

IN NEW ZEALAND AND AUSTRALIA, I HAD TO ADAPT TO THAT WESTERN LIFE: I COULDN'T BE THE FA'AFINE I HAD TO BE.
RESITARA APA



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FRONT COVER: Yuki Kihara, Fonofono o le nuanua:

Patches of the rainbow (After Gauguin), 2020.

Photo: Luke Walker

In accordance with section 150(3) of the Crown Entities Act 2004, the Annual Report for 2021/22 of the Arts Council of New Zealand Toi Aotearoa, trading as Creative New Zealand, is presented to the House of Representatives.

The report covers the 2021/22 financial year—1 July 2021 to 30 June 2022—and reports against Creative New Zealand's one output class: Promotion and support of the arts.

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

Caren Rangi ONZM | Manukura—Chair

Arts Council of New Zealand Toi Aotearoa

19 December 2022

A handwritten signature in black ink, featuring a large, stylized initial 'M' and a long, sweeping tail.

Michael Prentice | Manukura Tuarua—Deputy Chair

Arts Council of New Zealand Toi Aotearoa

19 December 2022

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FOREWORD

KUPU WHAKATAKI

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

In 2021/22, Creative New Zealand invested \$74 million in the arts, supporting the sector through funding, capability building, advocacy, and leadership initiatives. In 2021/22, we received \$53.9 million in revenue from the New Zealand Lottery Grants Board Te Puna Tahua (NZLGB), 64 percent of all our revenue for the year. The Board's ongoing support has been critical in enabling us to respond to the needs of the arts sector through the COVID-19 crisis.

At the start of 2021/22, we said we were feeling 'cautiously optimism'. Over the past year, we've been continuously reminded of the significant impact of the COVID-19 pandemic. While we have all felt the impact of COVID-19, the arts and ngā toi have been disproportionately affected, time and again. This is because so much of the value they provide relies on people coming together to develop, present, and experience work.

Looking ahead, the pressures remain. While regulation to manage COVID, such as gathering limits, has been lifted, the effects of a COVID/post-COVID environment remain and continue to impact the sector. We are experiencing unprecedented demand for funding, and this along with inflation and the associated cost of living increases, means artists, practitioners and arts organisations are still doing it tough. Over the coming year we will be looking at how we can best support the sector recognising the environment we are working in.

In response to these ongoing challenges, Creative New Zealand has continued to focus on recovery, resilience, and renewal. In 2021/22 we prioritised:

- delivering a fit-for-purpose 12-month programme of investment, to support the arts sector to continue to survive, recover, and thrive in a COVID-19 world
- delivering multi-year initiatives under the Government's Arts and Culture COVID Recovery Programme including the Mātauranga Māori Te Awe Kōtuku programme and Pasifika Festivals Initiative
- continuing to deliver our key strategies: *Te Hā o ngā Toi—Māori Arts Strategy 2019–2024*, the *Pacific Arts Strategy 2018–2023*, and the *Investment Strategy Te Ara Whakamua 2018–2023*
- making sure our support for the arts is inclusive of, and accessible to, New Zealand's diverse communities by advancing the development of an accessibility policy
- developing an initiative aimed at supporting the arts sector to maximise the opportunities associated with digital technologies
- working to improve the sustainability of the arts sector and arts sector careers, through the release of the Remuneration Policy for Artists and Arts Practitioners
- advancing our Te Kaupapa o Toi Aotearoa programme, which aims to make sure we have the organisational culture, competencies, and practices that will let us meet our aspirations under Te Tiriti o Waitangi (the Treaty of Waitangi) and deliver public value for all New Zealanders.

Guided by our long-term strategic direction to 2029, *Te uara mō tātou o Aotearoa—Creating value for New Zealanders*, in 2021/22 we worked with fewer resources but, by being more intentional with what we have, we delivered value to New Zealanders through our support for the arts and ngā toi.

The 2021/22 financial year was the final in the first three-year cycle under our *Statement of Intent 2019–2029*. While we've reaffirmed our wider strategic direction, in the year ahead, we will focus on three main strategic areas: Resilience; Access, inclusion and equity; and Wellbeing. These strategic focus areas will inform the work we prioritise over the 2022/23 financial year and through to 2026.

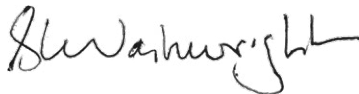
We know from our research that the arts matter more than ever to New Zealanders. The pandemic has helped many people recognise the vital contribution the arts make to their wellbeing and to that of their whānau and communities. We thank New Zealanders for continuing to participate in, engage with, and support the arts over the past year, often in ways they haven't before.

