and Heritage writes to the Arts Council each year outlining the Government's expectations for the forthcoming performance year.

Creative New Zealand received Minister Sepuloni's 2020/21 expectations by letter in December 2019. Of course, the context in which these expectations were set is significantly different from the environment we are now operating in. Despite this, we'll continue to provide appropriate focus in those areas along with the new COVID-19-related expectations provided in June 2020.

An overarching expectation is that of 'no surprises'. We're committed to informing the Associate Minister in a timely manner about matters of significance as they relate to the arts.

Wider sector priorities

We recognise we have an important role in delivering to the Government's outcomes, specifically Ministers' priorities for arts, culture and heritage.

We also look forward to playing our part in delivering the initiatives outlined in the Government's support package for the arts and cultural sector through Budget 2020. These include:

- **Careers Support for Creative Jobseekers** – a programme supporting people back into the creative sector and sustainable work

- **Creative Arts Recovery and Employment Fund** – to support the rebuild of the creative industries by commissioning and supporting creative projects at a national and local level
- **Cultural Innovation Fund** – a contestable fund to support new ways of operating, cross-sector partnerships, and creating new ways to add value to the economy, particularly through digital exports. This will include supporting innovative approaches to Māori artforms and traditional knowledge
- Initiatives around **career development, capability building** and **lifting remuneration** levels for arts practitioners and arts organisations.

Creative New Zealand-specific priorities

The significant new Crown investment (\$27 million) in Creative New Zealand through Budget 2020 will be delivered through:

- investment of \$25 million in 2020/21 to retain core arts infrastructure, deliver arts projects in communities and support the delivery of key strategies including *Te Hā o ngā Toi—Māori Arts Strategy 2019–2024* and the *Pacific Arts Strategy 2018–2023*
- an additional \$2 million through the Cultural Sector Capability Fund so the arts sector has the necessary industry, technical and business capability to meet the challenges of a post-COVID-19 environment.

This investment lets us better position the arts sector to survive the COVID-19 crisis, adapt to the new environment, engage audiences in new ways, and add to New Zealand's revitalisation post-COVID-19. We'll continue to explore innovative ways of connecting with the communities of New Zealand and supporting the arts sector.

Creative New Zealand has accepted an invitation to manage the new **Pasifika Culture and Heritage Fund** (\$12 million over three years) to support Pasifika festivals throughout New Zealand. We look forward to working together with Manatū Taonga Ministry for Culture and Heritage and the Ministry for Pacific Peoples on this exciting new initiative.

Finally, we'll continue to support the development of the **Mātauranga Māori Te Awe Kōtuku Framework**. This initiative will receive \$20 million over two years to support iwi, hapū, whānau and Māori communities with projects that will protect their mātauranga and taonga from the impact and ongoing threat of COVID-19.

We've outlined how we'll measure the progress of these initiatives in 2020/21 on page 39.

While the following expectations were set in December 2019, in a significantly different context from the one we're now operating in, we'll continue to focus on the following areas:

- ensuring the Board (Arts Council) uses effective financial management practices to manage variances in revenue
- embedding *Te Hā o ngā Toi—Māori Arts Strategy 2019–2024* and looking for opportunities to lift the capability and representation of Māori arts and artists
- embedding the *Pacific Arts Strategy 2018–2023* and looking for opportunities to lift the capability and representation of Pasifika arts and artists
- exploring how diversity in the sector may be increased from existing funding, including building the capability of arts infrastructure to deliver programmes by and with youth, with a focus on Māori and Pasifika youth
- working with Manatū Taonga Ministry for Culture and Heritage on policies related to sustainable cultural sector careers, and identifying ways Creative New Zealand can provide sector leadership.

Regarding Creative New Zealand governance and reporting in 2020/21:

- we'll continue to oversee the performance and long-term strategic direction of Creative New Zealand and provide best-practice governance
- we'll provide information on performance against planning documents, and quality and timely information on risks and opportunities. This includes monthly performance reporting on new funding initiatives as a result of Budget 2020.

To accompany the funding approved in Budget 2020, Manatū Taonga Ministry for Culture and Heritage will develop an evaluation programme for aspects of Budget 2020. We will take part as needed in the development and implementation of this programme.

**\$20 million
over two
years to
support
iwi, hapū,
whānau
and Māori
communities**

SECTION 2

NON-FINANCIAL PLANNING AND PERFORMANCE
WHAKAMAHERE UTU KORE MAHI

ABOUT OUR PLAN TA TĀTAU MAHERE

The Statement of Performance Expectations (SPE) sits under the Statement of Intent 2019–2029 (SOI). It describes how this year’s work will contribute to achieving the strategic direction set out in the SOI. Each year, we publish an SPE that outlines our planned activity, performance targets and forecasted financial information for the relevant financial year.

This SPE covers the 2020/21 financial year (that is, 1 July 2020 to 30 June 2021). Because of the impact of COVID-19 on the arts sector, our focus is on the short to medium-term needs of artists and arts organisations, and this is reflected in the plan. Responding to the effects of COVID-19 will be our focus for the period 1 July to 30 June 2021. We’ll consult with the Associate Minister for Arts, Culture and Heritage should changes be needed. The plan has two parts:

- Non-financial planning and performance – describes our work for the year ahead through our performance framework on pages 19–22. The framework is based on our 10-year strategic direction and explained in further detail on page 12. We’ve kept our full performance framework for consistency, and will report any changes as a result of the impact of COVID-19. We’ll continue to measure our progress in 2020/21, and our measures and indicators are explained in further detail on pages 23–38.
- Financial planning and performance – provides our financial statements for the 2020/21 year and the notes to those statements.

We’ll report against these two parts in the Annual Report for 2020/21. It’s likely that Creative New Zealand’s financial performance and service performance for 2020/21 will be affected because of measures being put in place to respond to the COVID-19 crisis.

Creative New Zealand has one output class – Promotion and support of the arts – which is a reportable class for the purposes of the Crown Entities Act 2004. Under this, we’ll work to achieve our four goals and create value for New Zealanders

(see Our strategic direction for 2019–2029 – *Creating value for New Zealanders* on page 13).

No output classes have been given reporting exemptions by the Minister of Finance. We do not propose supplying any output classes in 2020/21 that are not a reportable class of outputs.

We operate under one central government output expense: Promotion and Support of the Arts and Film. Manatū Taonga Ministry for Culture and Heritage is our monitoring department. Responsibility for oversight and funding of Creative New Zealand has been delegated by the Minister for Arts, Culture and Heritage, Rt Hon Jacinda Ardern, to the Associate Minister for Arts, Culture and Heritage, Hon Carmel Sepuloni.

We’re mainly funded through Vote: Arts, Culture and Heritage and the New Zealand Lottery Grants Board (NZLGB). In 2020/21, Creative New Zealand expects to receive:

- \$42.689 million from the Crown through Vote: Arts, Culture and Heritage, which includes the significant increases achieved through the Budget 2020 process
- an estimated \$45 million from the NZLGB. Revenue from the NZLGB for 2020/21 is based on Lotto New Zealand’s mid-range budgeted profit for 2020/21. The final expected 2020/21 payment from the NZLGB will be confirmed in July 2020 and revised during the year.

The level of funding we receive from the NZLGB and the timing of funding advice with respect to our own planning and reporting cycle could possibly change.

OUR PERFORMANCE FRAMEWORK FOR 2020/21

TE TŪTUKI I A MĀTAU MAHI



Our Vision: Dynamic and resilient New Zealand arts, valued in Aotearoa and internationally	What we want to achieve by 2029 – Our goals	How will we achieve our goals?	How will we know we're successful?
	<p>Goal: Outcomes and value perspective – We can clearly articulate how our work and engagement in the arts deliver value for all New Zealanders</p>	OUTCOMES AND VALUE PERSPECTIVE	
Our outcomes – The difference we want our work to make		Outcome measures	
<p>Stronger arts</p>		<p>High-quality New Zealand art is developed Number of new New Zealand works developed</p> <p>New Zealand arts gain international success Number of individuals and organisations funded by Creative New Zealand to engage internationally Number of international arts activities and events funded by Creative New Zealand</p>	
<p>Greater public engagement with the arts</p>		<p>New Zealanders participate in the arts Number of participants in arts activities funded by Creative New Zealand</p> <p>New Zealanders experience high-quality arts Number of attendances at arts activities and events funded by Creative New Zealand</p>	
<p>Stronger arts sector</p>		<p>New Zealand's arts sector is resilient</p> <p>Percentage of Tōtara and Kahikatea organisations that meet or exceed expectations set in their funding agreements across three dimensions: quality of programme; financial health; organisational health.</p> <p>New Zealand arts are valued and supported</p> <p>Maintain or increase average 'other' (non-Creative New Zealand) investment per organisation</p> <p>Index rating for how New Zealanders perceive the value of the arts to New Zealand (New Zealanders and the Arts survey data)</p>	
<p>The value we create for New Zealanders – The value we create through our support for the arts</p> <p>Engagement in the arts improves the lives of New Zealanders:</p> <ul style="list-style-type: none"> • The arts contribute to personal wellbeing. • The arts contribute to healthier people. • The arts contribute to education and skills development. • The arts create a more highly skilled workforce. • The arts develop creative people who provide new approaches to solving problems. 		<p>Indicators of long-term impact</p> <p>Life satisfaction correlated to engagement in cultural activity (Stats NZ General Social Survey)</p> <p>Rating for the arts improve how I feel about life in general (New Zealanders and the Arts survey data)</p>	

Our Vision: Dynamic and resilient New Zealand arts, valued in Aotearoa and internationally	What we want to achieve by 2029 – Our goals	How will we achieve our goals?	How will we know we're successful?
	Goal: Outcomes and value perspective – We can clearly articulate how our work and engagement in the arts deliver value for all New Zealanders	OUTCOMES AND VALUE PERSPECTIVE	
		The value we create for New Zealanders – The value we create through our support for the arts	Indicators of long-term impact
		Distinctive and dynamic New Zealand arts that reflect the diversity of who we are and grow our reputation as a creative nation: <ul style="list-style-type: none"> • The arts contribute to our diverse identities and shared sense of national identity. 	Life satisfaction correlated to engagement in cultural activity (Stats NZ General Social Survey) Rating for the arts improve how I feel about life in general (New Zealanders and the Arts survey data)
Engagement in the arts strengthens whānau, communities and society: <ul style="list-style-type: none"> • The arts contribute to social inclusion and cohesion by connecting people and communities. • The arts contribute to our identity as individuals, whānau, community(ies) and as a nation. • The arts support a strong democracy. 	Index rating for correlation of belonging to a group, club or organisation to a sense of life satisfaction and feeling that life is worthwhile (Stats NZ General Social Survey) Index rating for how engagement in the arts strengthens communities, society and our identity (New Zealanders and the Arts survey data)		
The arts sector contributes to prosperous and resilient communities: <ul style="list-style-type: none"> • The arts sector provides jobs and careers for artists and practitioners. • The arts play a role in rejuvenating and making cities and communities great places to live. • The arts contribute to New Zealand's economy. 	Percentage of total employment (arts-related industries) (Stats NZ) Percentage of territorial authorities with an arts and culture policy (Creative New Zealand survey data) Rating for the arts contribute positively to the economy (New Zealanders and the Arts survey data) Household spending on the arts (Stats NZ) Percentage of arts-related industries that contribute to gross domestic product (Stats NZ)		