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



Caren Rangī

Manukura—Chair
Arts Council of New Zealand Toi Aotearoa
19 December 2022



Stephen Wainwright
Tumu Whakarāe—Chief Executive
Creative New Zealand
19 December 2022

Significant achievements in 2021/22 include

6000+

high quality New Zealand artworks developed

1.9mil

attendances reported at arts experiences across the country

250,000

participants in projects or events funded by Creative New Zealand

\$23mil

allocated through Grants and special opportunities

6

Arts Grants funding rounds were held in 2021/22

494

Successful applications out of 1358 received

\$34mil

funded to organisations through our multi-year Investment programmes

\$4.9mil

to Creative Communities Scheme projects

\$2mil

provided to support *Te Hā o ngā Toi—Māori Arts Strategy 2019–2024* implementation

\$1.2mil

provided to support *Pacific Arts Strategy 2018–2023* implementation

\$800,000

dedicated to providing opportunities for arts organisations, individual artists, and practitioners to build their skills and capability

PART ONE

INTRODUCTION
KUPU ARATAKI

OUR STRATEGIC DIRECTION UNDERPINNING OUR WORK IN 2021/22 TO TĀTOU MĀHERE RAUTAKI E HONO NEI O TĀTOU MAHI MŌ NGĀ 2021/22

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

Our strategic direction to 2029, *Te whakaputa hua ki te hunga o Aotearoa—Creating value for New Zealanders*, is a public value model that shows how we deliver value to New Zealanders through our support for the arts and ngā toi.¹

At the heart of *Creating value for New Zealanders* is Te Kaupapa o Toi Aotearoa – or the Creative New Zealand way – our vision, our purpose, our values and Te Waka Toi Pātaka (our Mātauranga Māori Framework).

As shown in the diagram on page 7, *Te whakaputa hua ki te hunga o Aotearoa* describes, through four strategic perspectives and anchored by Te Kaupapa o Toi Aotearoa, the environment we operate in, the relationships between the parts of the system, and how they work together to deliver value.

Creating value for New Zealanders should be read as a ‘virtuous circle’, where strengthening one segment leads to the strengthening of the next, and so on.

Our full performance framework for 2021/22 is included on page 14-16, with progress for the year reported in Part Two of this report.

Our goals

As part of our 10-year strategy developed in 2019, the Arts Council established four goals that have guided us—working with the sector and our partners—to achieve our outcomes.

In 2022, we published the refreshed [Statement of Intent 2022–2026](#), which has more information on our strategic directions

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

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

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

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

Te Kaupapa o Toi Aotearoa— The Creative New Zealand Way

As we’ve grown as an organisation so has our understanding of what it means to be the national arts development agency of Aotearoa New Zealand.

Central to Te Kaupapa o Toi Aotearoa is that, as an organisation, we’ll create value for New Zealanders by working in a way that enhances the mana and wellbeing of the people and communities we serve, guided by the intellectual traditions, knowledge, and tikanga of tangata whenua and tangata Tiriti, alongside conventional government approaches.

We recognise our responsibilities under Te Tiriti o Waitangi and the opportunity Te Tiriti provides for all of us to strengthen our connections with the land, our sense of identity and belonging, and to ‘enhance the dignity of everyone who lives here’.² Refer to page 39 for more.

¹ Toi (noun) art, knowledge. Source: Te Aka Māori Dictionary <https://maoridictionary.co.nz>. Note: Creative New Zealand is working with the ngā toi Māori sector to provide a definition of ngā toi that explains its broader meaning and significance

² Jackson, M. Where to next? Decolonisation and the stories in the land. In *Imagining Decolonisation*. Wellington: Bridget William Books Ltd: 2020

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

What we want to achieve by 2029 –
Our goals

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

Outcomes and value perspective

Our goals
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 goals
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-Kiva and the world.

Sector perspective

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

Creative New Zealand perspective

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

Our outcomes

Stronger arts:

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

Greater public engagement with the arts:

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

Stronger arts sector:

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

The value our support creates

Engagement in the arts improves the lives of New Zealanders
Distinctive and dynamic New Zealand arts that reflect the diversity of who we are and grow our reputation as a creative nation
Engagement in the arts strengthens whānau, communities and society
The arts sector contributes to prosperous and resilient communities



How our work **links to**
government priorities

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

- Subjective wellbeing** Human capital
- Health status**
- Education and skills**
- Social connections** Social capital
- Cultural identity**
- Civic engagement**
- Time use**
- Income and wealth** Financial/physical capital
- Jobs and earnings**
- Environment** Natural capital

Ministers' priorities for Arts, Culture and Heritage

Valuing who we are as a country
New Zealanders share a distinct and inclusive identity and value our history and traditions
All New Zealanders can access and participate in cultural experiences
The cultural sector is supported and growing sustainably

OUR VISION

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

OUR VALUES

1

MANA TOI

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

2

TAUIWI

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

3

MANA MĀORI

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

4

MANA PASIFIKA

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

5

MAHITAHI

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

6

TE TAUMATA

We set high standards for our work.

7

TAUUTUUTU

We are open, frank and respectful in our relationships.

8

MANAAKITANGA

We are welcoming and responsive to all.

OUR PURPOSE

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

OUR MĀTAURANGA MĀORI FRAMEWORK

TE WAKA TOI PĀTAKA

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

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

OUR PLANNING AND PERFORMANCE CONTEXT

TE WHAKARITE ME TE WHAKATUTUKI I NGĀ MAHI

Since early 2020, our operating context has significantly changed. The COVID-19 pandemic has affected the arts and wider society in profound ways. In addition, significant and rapid shifts have occurred in societal expectations and norms, and our own financial context has changed.

Our strategic context

Our strategic context and long-term strategic direction are set out on pages 6-7 of this report.

Our operating context

The COVID-19 pandemic, and its effect on the arts, has remained a dominant factor in the external environment. COVID-19 has disrupted:

- the lives and livelihoods of artists and arts practitioners
- the sustainability and resilience of arts organisations, collectives, and groups
- the ability of artists to develop artistic works, which is often undertaken in collaborative environments³
- the ability of artists to present their work and engage audiences and communities
- the ways in which artists engage with their communities and audiences, with online delivery bringing both challenges and opportunities to reach those with access issues and those currently underserved
- the international market for arts workers and artworks through touring and overseas presentation

- the ability for communities to come together and draw strength from sharing collective experiences.

Recent research undertaken by UNESCO points to the effects of the COVID-19 pandemic on the creative sector globally, noting: 'What was already a precarious situation for many artists has become unsustainable, threatening creative diversity'.⁴ The report highlights the disparities between labour protection for artists and arts practitioners, compared with the general workforce, along with the effect on artists' incomes of widespread digitisation of cultural products.

Economic pressures have challenged our ability to create more value for New Zealanders: the cost for artists to create art goes up and creative output may decline; members of the public find it more difficult to financially support the arts; and public funders face more pressure in their financial decision-making.

In response, through our planning for 2021/22, we developed a programme that recognised the COVID-19 environment and ongoing nature of our operating environment.

We are also seeing rapid societal shifts across many areas. Some of these movements have been initiated overseas but their effects are being felt here, others are more about the context in Aotearoa New Zealand.

These shifts include:

- a reconsideration of the role of Te Tiriti o Waitangi in how the Government operates and its relationships with Māori
- increased understanding and recognition of the value of te reo, tikanga and mātauranga Māori to New Zealand society
- increased awareness, prompted by international movements, of issues around systemic racism, unconscious bias and calls internationally and domestically to decolonise institutions

³ By artists, we include arts practitioners, arts organisations, collectives, and groups.

⁴ UNESCO. 2022. ReShaping policies for creativity: addressing culture as a global public good. Retrieved from www.unesco.org/reports/reshaping-creativity/2022/en (13 May 2022), page 5.

- increased awareness of issues around gender equity, which are being highlighted in many industries, including the arts
- increased awareness of diversity and inclusivity more broadly as individual communities seek greater recognition and autonomy, for example, Deaf and disability, LGBTQIA+ or rainbow, and ethnic communities
- international and domestic calls for governments and societies to address the climate crisis and build more sustainable models for how we live
- ongoing advances in digital technologies and their vital role in enabling access to the arts through the pandemic.

Our financial context

Our resources were under intense pressure during the past year because of high demand for our funding. This was partly due to increased expectations following the significant one-off funding injections over the past two years.

We have been saying to the arts sector recently that, while we are grateful to have been able to draw on our financial reserves to support the arts community through the effects of COVID-19, the reality is we will continue to face high demand in the coming year.

Funding instability continues to make it challenging for Creative New Zealand to plan for long-term investment in the arts and deliver on its strategic intentions. In a typical year, Creative New Zealand receives a 30:70 split through Vote: Arts, Culture and Heritage funding and funding from the New Zealand Lotteries Commission through the NZLGB. Our NZLGB funding changes year-to-year in both forecasts and actual payments.