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



Our Vision: Dynamic and resilient New Zealand arts, valued in Aotearoa and internationally

What we want to achieve by 2029 – Our goals	How will we achieve our goals?	How will we know we're successful?	
CREATIVE NEW ZEALAND PERSPECTIVE			
	Core activity measures	Annual priorities	
	Our deliverables – What we do to deliver on our strategic intentions		
<p>Goal: Creative New Zealand perspective – We have the strategies, services and operational capacity to drive the development of the arts in New Zealand for the benefit of all New Zealanders</p>	<p>Investing in the arts – Investing in artists, art practitioners and arts organisations and their projects in a fair, transparent and strategic way</p>	<p>Percentage of Tōtara and Kahikatea organisations that meet or exceed expectations against performance expectations set in individual funding agreements.</p> <p>Percentage of completed projects that meet or exceed expectations set in funding agreements</p>	
	<p>Developing the arts – Developing the arts sector’s capacity to succeed and undertaking initiatives to develop the arts</p>	<p>Percentage of clients who agree capability building programmes align with their needs and priorities</p> <p>Percentage of clients who rank capability building initiatives as extremely or very effective, relevant and helpful</p> <p>Percentage of completed projects for targeted initiatives to develop the arts delivered to the sector that have met or exceeded our expectations</p>	<p>Delivering our 12-month investment programme to support the sector to survive the COVID-19 crisis and adapt to the dynamic environment (as described throughout this document).</p> <p>Understanding how we can contribute to the Government’s wider support package for the arts and cultural sector</p> <p>Ensuring we have the capacity (people and systems) for the year ahead – balancing people needs with what we can deliver, with what resources we can access, and with what timeframes we are faced with</p>
	<p>Advocating for the arts – Promoting the value of the arts and empowering the arts sector to make the case for the arts</p>	<p>Percentage of advocacy actions described in the annual advocacy action plan (or equivalent) that have met or exceeded our expectations</p>	
	<p>Leadership in the arts – Providing leadership to ensure the arts sector is well positioned collectively to respond to change</p>	<p>Percentage of participants in key meetings, hui, fono held by Creative New Zealand who rate them overall as mostly or very useful/relevant</p>	
	Our resources – The capability and capacity we have to deliver on our strategic intentions		
	<p>Public money</p> <p>Total level of investment by Creative New Zealand in the arts</p> <p>Maintain operating costs in line with policy set by the Arts Council (being between 15% and 16% of total expenditure)</p>	N/A in 2020/21	
	<p>Our people and expertise</p> <p>Improve on ‘Best Workplaces’ survey – overall performance index</p>		
	<p>Our operational capacity</p> <p>Percentage of funding decisions made within specified timeframes</p> <p>Percentage of applications externally assessed</p>		

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



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

OUR GOALS A MĀTOU WHĀINGA

Over recent months, our energy and resources have shifted from achieving long-term change to meeting the immediate needs of the arts sector.

Despite this, our strategic goals, as set out in the SOI 2019–2029, are still relevant and form the foundation for our work for artists, arts practitioners and arts organisations in 2020/21.

Our four goals align with the four perspectives in the *Creating value for New Zealanders* public value model (see page 13) and describe what we want to achieve by 2029. In 2020/21, our priority within each goal is responding to the needs of our artists, arts practitioners and arts organisations following the impact of COVID-19.

We'll keep supporting our sector at this time through the services we provide, which we call our deliverables: Investing in the arts, Developing the arts, Advocating for the arts and Leadership in the arts. More information about our support for the sector through these deliverables is given on pages 34-35.

Each goal responds to the needs of our artists, arts practitioners and arts organisations following the impact of COVID-19



OUTCOMES AND VALUE PERSPECTIVE

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

Why this goal?

Our outcomes describe the difference we want our work to make. As an arts development agency, we achieve our outcomes by working with others. We do this through investing in artists, arts practitioners and arts organisations that deliver arts experiences and services to New Zealanders, and through our work developing, advocating for and providing leadership in the arts.

Because of the impact of COVID-19, we are focusing on the immediate needs of our artists and arts organisations and this is our priority at least until 31 December 2020. We'll concentrate on sustainability and resilience for the sector and deliver directly to Creative New Zealand's 'Stronger arts sector' outcome in the SOI.

We'll continue linking to government priorities – aligning our work with Ministers' priorities for the Arts, Culture and Heritage portfolio. We'll also keep working with Manatū Taonga Ministry for Culture and Heritage to understand Creative New Zealand's role in supporting the wider arts and culture initiatives announced in May 2020 as part of the Government's multi-million dollar investment in the arts and culture sector.

As our strategies and policies continue to shift, we'll share our progress with the sector and report on our performance through our monthly and quarterly reports to the Associate Minister, and in our Annual Report 2020/21.

What we hope to achieve under our three outcomes has shifted in 2020/21. The table on page 25 summarises the impacts of COVID-19 on our outcomes for the period 1 July to 30 June 2021.

	Outcome: Stronger arts as shown by:		Outcome: Greater public engagement with the arts as shown by:		Outcome: Stronger arts sector as shown by:	
	High-quality New Zealand art is developed	New Zealand arts gain international success	New Zealanders participate in the arts	New Zealanders experience high-quality arts	New Zealand's arts sector is resilient	New Zealand arts are valued and supported
Why this outcome?	<i>Strong arts come from artists, arts practitioners and arts organisations that have the ability and opportunity to generate high-quality work that reflects who we are as a nation and engages audiences in New Zealand and internationally.</i>	<i>International engagement contributes to strong arts by strengthening New Zealand arts practice and broadening the reach of our arts.</i>	<i>This outcome has always aspired to ensure New Zealanders have as many opportunities to participate in the arts, to express themselves artistically, to celebrate, practise, transmit and develop diverse artistic traditions and cultural heritage and develop links between communities.</i>	<i>We have continuously worked to broaden opportunities for all New Zealanders to experience high-quality arts. This includes ensuring access to a diverse range of arts experiences and investing in under-served communities.</i>	<i>A strong arts sector is the foundation from which artists, arts practitioners and arts organisations can produce high-quality arts and provide opportunities for public engagement with the arts. Never has it been so important to support a sustainable and resilient arts sector.</i>	<i>The arts create value and contribute to the wellbeing of New Zealanders. We are only one player in the arts ecosystem however we are interested in monitoring how benefits are realised through engagement with the arts.</i>
Impacts on our outcomes in 2020/21	<p>In recent months, many creative practitioners haven't been able to work in ways they are used to because of restrictions under Alert Levels 4, 3 and 2, and this has resulted in loss of income. Work has been cancelled, and deferrals or delays to planned work have created uncertainty due to the length of the COVID-19 crisis.</p> <p>The effect on international engagement because of COVID-19 is catastrophic. Arts organisations that rely on international touring for a large part of their revenue have faced restrictions on international travel with no change in the near future; large parts of Creative New Zealand's International Programme, in its traditional form, have been suspended indefinitely.</p> <p>While artists have embraced new and innovative solutions to present their work, we expect a reduction in the number of new works developed, both at home and internationally, in 2020/21.</p>		<p>At its core, the arts sector relies on live engagement with audiences and participants in arts activities. With restrictions on public spaces and gatherings across Alert Levels 4, 3 and 2 from March to May 2020, much of the sector came to a halt. Major overarching impacts on the sector are mainly related to the cancellation of domestic performances because of restrictions on gatherings and the closure of venues.</p> <p>Again, while both artists and audiences have embraced digital platforms for making and experiencing arts, we need to be prepared for the possibility of reduced participation and engagement in 2020/21.</p>		<p>The value New Zealanders place on the arts is critical for building the resilience of the sector. It has never been more important for us to champion the arts and the value they create for New Zealanders.</p> <p>Artists and arts organisations that, at the best of times, generally operate on thin margins have been massively affected. The impacts of COVID-19 and the Alert Level restrictions have included:</p> <ul style="list-style-type: none"> • loss of box office revenue • loss of secondary income for freelancers, many of whom rely on hospitality work • loss of sponsorship, trust funding and philanthropy due to market impacts • impacts on downstream providers such as technical services. <p>While we have seen artists adjusting to Alert Level restrictions in a range of interesting ways, we will work to reduce the financial impact throughout 2020/21.</p>	

How will we measure progress towards our outcomes?

We've kept our full performance framework in 2020/21, to be consistent with previous years, and we'll report variances as a result of the impact of COVID-19. Because most of our performance measures are based on what happens as a direct result of Creative New Zealand funding, it's likely results will suffer because of the COVID-19 crisis. For example, we expect a reduction in the number of international performances as a result of the impact of COVID-19 alert levels.

Outcome measures:

Ref.	Name	2018/19 Actual	2019/20 Forecast ¹	2020/21 Target	Notes (COVID-19 impacts are noted, where applicable)
Outcome: Stronger arts					
G1.1	High-quality New Zealand art is developed: Number of new New Zealand works developed	2,666	≥2,500	≥2,500	The number of new New Zealand works developed includes those funded through the Toi Tōtara Haemata, Toi Uru Kahikatea, and Grants investment categories. This number is driven by available resources, applications received and amounts funded. We ensure high-quality New Zealand art is funded through robust application and assessment processes. We've considered the impact of COVID-19 alert levels on the creation of new works when setting this target for 20/21.
G1.2	New Zealand arts gain international success: Number of individuals and organisations funded by Creative New Zealand to engage internationally	143	≥180	50	These proxy measures track the number of New Zealand artists and arts organisations presenting successfully on the world stage. While digital platforms offer alternatives for presenting art internationally, we expect border restrictions to affect performance this year. Note that La Biennale di Venezia and 13th Festival of Pacific Arts and Culture (FestPAC) will not be held during 20/21 as originally planned.
G1.3	New Zealand arts gain international success: Number of international arts activities and events funded by Creative New Zealand ²	2,610	≥1,000	200	

¹ The 2019/20 outcome forecasts differ from those stated in the Statement of Performance Expectations 2018/19 due to significant improvements in the way we captured outcome data in 2017.

² 'Arts activities' capture a variety of works that Creative New Zealand funds (eg, plays, concerts, dance performances, exhibitions, workshops, masterclasses, publications). 'Events' capture the number of opportunities audiences have to experience arts activities (eg, each time a play, concert, dance performance, workshop, masterclass occurs; each day an exhibition is open to the public; each sale or publication).

Ref.	Name	2018/19 Actual	2019/20 Forecast ¹	2020/21 Target	Notes (COVID-19 impacts are noted, where applicable)
Outcome: Greater public engagement in the arts					
G1.4	New Zealanders participate in the arts: Number of participants in arts activities funded by Creative New Zealand	266,926	≥232,000	≥150,000	Participation includes the active involvement of individuals, groups and/or communities in the making or presentation of art. It applies to professional, emerging and non-professional artists, including those involved in cultural and recreational activities. While COVID-19 restrictions on social distancing and people limits were relaxed in June 2020, we expect restrictions imposed during Alert Levels 2–4 will continue to affect artists and arts organisations and therefore participation levels in 20/21.
G1.5	New Zealanders experience high-quality arts: Number of attendances at arts activities and events funded by Creative New Zealand	2,115,212	≥2,200,000	≥1.5 million	Attendance refers to audience numbers, including paid audiences, readers, viewers and attendances at free events. As with G1.4 above, while restrictions were lifted in June 2020, we expect audience behaviour and the economic climate may result in smaller audiences in 20/21.
Outcome: Stronger arts sector					
G1.6	New Zealand's arts sector is resilient: Percentage of investment organisations that meet or exceed expectations set in their funding agreements across the three dimensions: quality of artistic programme; financial health; organisational health	97.7%	≥95%	80%	Using our investment clients as a proxy for the arts sector, we can demonstrate a resilient arts sector. Tōtara and Kahikatea organisations receive an average score of 4 (met expectations) or above against the three dimensions. We've considered the impact of COVID-19 when setting this target for 20/21 and expect the organisational and financial health of organisations will be significantly affected in the medium to long term.
G1.7	New Zealand arts are valued and supported: Maintain or increase average 'other' (non-Creative New Zealand) investment per organisation	Baseline developed in 2019	Baseline developed in 2019	42%	Using our investment clients as a proxy for the arts sector, we can demonstrate support for the sector by measuring the level of revenue organisations generate from sources other than Creative New Zealand.
G1.8	Index rating for how New Zealanders perceive the value of the arts to New Zealand	Survey not carried out in 2018/19	Survey not carried out in 2019/20	≥53%	This rating is based on the results of three measures in the New Zealanders and the Arts 2017 survey. ³ An increase shows New Zealand arts are increasingly valued and supported. The next survey will be carried out this year.

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

How will we measure the state of the sector?

The importance of the arts in maintaining community cohesiveness and wellbeing in times of crisis has been shown many times throughout history. Despite the devastating effect of COVID-19 on the arts sector in New Zealand, the arts have kept playing an important role in connecting communities and giving us hope. We have found new ways of celebrating art together online and through social media channels.

In 2019/20, we introduced indicators for the long-term public value we hope to create for New Zealanders. While we know the success of these indicators is often out of Creative New Zealand's control and is affected by significant challenges like those brought about by the COVID-19 crisis, we'll keep monitoring them to see where we can contribute through our programmes and advocacy and policy work.

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

Public value statements and indicators:

Ref.	Indicator	Data source and frequency	Result as at 30 June 2020	Desired trend	Rationale
Public Value Statement: Engagement in the arts improves the lives of New Zealanders as shown by:					
The arts contribute to personal wellbeing.					
The arts contribute to healthier people.					
The arts contribute to education and skills development.					
The arts create a more highly skilled workforce.					
The arts develop creative people who provide new approaches to solving problems.					
11	Life satisfaction correlated to engagement in cultural activity	Stats NZ General Social Survey – biennial	83%	↑	Life satisfaction correlates to engagement in cultural activity, ie, engagement in the arts improves New Zealanders' perceptions about their lives.
12	Rating for the arts improve how I feel about life in general	New Zealanders and the Arts survey data 2017 – three yearly	41%	↑	
Public Value Statement: Distinctive and dynamic New Zealand arts that reflect the diversity of who we are and grow our reputation as a creative nation as shown by:					
The arts contribute to our diverse identities and shared sense of national identity.					
13	Index rating for how New Zealanders perceive the quality of our arts	New Zealanders and the Arts survey data 2017 – three yearly	59%	↑	
14	Rating for the arts help define who we are as New Zealanders	New Zealanders and the Arts survey data 2017 – three yearly	54%	↑	These indicators show New Zealanders' positive view of the quality of the arts.
15	Rating of importance of art and artistic achievements in defining New Zealand	Stats NZ General Social Survey – biennial	69%	↑	

Ref.	Indicator	Data source and frequency	Result as at 30 June 2020	Desired trend	Rationale
<p>Public Value Statement: Engagement in the arts strengthens whānau, communities and society as shown by:</p> <p>The arts contribute to social inclusion and cohesion by connecting people and communities. The arts contribute to our identity as individuals, whānau, community(ies) and to our identity as a nation. The arts support a strong democracy.</p>					
16	Index rating for correlation of belonging to a group, club or organisation to a sense of life satisfaction and feeling that life is worthwhile	Stats NZ General Social Survey – biennial	88%	↑	Engagement with others in the arts has a positive correlation with life satisfaction and stronger communities, society and identity.
17	Index rating for how engagement in the arts strengthens communities, society and our identity	New Zealanders and the Arts survey data 2017–three yearly	56%	↑	
<p>Public Value Statement: The arts sector contributes to prosperous and resilient communities as shown by:</p> <p>The arts sector provides jobs and careers for artists and practitioners. The arts play a role in rejuvenating and making cities and communities great places to live. The arts contribute to New Zealand’s economy.</p>					
18	Percentage of total employment (arts-related industries)	Census 2018	0.70%	↑	No one indicator can stand alone, however, together they give a picture of how the arts add to New Zealand’s economy. Creative New Zealand’s work in arts policy and advocacy, often working with others, aims to add to growth in the sector in these areas.
19	Percentage of territorial authorities with an arts and culture policy	Creative New Zealand survey data – annual	40%	↑	
110	Rating for the arts contribute positively to the economy	New Zealanders and the Arts survey data 2017 – three yearly	59%	↑	
111	Household spending on the arts	Stats NZ Household Economic Survey (HES) – June 2019	\$600 million	↑	
112	Arts-related industries’ contribution to gross domestic product	Stats NZ An economic profile of the arts in New Zealand Stats NZ 2015	0.24%	↑	



MANA AND SUPPORT PERSPECTIVE

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

Why this goal?

This goal recognises the entities and mechanisms that grant us the legitimacy and authority we need to do our work, and whose support influences our resources. Never has it been so important to grow others' confidence in us, so we'll be in a stronger position to advocate for greater resources and support for the arts when our artists, practitioners and organisations need it most.

We're extremely grateful for the confidence Ministers have shown in Creative New Zealand's mahi in recent months, including our ability to distribute resources to artists, arts practitioners and arts organisations in a time of great need. We're also humbled by the feedback we've received from artists in response to our work through the Emergency Response Package.

We know we have a strong leadership role to continue to play, highlighting the crisis facing the arts community and urging significant new levels of support. Through our leadership and advocacy roles in 2020/21, we'll proactively champion the arts across central and local government, the private sector and other partners and keep providing trusted advice to government. Further information on our response to COVID-19 through our advocacy and leadership work is given on page 35.

How will we measure progress under this goal?

Our measures and indicators show the mana we hold with those who support us: New Zealanders, the arts sector, our clients and partners, our funders, our Ministers and the agencies responsible for making sure we operate effectively and efficiently. We'll monitor the feedback from our clients, Audit New Zealand and the New Zealand public and work to improve our performance over time so their confidence in us grows.

Outcome measures:

No.	Measure/indicator	Data source	2017/18 result	2019/20 Target	2020/21 Target	Rationale
G2.1	Audit management ratings for management control, financial systems and service performance information	Audit Management Report – annual	Very good Very good Good	Very good Very good Good	Very good Very good Very good	This measures the confidence held in us by those we are externally accountable to.
G2.2	Overall satisfaction with Creative New Zealand service	Creative New Zealand Satisfaction Survey – annual	Survey not completed in 2018/19	≥65%	≥65%	This measures our reputation with our clients, customers and the sector.
G2.3	Rating on the Colmar Brunton Public Sector Reputation Index (PSRI)	Colmar Brunton PSRI – annual	103	≥103	≥103	This measures our reputation with the New Zealand public.



CREATIVE NEW ZEALAND PERSPECTIVE

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

Why this goal?

It's vital we have strategies and policies to guide our work and the capability and capacity to deliver on our strategic intentions. Because of the impact of COVID-19 on the arts sector, we've adapted our existing strategies and policies and the way we operate to meet the needs of the sector. While this goal is relevant in 2020/21, we also need to focus on sustainability. We're using our **internal operating environment, our resources** and **our deliverables** to support our artists, practitioners and organisations in every way we can.

Our internal operating environment describes the strategies and policies that collectively form our strategic intentions as set by the Arts Council. It includes our Statement of Intent 2019–2029, alongside the following strategies and policies we've developed in consultation with the sector.

- *Investment Strategy Te Ara Whakamua 2018–2023*: Guides our arts investment over the next five years to ensure we build an investment portfolio that meets the future needs of the arts in Aotearoa.
- *Te Hā o ngā Toi—Māori Arts Strategy 2019–2024*: A 'by Māori for Aotearoa' Māori arts strategy that outlines how we'll work and partner with others over the next five years to advance ngā toi Māori and ngā toi Māori artists.
- *Pacific Arts Strategy 2018–2023*: Outlines how we'll prioritise our investment in the development of Pacific arts over the next five years, for Aotearoa, Te Moana-nui-a-Kiva and the world.
- *Advocacy Strategy 2016–2021*: Sets out the Arts Council's five-year strategy to create, in partnership with the arts sector, a compelling case for the value of the arts to New Zealanders.
- *Diversity in the Arts Policy 2015*: States our commitment to recognise, promote and celebrate diversity in the arts.

Our resources describe the capability and capacity we have as an organisation to deliver on our strategic intentions. This includes the public money we receive, our people and expertise, and our operational capacity.

Delivering the Emergency Response Package Phase 1 has had, and continues to have, a significant effect on Creative New Zealand staff resourcing and capacity. The COVID-19 crisis is expected to have an ongoing impact on the sector, and targeted support programmes will be needed until at least the end of 2020.

Our deliverables are what we'll do to meet our goals and contribute to our outcomes. We've adapted these to the needs of the arts sector in 2020/21. Across all of our deliverables, we often work in partnership with others to benefit from pooled expertise and resources, and we'll report on this in our Annual Report.