To manage this risk, the Arts Council will continue its equity policy aimed at reducing the risks associated with the changing NZLGB environment. Our financial performance for 2021/22 is reported in Part Three of this report.

We expect the following additional financial pressures to continue in the coming year:

- significantly higher inflation than experienced in a generation, with consequent effects across all sectors, including the arts
- high levels of risk facing the sector due to uncertain audience and participant demand, and higher costs because of COVID-19
- uncertainty about the future of Manatū Taonga Ministry for Culture and Heritage-led COVID-19 funding, which has filled gaps in the arts infrastructure, many of which pre-dated the COVID-19 pandemic.

For more information on our financial planning for 2022/23, please see our [Statement of Performance Expectations 2022/23](#).

A large, light-colored graphic of the number '2' is positioned on the right side of the page. The number is composed of two main parts: a top loop and a bottom horizontal bar. The top loop is formed by a thick line that curves from the top right, down, and then back up to the right. The bottom horizontal bar is a thick line that starts from the left, goes down, then right, then up, and then right again, meeting the bottom of the top loop's curve.

PART TWO

STATEMENT OF PERFORMANCE
TE TAUKI WHAKATUTUKI I NGĀ MAHI

This section reports on how we have delivered against our output class and the four perspectives of *Te whakaputa hua ki te hunga o Aotearoa—Creating value for New Zealanders* public value model. This model is outlined in our Statement of Intent 2019—2029 and Statement of Performance Expectations 2021/2022.

Our performance framework for 2021/22 is shown on pages 14-16. Over the past year, we continued to deliver against our purpose – to encourage, promote and support the arts in New Zealand for the benefit of all New Zealanders – and towards our vision of Dynamic and resilient New Zealand arts, valued in Aotearoa and internationally.

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

Performance against all measures and indicators is reported on the following pages.

OUR PERFORMANCE FRAMEWORK FOR 2021/22

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: 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</p>	<p>Mana and support perspective</p> <p>Our external operating environment: The mechanisms and entities that guide our strategic intentions and whose support influences our resources and authority</p>	<p>Indicators of confidence in Creative New Zealand's performance</p> <p>Maintain or improve audit management ratings for management control, financial systems, and service performance information</p> <p>Percentage of clients who are satisfied with the overall customer service received from Creative New Zealand</p> <p>Rating on the Colmar Brunton Public Sector Reputation Index</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?
	<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>	CREATIVE NEW ZEALAND PERSPECTIVE	
		Core activity measures	Annual priorities
		<p>Our deliverables – What we do to deliver on our strategic intentions</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>Developing the arts – Developing the arts sector's capacity to succeed and undertaking initiatives to develop the arts</p>	
<p>Percentage of Tōtara and Kahikatea organisations that meet or exceed performance expectations set out in funding agreements</p> <p>Percentage of completed projects that meet or exceed expectations in funding agreements</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</p>	<p>Percentage of Tōtara and Kahikatea organisations that meet or exceed performance expectations set out in funding agreements</p> <p>Percentage of completed projects that meet or exceed expectations in funding agreements</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</p>		



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

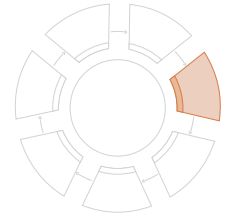
What we want to achieve by 2029 – Our goals	How will we achieve our goals?	How will we know we're successful?
CREATIVE NEW ZEALAND PERSPECTIVE		
	Core activity measures	Annual priorities
	Our deliverables – What we do to deliver on our strategic intentions	
	Advocating for the arts – Promoting the value of the arts and empowering the arts sector to make the case for the arts	Percentage of advocacy actions described in the annual advocacy action plan that have met or exceeded our expectations
	Leadership in the arts – Providing leadership to ensure the arts sector is well positioned collectively to respond to change	Overall participant satisfaction with Creative New Zealand-led events Number of Creative New Zealand-commissioned research projects that advance knowledge or discussion about the arts in New Zealand
	Our resources – The capability and capacity we have to deliver on our strategic intentions	
	Public money	Total level of investment by Creative New Zealand in the arts Percentage of operating costs from total expenditure in line with policy set by the Arts Council (being between 15 percent and 16 percent of total expenditure)
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	Our people and expertise	Advancing our Te Kaupapa o Toi Aotearoa programme , which aims to build organisational culture, competencies, and practices that will enable us to meet our aspirations under Te Tiriti o Waitangi and deliver public value for all New Zealanders
	Our operational capacity	
	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	Increasing our understanding of the diversity of those who access or benefit from our services
	Deliver actions set out in approved implementation plans for key kaupapa-based strategies: <ul style="list-style-type: none"> • <i>Te Hā o ngā Toi—Māori Arts Strategy 2019–2024</i> • <i>Pacific Arts Strategy 2018–2023</i> 	