Our core activities deliver programmes that address the short to medium-term needs of the sector, and our annual priorities this year concentrate on putting in place the 12-month investment programme.

Our four deliverables are explained on pages 34 & 35.

How will we measure progress towards our outcomes?

We've kept our full performance framework, to be consistent with previous years, and will report variances as a result of the impact of COVID-19. While some programmes and initiatives offered differ from funding programmes in previous years, we'll keep tracking our progress and reporting against our annual priorities and core activities in 2020/21.

Core activity measures

Ref.	Name	2018/19 actual	2019/20 target	2020/21 target	Notes (COVID-19 impacts are noted, where applicable)
Deliverables					
Investing in the arts					
G3.1	Tōtara and Kahikatea organisations meet or exceed expectations against performance expectations set in individual funding agreements (overall performance of Tōtara and Kahikatea investment organisations)	93%	≥96%	80%	Tōtara and Kahikatea organisations receive an average score of 4 (met expectations) or above as set in their funding agreements across all performance dimensions: quality of programme; alignment to Creative New Zealand's strategies; financial health and organisational health. This measure calculates the average percentage of 'Met' expectations across the organisations to measure their overall performance for the period. We expect the organisational and financial health of organisations will be significantly affected in the medium to long term because of the COVID-19 crisis. The adjusted target reflects this.
G3.2	Completed projects meet or exceed expectations set in funding agreements	99%	≥99%	99%	This measure reports on evaluated completion reports for project-based funding: Project-funded Kahikatea clients; Grants and special opportunities; International and capability building programme grants; and other project-based funding.
Developing the arts					
G3.3	Clients agree the capability building programme aligns with their needs and priorities	90%	≥85%	90%	These measures are based on the Organisational Development Model (ODM) survey, a self-assessment tool for Tōtara and Kahikatea organisations to review their strengths and weaknesses and track progress over time. The survey results help us tailor capability initiatives that respond to areas of need. This survey has been completed annually. It's unlikely an ODM survey will be done in 2020/21, and the focus of the capability building programme and mechanism for delivery will be changed as a result of COVID-19, however, we can still measure any initiative with the current measures (ie, questionnaire responses from participants). Our targets remain unchanged because we would still expect any offering to align with most participants' needs and priorities.
G3.4	Clients rank capability building initiatives as extremely or very effective, relevant and helpful	78%	≥75%	≥75%	
G3.5	Capability building initiatives delivered to the sector that met or exceeded our expectations	96%	≥92%	≥92%	This measure focuses on Creative New Zealand's assessment of the immediate results of individual capability building initiatives against the relevant objectives set for each initiative.

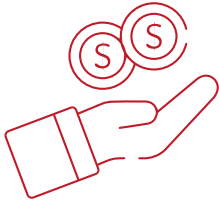
Ref.	Name	2018/19 actual	2019/20 target	2020/21 target	Note (COVID-19 impacts are noted, where applicable)
Advocating for the arts					
G3.6	Annual advocacy actions that meet or exceed our expectations	64%	≥90%	≥75%	This measure focuses on Creative New Zealand's assessment of the immediate results of individual advocacy actions, as set out in the relevant annual advocacy plan (and/or relevant COVID-19 advocacy response plan(s)).
Leadership in the arts					
G3.7	Overall participant satisfaction with Creative New Zealand-led events	New in 2019/20	73%	≥73%	This measure was introduced in 19/20. The target was based on participant feedback from the 2018 Nui Te Kōrero event. Nui Te Kōrero was cancelled in May 2020 because of COVID-19. It's unclear if Nui Te Kōrero will be held in 20/21, however, we expect to organise multiple events for the sector through online platforms.
Our resources					
Public Money					
G3.8	Total level of investment by Creative New Zealand in the arts	\$47,974,000	\$44,724,000 (budget)	\$75.529 million (budget)	Trends in our funding delivery are detailed each year in our Annual Report. We report on our significant trend information, which helps to evaluate change over time and influence our future decision-making.
G3.9	Maintain operating costs in line with policy set by the Arts Council	15.4 %	≤16%	≤16%	Arts Council policy sets the operating costs between 15 percent and 16 percent of total expenditure.
Our people and expertise					
G3.10	Improve on 'Best Workplaces' survey – overall performance index	69%	≥74%	≥74%	This measure is an average of the survey's section scores, covering areas like quality and performance focus, communication and co operation, and learning and development.
Our operational capacity					
G3.11	Funding decisions are made within specified timeframes	84%	100%	100%	This measure is an average of the survey's section scores, covering areas like quality and performance focus, communication and co operation, and learning and development.
G3.12	Percentage of applications externally assessed	New in 2019/20	100%	100%	Both measures are proxy indicators for fairness and transparency within our funding decision-making processes. Independent external peer assessment informs decision-making on all funding and development opportunities.

Annual priorities

Our annual priorities cover a mix of new projects and ongoing work across our deliverables, internal operating environment and resources, and tend to be more innovative or high profile in nature than core activities. In the first half of 2020/21, at least, we're focusing on three main actions:

1. delivering our COVID-19 Phase 2 response to support the sector to survive the COVID-19 crisis and adapt to the dynamic environment (as described throughout this document)
2. understanding how we can contribute to the Government's wider support package for the arts and cultural sector (refer to pages 15-16)
3. making sure we have the capacity (people and systems) for the year ahead – balancing people needs with what we can deliver, with the resources we can access, and within the timeframes we are facing.

We'll provide monthly (where needed) and quarterly updates to the Minister on the progress of our annual priorities.



INVESTING IN THE ARTS

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

Creative New Zealand funding supports professional development opportunities as well as the creation, presentation and distribution of art throughout New Zealand and overseas. Following the impact of COVID-19, we've had to choose which existing funding programmes will continue in 2020/21 or might be repurposed, or where new programmes or initiatives are needed.

Our overarching response purpose is to support the sector to survive the COVID-19 crisis and adapt to the dynamic environment, including new ways to engage the public with the arts.

We'll deliver most of our funding through our main investment categories with our 12-month investment programme priorities for the period to 30 June 2021, including:

- investing an additional \$25 million in 2020/21 to retain core arts infrastructure, deliver arts projects in communities and support the delivery of key strategies, including *Te Hā o ngā Toi—Māori Arts Strategy 2019–2024* and *Pacific Arts Strategy 2018–2023*
- where necessary, changing current programmes, including Investment Programmes, Arts Grants, Ngā Toi a Rohe – Arts in the Regions Fund, the Creative Communities Scheme and initiatives within our International Programme. Information about funds will be available on our website as details are finalised: www.creativenz.govt.nz/find-funding
- supporting three prestigious annual awards, each recognising the valued contributions of some of our country's most talented artists: The Prime Minister's Awards for Literary Achievement, Ngā Taonga Toi a Te Waka Toi (the Waka Toi Awards), and the Arts Pasifika Awards.



DEVELOPING IN THE ARTS

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

Creative New Zealand provides opportunities for arts organisations and individual artists and practitioners to build their skills and capability, with the goal of developing the arts sector's capacity to succeed.

In 2020/21, this deliverable will support our **Stronger arts sector** outcome by working with arts organisations in Aotearoa to be artistically and organisationally resilient and innovative. Organisations will need to have the best skills, values and behaviours to anticipate and respond to the challenges of the future and remain relevant. Our priorities for the period 1 July to 30 June 2021 include:

- adapting our existing Capability Building Programme, *Poutama*, where needed to support the short- to medium-term needs of the sector. For example, focusing on tailoring specific organisational capability building to respond to the impact of COVID-19
- delivering an additional \$2 million over two years through the new Cultural Sector Capability Fund so the arts sector has the necessary industry, technical and business capability to meet the challenges of a post-COVID-19 environment
- adapting the International Capability Building Programme to build sector capability and networks to operate in this new context
- reviewing *Te Hā o ngā Toi—Māori Arts Strategy 2019–2024* and *Pacific Arts Strategy 2018–2023* implementation plans for 2020/21 and prioritising actions so we can provide practical initiatives to sustain the arts sector through these challenging times.



ADVOCATING FOR THE ARTS

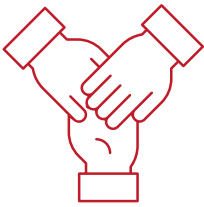
Promoting the value of the arts and empowering the arts sector to make the case for the arts

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

Our main aim in 2020/21 is to provide an innovative, dynamic arts advocacy response to COVID-19 that promotes the value of the arts to New Zealanders and helps tautoko the arts community through the crisis. Our Phase 1 advocacy response encouraged New Zealanders to continue to engage with arts and culture during the lockdown period, and showed how important the arts are for our wellbeing during a time of crisis.

As we deliver our 12-month investment programme, we'll continue to support the arts sector to recover from the impacts of COVID-19, with our advocacy aimed at making sure investment in, and support for, the arts continues and, where possible, grows. Priorities include:

- putting in place ongoing national arts advocacy campaigns and/or engagement mahi – public-facing and arts community focused, including continued media advocacy
- advocating for ongoing support for the arts by other funders and collaborators, particularly those with a social wellbeing kaupapa (for example, community trusts, private foundations and philanthropists)
- delivering ongoing advocacy and working with local government, given their mandate for improving communities' social and cultural wellbeing
- talking about the positive effect of the arts on the social wellbeing of communities (for example, via health, education, social cohesion).



LEADERSHIP IN THE ARTS

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

As a national body, we have a role in providing leadership in the arts, by tracking trends and developments across the sector, identifying and responding to issues, and bringing the sector together to address challenges or respond to opportunities. We proactively champion the arts across government, local government, the private sector and other partners, and provide trusted advice to government.

In 2020/21 we have an important role in contributing to the Government's wider cultural recovery package outcomes, specifically Ministers' priorities for arts and culture. We also look forward to leading and supporting the putting in place of initiatives. Further information on initiatives Creative New Zealand may contribute to is given on page 15.

Through other leadership activities, we'll encourage those in the sector to work together, organise the sector to discuss issues, develop the research, strategies and policies that seek to advance the arts and provide advice to government on matters affecting our functions. This year, we'll continue many of the activities that have been so valuable throughout recent months:

- leading engagement with artists, communities, the sector and stakeholders to identify key impacts, issues and opportunities
- initiating and taking part in online 'zui' and 'zono' (Zoom hui and fono) to share information about our 12-month investment programme
- organising conversations to keep the sector connected and maintain channels of communication with Creative New Zealand
- working internally to reset strategic directions and focus for *Te Hā o ngā Toi—Māori Arts Strategy 2019–2024* and the *Pacific Arts Strategy 2018–2023*

We'll also progress our triennial *New Zealanders and the arts* and *Audience Atlas* research, which looks at attitudes, attendance and participation in the arts, and enhance the role of this research as important advocacy and development tools for the arts sector.