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: 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.</p>	<p>The sector: The artists and arts organisations, collaborators and partners we work with and who contribute to our outcomes</p>	<p>Sector perspective</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?
	<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>	<p>Our outcomes – The difference we want our work to make</p>	<p>OUTCOMES AND VALUE PERSPECTIVE</p> <p>Outcome measures</p>
		<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 NZ</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 NZ</p>
		<p>Stronger arts sector</p>	<p>New Zealand's arts sector is resilient Percentage of Tōtara and Kahikatea organisations that meet or exceed expectations set in their funding agreements across the three dimensions of: quality of artistic programme, financial health, organisational health</p> <p>New Zealand arts are valued and supported Average percentage of 'other' (non-Creative New Zealand) investment across the Tōtara and Kahikatea organisations' index rating for how New Zealanders perceive the value of the arts to New Zealand (New Zealanders and the Arts survey data)</p>



Our external operating environment

The mechanisms and entities that guide our strategic intentions and whose support influences our resources and our authority.

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 will 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 are extremely grateful for the confidence ministers have shown in Creative New Zealand's mahi over the past year.

By strengthening the Mana and support perspective of the public value model (ie, growing the confidence of others in us), we can secure the maximum resources we need to sustain the sector, individually and collectively. With increased financial stability we can then adapt our policies and strategies to guide how we use our resources to best support the arts.

Highlights and achievements in 2021/22

- **Championing the arts across central government, local government, and other partners**, including:
 - forming connections with relevant central government agencies and significant sector leaders and advocacy groups in the health and education spaces, including a mental health awareness week campaign
 - providing submissions to local councils on Long-term Plans and guidance for the arts sector on how to advocate for arts and culture in council submission processes, including Long-term Plans.
- **Building relationships with mana whenua** in Tāmaki Makaurau (Auckland) and Te Whanganui-a-Tara (Wellington).
- **Providing advice to Manatū Taonga Ministry for Culture and Heritage** on the development of the COVID-19 Delta Relief Funding, including identifying needs and opportunities in relation to sector needs.
- **Maintaining and improving our information request** and complaints management practices, to make sure we are open and transparent and driving public trust and confidence.

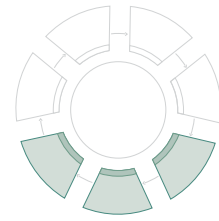
Reporting performance against measures for the year ended 30 June 2022

Our performance measures aim to show the level of confidence the communities we serve and those who support us have in us as an organisation and the work we have achieved throughout the year. While we know we can always improve, it is heartening to receive positive results through the Colmar Brunton Public Sector Reputation Index in 2021/22 (table 1, indicator 1.3). With a score of 104, Creative New Zealand's reputation is above average for the public sector, despite a 2-point drop since last year. Perceptions of trust and fairness are driving the drop, having both declined 3 points; however, these scores are relative to how the rest of the agencies on the index are performing. The response to the 'overall satisfaction with the service received from Creative NZ' (table 1, indicator 1.2) was 46%, who were either 'very satisfied' or 'somewhat satisfied'. This is below the target of 65%. While further analysis is needed to identify specific issues, the high demand for funding coupled with a low success rate has impacted results.

TABLE 1: PERFORMANCE AGAINST MANA AND SUPPORT PERSPECTIVE MEASURES AND INDICATORS, 2021/22

Ref. (Goal)	Measure/indicator	Data source	2019/20 actual	2020/21 actual	2021/22 target	2021/22 actual	Variance	Notes
11.1	Audit management ratings for: <ul style="list-style-type: none"> management control environment financial systems and controls service performance information 	Audit Management Report—annual	Good Very good Good	Very good Very Good Good	Very good Very good Very good	Very good Very Good Good	-	This measure provides objective assurance to members of the public for them to have confidence in Creative New Zealand.