SECTOR PERSPECTIVE

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

Why this goal?

The sector perspective describes who we work with; the players who help achieve our outcomes and, ultimately, deliver value for New Zealanders. When we talk about ‘the sector’, we mean the clients, collaborators and partners we work with. Our clients are the artists, arts practitioners and arts organisations that receive our funding and create artworks, deliver activities and provide services.

We know these are tough times. The arts community is diverse and dispersed, and we understand the challenges it has faced and will keep facing. It’s been heartening to see artists, practitioners and arts organisations coming together to support each other. We’ve seen how the sector is connecting and working together in so many ways. For example, the Performing Arts Network of New Zealand and Auckland Live hosted rich and engaging live sessions and kōrero with the sector, bringing people together virtually during the COVID-19 lockdown. We’re thankful for their support in delivering these special online hui.

This year we’ll champion the role that artists (individually and collectively) and the arts can play in supporting communities in Aotearoa to recover from the COVID-19 crisis (as they did following the Canterbury earthquakes).

While we realise our collaborators and partners will be experiencing their own challenges, their support is valued and has an effect. Supporting the arts community is essential for ensuring New Zealand’s recovery from COVID-19. Now, more than ever, we’ll advocate for ongoing support for and investment in the arts at all levels of government, from other funders and members of the public.

How will we measure progress under this goal?

Together, these perspective indicators aim to give a picture of the state of the sector over time. While we recognise the success of these indicators is often out of Creative New Zealand’s control, we’ll monitor them and identify where our time and resources are most valuable to the sector. While we don’t have a direct effect on most of these indicators, our work in arts policy and advocacy, often in collaboration, aims to contribute to growth in the sector in these areas.

We’ve kept our full set of indicators in 2020/21, for consistency. We hope to use these indicators to further understand the impact of COVID-19 on the sector in 2020/21.

Sector perspective indicators:

Ref.	Indicator	Data source and frequency	Result as at 30 June 2019	Desired trend	Rationale (COVID-19 impacts are noted, where applicable)
Artistic Health					
I13	Tōtara and Kahikatea organisations meet or exceed expectations for quality of artistic programme	Creative New Zealand management reports for the period ending 30 June 2019 – annual	100%	85%	The quality of our Tōtara and Kahikatea organisations' artistic programmes is a proxy measure of artistic quality in New Zealand. Tōtara and Kahikatea organisations receive a score of 4 (met expectations) or above for the quality of programme measures. Maintaining excellence in this area has a material impact on the health of the sector. We expect activity will be reduced or modified over the medium term and audience engagement may change as a result of COVID-19.
Financial health					
I14	Tōtara and Kahikatea organisations meet or exceed expectations for financial health	Creative New Zealand management reports for the period ending 30 June 2019 – annual	95%	60%	Tōtara and Kahikatea organisations receive around two-thirds of Creative New Zealand's investment in the arts. Their financial health is a proxy measure of the financial health of the arts sector. Tōtara and Kahikatea organisations receive a score of 4 (met expectations) or above for their financial health measures. The 20/21 target reflects that these organisations' organisational and financial health will be significantly affected in the medium to long term because of COVID-19.
Employment					
I15	Median chief executive salary in a small (arts) organisation compared with the not for profit median	Arts organisation remuneration survey 2019	86%	↑	This indicator shows pay rates within surveyed arts organisations versus the not for profit sector. While Creative New Zealand does not have a direct impact on salaries, its work in arts policy and advocacy, often in collaboration, aims to contribute to growth in the sector in these areas.
I16	Median total income for creative professionals versus median total income for New Zealanders earning a salary or wage	Profile of Creative Professionals survey 2019	\$35,800	↑	The median total income for New Zealanders earning a salary or wage is \$51,800. While Creative New Zealand does not have a direct impact on salaries, its work in arts policy and advocacy, often in collaboration, aims to contribute to growth in the sector in these areas.
Funding					
I17	Average private support (sponsorship, philanthropy and trust funding) per investment organisation	Creative New Zealand management report as at 31 December 2019 – annual	73%	↑	Together, these indicators provide a picture of funding to the arts through three main revenue streams: private investment and local and central government. Increasing support from all three areas indicates a valued and supported sector. Creative New Zealand will continue working in its advocacy and leadership roles to demonstrate the value of the arts.
I18	Annual level of local authority investment in 'culture'	Stats NZ local authority statistics – annual	\$384,111	↑	
I19	Average annual government per person expenditure on arts	Creative New Zealand desk research (as at 30 June 2016)	\$141	↑	

Sector perspective indicators:

Ref.	Indicator	Data source and frequency	Result as at 30 June 2019	Desired trend	Rationale (COVID-19 impacts are noted, where applicable)
The market					
I20	Percentage of New Zealanders in the market for culture	Audience Atlas survey 2017 – three yearly	97%	↑	These indicators track the New Zealand public's appetite for arts in New Zealand. Through ensuring diversity and reach, access and dynamic arts we aim to increase New Zealander's appetite for the arts in New Zealand. The next survey is planned for 20/21.
I21	Percentage of New Zealanders engaged in the arts	New Zealanders and the Arts survey 2017 – three yearly	80%	↑	
Our relationships					
I22	Number of active relationships (including co-investment, regular meetings, shared projects) Creative New Zealand maintains with organisations that have shared interests	Creative New Zealand management reports – annual	≥100	Maintain or increase	Through our collaborations, we'll share knowledge and resources with key partners to achieve our goal of developing a dynamic and resilient arts sector.

Measuring new expectations in 2020/21

In addition to 2020/21 baseline funding, Creative New Zealand has received an extra \$27 million over two years through Budget 2020, along with \$12 million over three years to manage the Pasifika Culture and Heritage Fund. This funding will help with achieving the following outcomes.

Funding component	2020/21	2021/22	Outcomes sought	2020/21 target	Measuring performance
Retaining core arts infrastructure and delivering arts projects in communities	\$25 million ⁴	-	<ul style="list-style-type: none"> Critical art infrastructure (including arts organisations and staff) is retained Arts organisations are positioned to resume arts activity Community wellbeing is improved through the delivery of arts projects through identified workstreams 		<p>Work to achieve this outcome will be delivered through:</p> <ul style="list-style-type: none"> Investment programmes Grants Creative Communities Scheme Initiatives to disadvantaged and under-served communities. <p>We will measure success in line with existing performance measures (refer to measures on page 32) or with new measures where needed. Information on funding allocated through these programmes will be reported monthly, along with performance against measures.</p>
1. Funding through Investment programmes	\$16 million	-	<i>Recovery support to 83 Tōtara and Kahikatea arts organisations that receive multi-year funding through CNZ's Investment programmes.</i>	<i>In the absence of baseline data for new programmes similar historical programme data has been used.</i>	<i>\$2.5m remains unallocated in the quarter, to allow for flexibility to cover demand across programmes. Final allocation will be reported in the Annual Report 2020/21.</i>
1a. Adaptation Fund	\$6 million	-	<ul style="list-style-type: none"> Supports transformation or significant development of the business model and/or artistic practice of organisations. Encourages new ways of working within changed environments and supports new and adapted organisational models in response to the opportunities presented by COVID-19. 	99%	Percentage of completed projects that meet or exceed expectations as set out in funding agreements.
1b. Capability Fund	\$1.5 million	-	<ul style="list-style-type: none"> Supports organisations to address immediate organisational needs and to help stabilise and increase the sustainability of their businesses in response to the impacts of the COVID-19 environment. 	99%	Percentage of completed projects that meet or exceed expectations as set out in funding agreements.

⁴ Includes \$0.5 million operating expenditure in each year.

Funding component	2020/21	2021/22	Outcomes sought	2020/21 target	Measuring performance
1c. Resilience Fund	\$6 million	-	<ul style="list-style-type: none"> Provides two rounds of emergency support for Tōtara and Kahikatea organisations that have been materially negatively impacted by COVID-19. Helps organisations maintain their key people and honour contracts with other creative practitioners until 31 December 2020 for Round 1 and to 30 June 2021 for Round 2. 	99%	Percentage of completed projects that meet or exceed expectations as set out in funding agreements.
2. Funding through Grants programmes:	\$5.8 million	-	Support for artists and arts organisations through existing Grants programmes (with some re-purposing for COVID-19 environment).		
2a. Arts Grants	\$4.8 million	-	<ul style="list-style-type: none"> Arts Grants 2020/21 (\$5,000–\$75,000) offers short-term project funding for New Zealand artists, arts practitioners and arts organisations (including groups and collectives). This funding enables more sustainable careers, encourages innovation and the development of arts practice, and provides opportunities for diverse communities to access the arts. Annual Arts Grants (up to \$150,000) offers funding to enable artists, arts practitioners and arts organisations to present a regular or continuous programme of activity over a 12-month period and/or produce or present a significant event or project. 	99%	Percentage of completed projects that meet or exceed expectations as set out in funding agreements.
2b. Arts Grants – tagged funding for Māori artists and arts practitioners	\$0.7 million	-	<ul style="list-style-type: none"> Arts Grants 2020/21 (\$5,000–\$75,000) offer short-term project funding for New Zealand artists, arts practitioners and arts organisations (including groups and collectives). This is tagged funding for Māori artists and arts practitioners 	99%	Percentage of completed projects that meet or exceed expectations as set out in funding agreements.
2c. Arts Grants – tagged funding for Pasifika artists and arts practitioners	\$0.3 million	-	<ul style="list-style-type: none"> Arts Grants 2020/21 (\$5,000–\$75,000) offer short-term project funding for New Zealand artists, arts practitioners and arts organisations (including groups and collectives). This is tagged funding for Pasifika artists and arts practitioners 	99%	Percentage of completed projects that meet or exceed expectations as set out in funding agreements.

Funding component	2020/21	2021/22	Outcomes sought	2020/21 target	Measuring performance
3. Creative Communities Scheme	\$0.9 million	\$0.9 million	<ul style="list-style-type: none"> Top-up funding for territorial authorities (TAs) at a rate proportional to the current formula of \$0.60 per person to be allocated through existing Scheme settings – to support local arts activities through projects focused on participation, diversity, young people (\$0.9 million) Establish an application process based on criteria that will focus on retaining critical arts infrastructure at the local level – aim is to address COVID-related gaps and current cost exclusions will be reviewed (\$0.9 million) 	≥1800	Number of grants awarded By Territorial Authorities.
4. Ngā Toi ā Rohe—Arts in the Regions Fund	\$0.9 million	-	<i>Open to organisations, including Tōtara and Kahikatea organisations outside Auckland, Wellington and Christchurch, for grants up to \$150,000. The Fund aims to incentivise local and regional investment in the development and presentation of new local arts activity outside the main centres of Auckland, Wellington and Christchurch.</i>	99%	Percentage of completed projects that meet or exceed expectations as set out in funding agreements.
Cultural Sector Capability funding	\$1 million	\$1million	<i>The arts sector has the necessary industry, technical and business capability to meet the challenges of a post-COVID-19 environment.</i>	N/A	A business case scoping the development of new digital arts and cultural development agency will be completed by 30 June 2021

Reporting on Pasifika Festivals Initiative (\$12 million over three years)

Funding component	2020/21 budget	2021/22 budget	2022/23 budget	Outcomes sought	Measuring performance
Pasifika Festivals Initiative	\$4 million	\$4 million	\$4 million	<ul style="list-style-type: none"> Pasifika festivals experiencing financial hardships due to the direct impact of COVID-19 remain viable Pasifika festivals have the technical ability and management capability to operate in a post-COVID-19 environment Key stakeholders that form part of the Pasifika festival ecosystem are considered in any funding considerations 	<p>Percentage of completed projects that meet or exceed expectations as set out in funding agreements.</p> <p>In addition, a post-completion evaluation survey will be designed in collaboration with partners.</p>

5 Includes \$200,000 operational costs across the three year period.

Reporting on Mātauranga Māori Te Awe Kōtuku initiative (\$2.8 million over two years)

Funding component	2020/21 budget	2021/22 budget	Outcomes sought	2020/21 target	Measuring performance
Mātauranga Māori Te Awe Kōtuku initiative	\$1,072,500	\$1,755,500	<ul style="list-style-type: none"> Support whānau, hapū, iwi and Māori communities to protect mātauranga related to arts, culture and heritage from the impact and ongoing threat of COVID-19 Excellence in mātauranga Māori achieved through all the initiatives Greater engagement with mātauranga Māori and its Arts, Culture and Heritage expressions Strengthened taonga tuku iho, toi Māori infrastructure (people and places), skills and capacity to retain, protect, and revitalise mātauranga Māori 		Along with the existing SPE 2020/21 performance measures, post-completion analysis to be designed in collaboration with partners.
Tārai Waka	\$225,000	\$375,000	<ul style="list-style-type: none"> To support the retention and revitalisation of critically endangered Tārai Waka mātauranga (waka building knowledge), working in partnership with tohunga and emerging practitioners. 	99%	Percentage of completed projects that meet or exceed expectations as set out in funding agreements.
Taonga Pūoro	\$70,000	\$330,000	<ul style="list-style-type: none"> To support the retention and revitalisation of critically endangered Taonga Pūoro mātauranga, working in partnership with tohunga and emerging practitioners. 	99%	Percentage of completed projects that meet or exceed expectations as set out in funding agreements.
Contestable Funds -Toi Ake Fund	\$515,000 ⁶	\$515,000 ⁷	<ul style="list-style-type: none"> To boost the existing Toi Ake contestable fund to support the retention of mātauranga toi and heritage ngā toi Māori artforms from iwi, hapū and marae to foster their distinctive arts and cultural practices. Funding will enable pūkenga, artists, practitioners and iwi and hapū to retain their artform mātauranga. 	99%	Percentage of completed projects that meet or exceed expectations as set out in funding agreements.
Regional Partnerships – Te Tairāwhiti Arts Festival	\$150,000	\$250,000	<ul style="list-style-type: none"> CNZ will work with established regional partners to address the pressures on traditional knowledge holders and Māori arts practitioners as a result of COVID-19. 	99%	Percentage of completed projects that meet or exceed expectations as set out in funding agreements.
Regional Partnerships – Toi Ngāpuhi	\$112,500	\$285,500		99%	

⁶ Includes \$45,000 operational costs.

⁷ Includes \$45,000 operational costs.

S3

FINANCIAL PLANNING AND PERFORMANCE WHAKAMAHERE PŪTEA MAHI

FINANCIAL PLANNING AND PERFORMANCE

WHAKAMAHERE PŪTEA MAHI

This section provides our prospective financial statements for 2020/21 and the notes to those statements.

The prospective financial statements in this section are based on policies and approvals in place as at 30 June 2020 and are exclusive of goods and services tax (GST) (except for payables and receivables, which are GST inclusive).

The prospective financial statements form part of the SPE and the basis for end-of-year reporting in the financial statements contained in the Annual Report. Actual results presented in the Annual Report may vary from the information presented here, and the variations may be material.

Figures shown in these prospective financial statements are based on the following:

- June 2020 – actual figures from the 2019/20 Annual Report
- June 2021 published – the budget approved at the June 2020 Council meeting and published in the Statement of Performance Expectations 2020/21 at the start of the year
- June 2021 updated – the budget approved by the Arts Council on 25 August 2020 with addition of the changes agreed by the Arts Council on 21 October 2020.

Financial planning and performance context

Financial performance 2019/20

In 2019/20 Creative New Zealand invested a record \$70.2 million in the arts. This investment was \$22.3 million higher than in the previous year and exceeded the budget for 2019/20 by \$15.4 million. This significant increase in investment is mostly attributable to the response to the COVID-19 crisis. In March 2020, the Arts Council agreed to suspend most Creative New Zealand's existing contestable funding programmes and established a \$16 million

Emergency Response Fund ('ERF'). In June 2020, due to the unprecedented demand for financial support from the fund, the Arts Council approved investing a further \$13 million towards this emergency response. The \$29 million ERF was partly funded from the budgets from the suspended programmes (\$8.3 million), and partly from the additional New Zealand Lottery Grants Board (NZLGB) funding (\$3 million), with the balance being met from Creative New Zealand's balance sheet (accumulated funds).

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

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

Creative New Zealand's accumulated funds at 30 June 2020 reduced to \$12.2 million, and are expected to decrease further in 2020/21, as shown in figure 1. While our equity reserves are being run down, we consider this is both manageable and appropriate. The Arts Council agreed that the accumulated funds for the 2020/21 budget should not drop below \$6 million for 2020/21. This is a change in the minimum equity policy of 'accumulated funds do not drop below 15% of total revenue'. The equity policy is designed to help reduce the organisation's exposure to adverse financial circumstances.

Budget 2020/21

Creative New Zealand has planned and budgeted in a dynamic way for 2020/21 and will continue to do so in response to changes in the external operating environment. This budget is prepared while the organisation is still in an emergency situation as it responds to the COVID-19 pandemic and plans for Phase 2 of its response. In the year ahead, we're focusing on recovery, resilience and renewal of the arts sector.

The 2020/21 budgeted expenses are above the overall investment Creative New Zealand made in the arts sector in 2019/20 (\$85.3 million compared with \$70.2 million). The continued increased investment is made possible by the ongoing support from Lotto New Zealand, via the New Zealand Lottery Grants Board (NZLGB), and the Crown. This includes the significant new Crown investment in Creative New Zealand of \$31.1 million in 2020/21, \$6.8 million in 2021/22 and \$4.0 million in 2022/23 through Budget 2020. This money will be invested to help:

- **retain core arts infrastructure, deliver arts projects in communities and support the delivery of key strategies** including *Te Hā o ngā Toi—Māori Arts Strategy 2019–2024* and the *Pacific Arts Strategy 2018–2023* (\$25 million in 2020/21)
- set up the **Cultural Sector Capability Fund** so the arts sector has the necessary industry, technical and business capability to meet the challenges of a post-COVID-19 environment (\$2 million over two years).
- manage the new **Pasifika Culture and Heritage Fund** (\$12 million over three years) to support Pasifika festivals throughout New Zealand. This funding will be used to support Pasifika festivals facing financial hardship brought about by the COVID-19 crisis, as well as develop their capability so they can operate in a post-COVID-19 environment.
- deliver to programmes under the **Mātauranga Māori Te Awe Kōtuku** initiative (\$2.8 million over two years), in particular: to support the retention and revitalisation of critically endangered Tārai Waka mātauranga (waka building knowledge), and

Taonga Pūoro mātauranga, to boost the existing Toi Ake contestable fund to support the retention of mātauranga and heritage ngā toi Māori artforms, and to develop regional partnerships to support mātauranga Māori artform practitioners.

Figure 2 shows our longer-term revenue and expenditure trends. These show a gradual increase in our investment in the arts sector and a significant increase in 2019/20 and 2020/21, as well as the increase in our revenue. Having remained at the same level for 10 years, our operating costs have increased as we've developed more specialist skills within the organisation. Because of the increased investment in the sector in 2019/20 and 2020/21, our operating costs are well below the minimum range of our operating cost policy range of 15 percent to 16 percent of total expenses, at 11 percent to 12 percent.

Figure 1: Surplus/deficit versus minimum equity versus accumulated funds 2011/12–2020/21

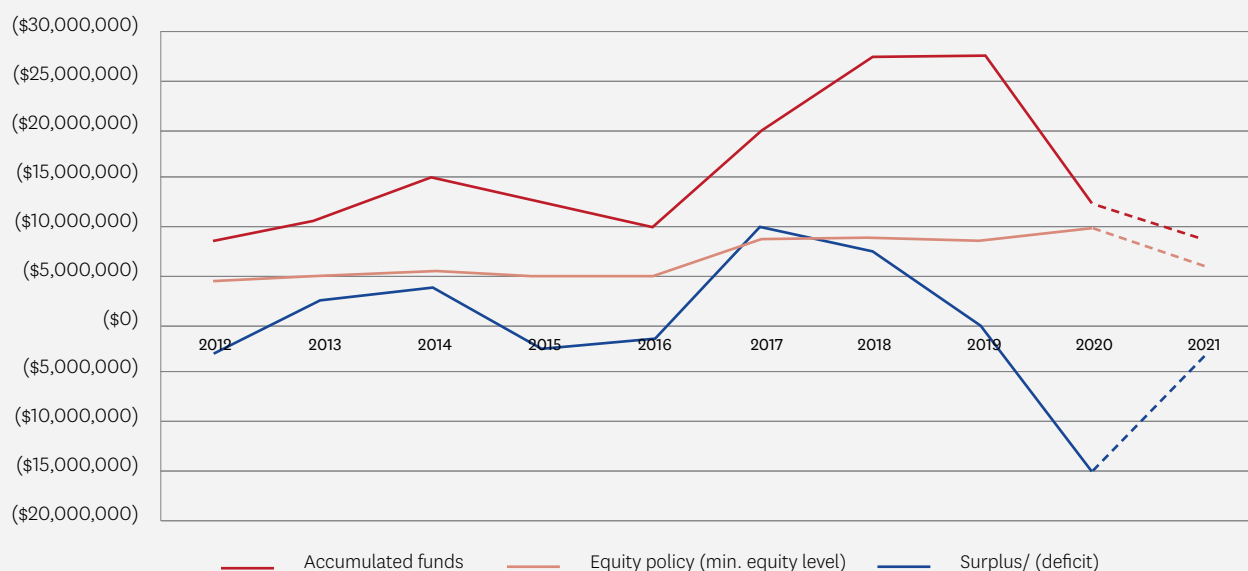
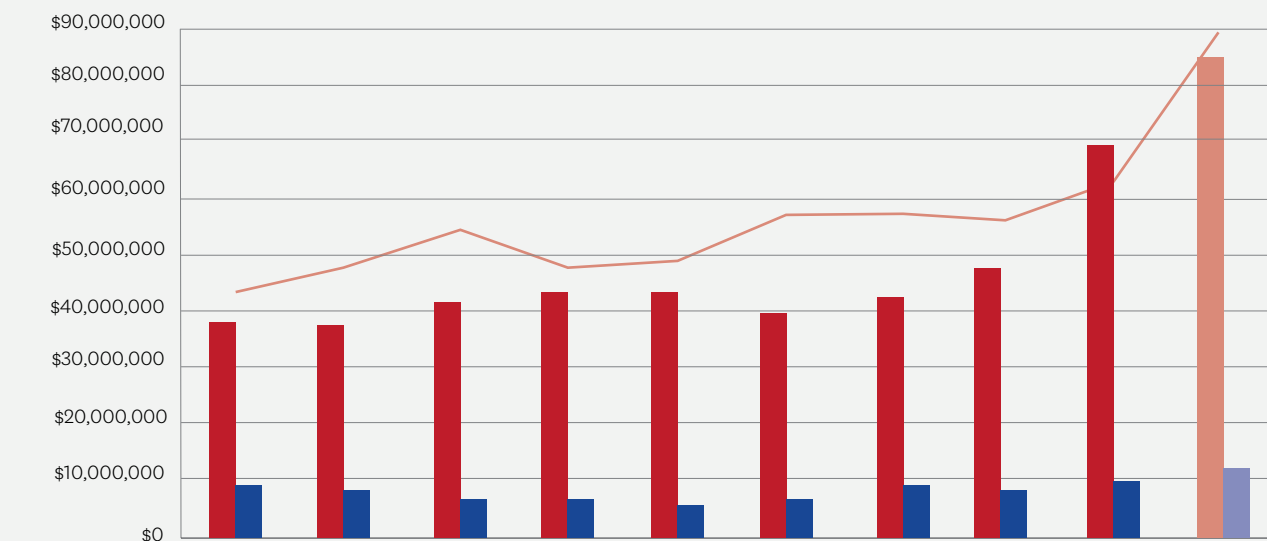


Figure 2: Revenue and expense trends 2011/12–2020/21



In \$'000	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Investments	38,529	38,575	41,673	43,581	43,723	40,366	42,466	47,974	70,238	85,348
Operating Costs (excl. NCA losses)	7,650	7,264	7,379	7,678	7,350	6,873	7,713	8,920	10,041	11,256
Revenue	44,187	48,403	54,178	48,625	49,723	57,390	58,058	56,656	65,070	93,276
Investments as % of total expenditure	83.4%	84.2%	85.0%	85.0%	85.6%	85.5%	84.6%	84.3%	87.5%	88.3%
Op.Costs as % of total expenditure	16.6%	15.8%	15.0%	15.0%	14.4%	14.5%	15.4%	15.7%	12.5%	11.7%

Investments include our deliverables: Investing in the arts, Developing the arts, Advocating for the arts and Leadership in the arts
NCA = Non-current assets.

2021 = budget for 2020/21

PROSPECTIVE FINANCIAL STATEMENTS

WHAKATAKOTO PŪRONGO PŪTEA

Prospective statement of financial performance

for the year ending 30 June

	Notes	ACTUAL 2020 \$000	BUDGET published 2021 \$000	BUDGET updated 2021 \$000
Revenue				
Revenue from the Crown	2	16,689	42,689	47,762
Revenue from the New Zealand Lottery Grants Board		47,008	45,000	45,000
Interest revenue		861	120	300
Other revenue		512	214	214
TOTAL REVENUE		65,070	88,023	93,276
Expenditure				
Investing in the arts	3	67,126	68,995	71,299
Developing the arts	3	2,373	4,979	12,494
Advocating for the arts	3	647	1,405	1,405
Leadership in the arts	3	92	150	150
		70,238	75,529	85,348
Operating Costs				
Personnel expenses		6,801	7,230	8,020
Depreciation and amortisation		386	384	384
Other expenses		2,854	2,682	2,852
		10,041	10,296	11,256
TOTAL EXPENSES		80,279	85,825	96,604
NET OPERATING SURPLUS / (DEFICIT)		(15,209)	2,198	(3,328)

Prospective statement of comprehensive revenue and expense

for the year ending 30 June

	ACTUAL 2020 \$000	BUDGET published 2021 \$000	BUDGET updated 2021 \$000
Net operating surplus/(deficit) for the year	(15,209)	2,198	(3,328)
Other comprehensive revenue and expense			
Revaluation of works of art	(13)	-	-
Total other comprehensive revenue and expense	(13)	-	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	(15,222)	2,198	(3,328)

Prospective statement of changes in net assets/equity

for the year ending 30 June

	ACTUAL 2020 \$000	BUDGET published 2021 \$000	BUDGET updated 2021 \$000
Total equity as at 1 July	29,296	5,653	14,074
Net operating surplus/(deficit) for the year	(15,209)	2,198	(3,328)
Other comprehensive revenue and expense	(13)	-	-
Total comprehensive revenue and expense	(15,222)	2,198	(3,328)
TOTAL EQUITY AS AT 30 JUNE	14,074	7,833	10,746

Prospective statement of financial position

as at 30 June

	ACTUAL 2020 \$000	BUDGET published 2021 \$000	BUDGET updated 2021 \$000
ASSETS			
Current assets			
Cash and cash equivalents	4,693	11,715	12,657
Investments in term deposits	10,000	10,000	10,000
Receivables	16,440	13,800	13,800
Prepayments	174	200	200
Total current assets	31,307	35,715	36,657
Non-current assets			
Property, plant and equipment	557	580	580
Works of art	1,027	1,040	1,027
Intangible assets	1,226	1,240	1,240
Total non-current assets	2,810	2,860	2,847
TOTAL ASSETS	34,117	38,575	39,504
LIABILITIES			
Current liabilities			
Grants payable	19,054	29,592	27,592
Payables and deferred revenue	326	560	550
Employee entitlements	565	528	528
Total current liabilities	19,945	30,680	28,670
Non-current liabilities			
Lease incentive	30	-	26
Employee entitlements	68	62	62
Total non-current liabilities	98	62	88
TOTAL LIABILITIES	20,043	30,742	28,758
NET ASSETS	14,074	7,833	10,746
EQUITY			
Accumulated funds	12,184	5,985	8,856
Revaluation reserves	1,027	1,040	1,027
Restricted reserves (special purpose funds)	863	808	863
TOTAL EQUITY	14,074	7,833	10,746

Prospective statement of cash flows

for the year ending 30 June

	ACTUAL 2020 \$000	BUDGET published 2021 \$000	BUDGET updated 2021 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Revenue from the Crown	16,689	42,689	47,762
Revenue from the New Zealand Lottery Grants Board	40,518	45,000	47,008
Interest received	1,086	226	406
Grant retirements and gains	123	100	100
Other revenue	461	14	14
Net goods and services tax	-	500	572
Cash was applied to:			
Payments of grants	(66,885)	(70,297)	(76,876)
Payments to employees	(6,539)	(7,202)	(8,063)
Payments of operating expenses	(3,120)	(2,900)	(2,538)
Net goods and services tax	(447)	-	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	(18,114)	8,130	8,385
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Terms deposits maturing (with maturities over 3 months)	32,500	10,000	10,000
Cash was applied to:			
Purchase of property, plant, equipment and intangible assets	(261)	(402)	(421)
Investment in term deposits (with maturities over 3 months)	(10,000)	(10,000)	(10,000)
NET CASH FLOWS FROM INVESTING ACTIVITIES	22,239	(402)	(421)
NET INCREASE (DECREASE) IN CASH HELD	4,125	7,728	7,964
Cash and cash equivalents at the beginning of the year	568	3,987	4,693
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	4,693	11,715	12,657

Notes to the prospective financial statements

1. Statement of accounting policies

FOR THE YEARS ENDING 30 JUNE 2020 AND 30 JUNE 2021

1.1 Reporting entity

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

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

Its purpose, as defined under the current governing legislation, the Arts Council of New Zealand Toi Aotearoa Act 2014, is to encourage, promote and support the arts in New Zealand for the benefit of all New Zealanders. Creative New Zealand does not operate to make a financial return. Accordingly, Creative New Zealand has designated itself as a public benefit entity (PBE) for financial reporting purposes.

1.2 Basis of preparation

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

1.2.1 Statement of compliance

These prospective financial statements have been prepared in accordance with the Crown Entities Act 2004, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP) and Financial Reporting Standard 42.

They have been prepared in accordance with Tier 1 PBE accounting standards and comply with PBE accounting standards.

1.2.2 Presentation currency and rounding

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

1.3 Significant accounting policies

The following specific accounting policies, which materially affect the measurement of financial performance and financial position, have been applied consistently to all periods presented in these prospective financial statements.

1.3.1 Revenue

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

Revenue from the Crown

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

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

Revenue from the New Zealand Lottery Grants Board

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

Creative New Zealand uses the funding for the purpose of meeting its objectives as specified in the governing legislation. Creative New Zealand considers there are no conditions attached to the funding. The funding is recognised as revenue at the point of entitlement. The fair value of revenue from the NZLGB has been determined to be equivalent to the amounts due in the funding arrangements.

Other grants

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

Interest revenue

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

Donated assets

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

The fair value of donated assets is determined as follows:

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

Grant retirements

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

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

1.3.2 Grant expenditure

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

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

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

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

1.3.3 Personnel expenses

Salaries and wages

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

Defined contribution scheme

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

1.3.4 Leases

Operating leases

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

1.3.5 Foreign currency transactions

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

1.3.6 Cash and cash equivalents

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

1.3.7 Investments in term deposits

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

1.3.8 Receivables

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

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

1.3.9 Property, plant and equipment

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

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

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it's probable that future economic benefits or service potential associated with the item will flow to Creative New Zealand and the cost of the item can be measured reliably.

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

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

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

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

Disposals

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

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

Depreciation

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

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

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

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

1.3.10 Works of art

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

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

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

1.3.11 Intangible assets

Software acquisition and development

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

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

Employee costs, staff training costs and relevant overheads are recognised as an expense when incurred. Costs associated with maintaining computer software are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and stops at the date the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

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

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

1.3.12 Impairment of property, plant and equipment and intangible assets

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

Non-cash generating assets

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

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

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

The reversal of an impairment loss is recognised in the Statement of Financial Performance.

1.3.13 Financial instruments

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

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

Creative New Zealand does not use derivative financial instruments.

1.3.14 Creditors and other payables

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

1.3.14 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, long service leave entitlements expected to be settled within 12 months and time in lieu accrued up to balance date. Creative New Zealand has no liability for sick leave entitlements.

Long-term employee entitlements

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

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlements information
- the present value of the estimated future cash flows.

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

1.3.16 Provisions

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

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

1.3.17 Goods and services tax

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

1.3.18 Income tax

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

1.3.19 Equity

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

- accumulated funds
- revaluation reserve
- restricted reserve.

Revaluation reserve relates to the revaluation of works of art.

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

1.4 Changes in accounting policies and estimates

No changes have occurred in accounting policies since the date of the last audited financial statements, other than the impact of NZ GAAP. These policies have been applied on a basis consistent with previous years.

1.5 Significant estimates and assumptions concerning the future

The final expected 2020/21 payment from the NZLGB will be confirmed in July 2020 and revised during the year.

It's assumed the timing of baseline funding will be the same for each of the financial years.

All significant assumptions relating to expenses have been based on historical data, existing business practices or actual business plan projections for each financial year.

The timing of expenses under Creative New Zealand's funding programmes can be variable after each funding round. A best estimate of the timing of these expenses has been made, which may vary from the timing of the actual expenses.

It's assumed that staffing levels will not significantly change in each of the financial years.

2. Revenue from the Crown

	ACTUAL 2020 \$000	BUDGET published 2020 \$000	BUDGET updated 2021 \$000
Vote Arts Culture and Heritage - core funding	16,689	16,689	16,689
COVID-19 response funding			
Core Infrastructure and Arts Delivery	-	25,000	25,000
Cultural Sector Capability Fund	-	1,000	1,000
Pasifika Festivals Initiative	-	-	4,000
Mātauranga Māori Te Awe Kōtuku initiative	-	-	1,072
	16,689	42,689	47,762

The significant new Crown investment in Creative New Zealand through Budget 2020 also includes \$6.756 million in 2021/22 (Cultural Sector Capability Fund \$1 million, Pasifika Festivals initiative \$4 million and Mātauranga Māori Te Awe Kōtuku initiative \$1.756 million) and \$4 million in 2022/23 for the Pasifika Festivals initiative.

3. Expenses by investment category

	ACTUAL 2020 \$000	BUDGET published 2021 \$000	BUDGET updated 2021 \$000
INVESTING IN THE ARTS			
Toi Tōtara Haemata (Arts Leadership) Investment programme	15,665	15,888	15,888
Toi Uru Kahikatea (Arts Development) Investment programme	16,203	16,220	15,943
Grants: Arts Grants, Quick Response Grants and Special Opportunities	5,636	10,313	10,313
Creative Communities Scheme	3,945	3,991	3,991
International programme	1,852	390	390
Initiatives and pilots	150	493	-
COVID-19 response			
Toi Tōtara Haemata short-term relief	797	-	166
Toi Uru Kahikatea short-term relief	942	-	164
Grants and special opportunities – Arts Continuity Grants	11,993	-	4,044
Initiatives and pilots – Emergency Relief Grants	9,943	-	30
COVID-19 response 2020/21*	-	21,700	20,370
	67,126	68,995	71,299

	ACTUAL 2020 \$000	BUDGET published 2021 \$000	BUDGET updated 2021 \$000
DEVELOPING THE ARTS			
National Capability Building programme	116	900	900
International Capability Building programme	572	505	505
Initiatives and pilots	1,685	1,674	2,132
COVID-19 response			
COVID-19 response 2020/21*	-	-	8,957
	2,373	4,979	12,494
ADVOCATING FOR THE ARTS			
Advocacy	647	1,405	1,405
	647	1,405	1,405
LEADERSHIP IN THE ARTS			
Grants and special opportunities	75	-	-
Capability building	1	80	80
Advocacy	16	70	70
	92	150	150

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

* COVID-19 response expenses were not allocated to investment categories here, because provisional allocations for some funds could change. Of the \$41.828 million of new revenue from the Crown to be received over 3 years, \$31.072 million has been provisioned to be received and expensed in 2020/21. Of this, \$0.845 million has been provisioned to go towards resources needed to help with the administration of this investment (operating costs).

S 4

OUR ORGANISATION

TŌ TATOU TARI



OUR ORGANISATION *TŌ TATOU TARI*

Governed by the Arts Council, Creative New Zealand is an autonomous Crown entity operating under the Arts Council of New Zealand Toi Aotearoa Act 2014.

We have a commitment to continually improving the capability of our organisation. This includes having a robust governance structure, appropriate operational policies and effective and efficient internal processes, and capable and engaged staff.

Our purpose

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

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

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



**INVESTING
IN THE ARTS**



**DEVELOPING
IN THE ARTS**



**ADVOCATING
FOR THE ARTS**



**LEADERSHIP
IN THE ARTS**

Our values

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

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

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

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

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

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

Te Taumata – we set high standards for our work.

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

Manaakitanga – we are welcoming and responsive to all.

Te Waka Toi Pātaka – our Mātauranga Māori Framework

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

Developed in 2018, Te Waka Toi Pātaka guides how we deliver our four goals, especially as they relate to ngā toi Māori.

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

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

Te Waka Toi Pātaka is included in *Te Hā o ngā Toi— Māori Arts Strategy 2019–2024*, which is available on our website at creativenz.govt.nz/maori-arts-strategy

What we do

Our work is structured around eight investment categories, which represent the major programmes we run:

- Toi Tōtara Haemata Investment Programme
- Toi Uru Kahikatea Investment Programme
- Grants
- Creative Communities Scheme
- International Programme
- Capability Building Programme
- Advocacy
- Initiatives and pilots.

These categories represent our four deliverable areas of: Investing in the arts, Developing the arts, Advocating for the arts and Leadership in the arts.

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

We invest across a variety of artforms: craft/object, dance, inter-arts, literature, multi-disciplinary, music, ngā toi Māori, Pacific arts, theatre and visual arts.

Within our Grants, Toi Tōtara Haemata and Toi Uru Kahikatea investment categories, we allocate funding across three streams: General, Māori and Pacific. Proposals are assessed on their appropriateness to the artform and programme criteria. Applications to the Māori and Pasifika streams are also assessed on whether mātauranga Māori or kaupapa Pasifika is evident in the practice and the results of the proposal.

Māori and Pacific artists can apply through the Māori or Pacific streams, or the General stream.

From time to time, special arts development opportunities are available that are open to all artists and practitioners. Others, such as internships and cultural exchanges, are specific to artforms (for example, the Prime Minister's Awards for Literary Achievement), Māori or Pacific artists and practitioners, or other criteria.

More information on our funding programmes is available at:

creativenz.govt.nz/en/getting-funded

We also support the development of the arts, by building the capability of arts organisations across a range of needs, as well as developing initiatives to address particular gaps.

Complementing our funding and development work, we also advocate for the value of the arts and provide leadership in the arts, for example, by making submissions on matters affecting the arts or convening the sector to address challenges or opportunities.

In carrying out our work, we recognise:

- in the arts, the role of Māori as tangata whenua
- the arts of the Pacific peoples of New Zealand
- the cultural diversity of the people of New Zealand.

We also recognise and uphold the principles of: participation, access, excellence and innovation, professionalism and advocacy in our work.

**We invest
across a
variety of
artforms**

Our relationships

We work with numerous stakeholders, including the Minister for Arts, Culture and Heritage and Associate Ministers, Manatū Taonga Ministry for Culture and Heritage, the NZLGB, iwi and Māori, Pacific groups, local government, individual artists and practitioners, arts organisations and, more broadly, the diverse communities of Aotearoa. We consult with stakeholder groups when developing strategy and reviewing policies that affect the arts sector.

We also have links to international arts councils and we're an active member of the International Federation of Arts Councils and Culture Agencies.

The Arts Council

Our governing body, the Arts Council, has responsibility for policy, strategy and investment decision-making. It comprises 13 members.

Council members have a range of skills and experience. The Council has a minimum of four members with knowledge of ngā toi Māori (Māori arts), te ao Māori (the Māori world) and tikanga Māori (Māori protocol and culture). These members are appointed in consultation with the Minister for Māori Development. Under our Act, they form a committee to advise the Council on matters relevant to the Council's functions in relation to Māori, and any other functions the Council delegates to the committee.

Two Arts Council members are appointed with knowledge of the arts and traditions, or cultures, of Pasifika peoples of New Zealand, in consultation with the Minister for Pacific Peoples.

We work to ensure that:

- Council members have appropriate and timely information to make decisions
- Council members are knowledgeable about and engaged with Creative New Zealand's work

- decisions are made at the appropriate organisational level, reflecting their importance, risk and the need for timeliness
- management and staff provide appropriate support to the Council.

Policies and processes

We undertake regular reviews of internal policies, covering areas like finance, human resources, conflicts of interest and delegations. In each review, we consider the appropriateness of existing policy, best practice examples from similar organisations and compliance with legislation.

We also have a strong focus on improving the services we deliver, particularly around investment decision-making and reporting processes.

One of our four goals for this period is that: 'We have the strategies, services and operational capacity to drive development of the arts in New Zealand'.

Under this goal, we are interested not just in the efficiency and effectiveness of our processes but the extent to which they are fair, equitable and accessible to all New Zealanders.

As a part of that goal, we'll regularly assess with the arts sector whether we're performing to the standards we've set ourselves. We also have a formal complaints management system and monitor informal feedback from applicants and clients through social media and daily interaction with staff, which provide ongoing client feedback.

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

Our staff

We rely on having a skilled and engaged staff to achieve our strategic aims. As of 30 June 2020, we have 63 staff (61.8 full-time equivalent staff), based in Wellington and Auckland and principally working across four groups: Arts Development Services; Business Services; Māori Strategy and Partnerships; and Strategy and Engagement.

Our staff have a range of experience across artforms, international market development and cultural exchange, audience development, project management, and corporate and business services. All staff are offered training and development across a variety of areas.

We show our commitment to our 'good employer' obligations by maintaining and reporting against a personnel policy that includes reference to the seven main good employer elements, those being:

- leadership, accountability and culture
- recruitment, selection and induction
- employee, development, promotion and exit
- flexibility and work design
- remuneration, recognition and conditions
- harassment and bullying prevention
- safe and healthy environment.

We also include, in our personnel policy and reporting, specific commitments to the aims, aspirations and employment requirements of Māori, ethnic or minority groups, women and people with disabilities.

More information

Further details about Creative New Zealand are available at:
www.creativenz.govt.nz/about-creative-new-zealand

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