Ref. (Goal)	Measure/indicator	Data source	2019/20 actual	2020/21 actual	2021/22 target	2021/22 actual	Variance	Notes
I1.2	Overall satisfaction with Creative New Zealand service	Creative New Zealand Satisfaction Survey—annual	68.4%	65%	≥68%	46%	-22%	<p>Did not meet target. This demonstrates our reputation with our clients. The 2021/22 response rate was 18.7% with 215 clients out of the 1149 funding applicants contacted completing the survey (2020/21: 17.3 %). Feedback indicates Creative New Zealand’s contestable funding application and decision-making processes could be more transparent and accessible. The decrease can also be attributed to the lower success rate when applying for funding. There is unprecedented demand for Creative New Zealand funding from the sector and big issues around the sustainability of arts funding in Aotearoa.</p> <p>At the time of reporting, next steps to address the issues raised in the survey have not been finalised however an update will be included in the Statement of Performance Expectations 2023/24.</p>
I1.3	Rating on the Colmar Brunton Public Sector Reputation Index (PSRI)	Colmar Brunton Public Sector Reputation Index—annual	104	106	≥104	104	0%	<p>Met target. This demonstrates our reputation with the New Zealand public. The survey is conducted annually in April and May, with results being published in July.</p>



Our deliverables	Our resources	Our internal operating environment
What we do to deliver on our strategic intentions	The capability and capacity we have to deliver on our strategic intentions	The strategies and policies that guide our work and collectively form our strategic intentions as set by the Arts Council

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 is essential we have strategies and policies to guide our work and the capability and capacity to deliver on our strategic intentions.

- **Our deliverables** are what we do to meet our goals and contribute to our outcomes. We have continued to adapt our deliverables to meet the needs of the sector in 2021/22. We often work in partnership with others across all our deliverables, to benefit from pooled expertise and resources. In 2021/22 we had four deliverables, as explained below.
- **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.
- **Our internal operating environment** describes the strategies and policies that collectively form our strategic intentions, as set by the Arts Council. It includes the refreshed Statement of Intent 2022–2026, alongside the strategies and policies we have developed together with the sector. We reviewed our main strategies and policies and their implementation plans and prioritised our resources so we could provide practical support to sustain the arts sector (artists, arts practitioners, and arts organisations (including groups and collectives))

in 2021/22. A new governance charter was also developed, to clarify the Arts Council’s roles and responsibilities and where it will focus its attention.

Our deliverables

We invested over **\$74 million in the arts sector** in 2021/22 to support the needs of artists and work towards achieving our outcomes. Total investment is below the overall investment Creative New Zealand made in 2020/21 (\$74.0 million compared with \$80.4 million), but higher than in 2018/19, being the last pre-COVID year, as shown in table 2. Intense pressure was placed on our resources in the past year because of high demand for our funding. This was due in part to increased expectations following the significant one-off funding injections of \$31.1 million in 2020/21 and \$12.2 million in 2021/22.

In 2021/22, Creative New Zealand spread its investment across four core deliverables: **Investing in the arts, Developing the arts, Advocating for the arts, and Leadership in the arts**. The sizeable proportion of Creative New Zealand’s work is achieved by the deliverable Investing in the arts through eight main investment categories (table 3). Our focus in 2021/22 has remained on improving programmes, in line with the Investment Strategy 2018–2023, and to meet the increased demand from the sector due to the COVID-19 pandemic.

TABLE 2: CREATIVE NEW ZEALAND EXPENDITURE ACROSS DELIVERABLES, 2018/19–2021/22 (EXCLUDING OPERATING COSTS)

Deliverables	2018/19		2019/20		2020/21		2021/22	
Investing in the arts	\$43,882,030	91%	\$67,125,654	96%	\$65,984,752	82%	\$66,928,840	90%
Developing the arts	\$3,439,507	7%	\$2,372,652	3%	\$13,708,672	17%	\$6,204,330	8%
Advocating for the arts	\$541,605	1%	\$648,129	>1%	\$609,331	>1%	\$801,107	1%
Leadership in the arts	109,941	>1%	\$92,147	>1%	\$54,778	>1%	\$75,604	>1%
Total	\$47,973,083		\$70,238,581		\$80,357,533		\$74,009,881	

TABLE 3: CREATIVE NEW ZEALAND EXPENDITURE ACROSS INVESTMENT CATEGORIES, 2018/19–2021/22

Investment categories	2018/19		2019/20		2020/21		2021/22	
Tōtara programme	16,758,177	35%	16,461,999	23%	19,241,906	24%	17,634,144	24%
Kahikatea programme	10,583,713	22%	17,145,413	24%	19,782,559	25%	16,465,746	22%
Grants and special opportunities	10,121,466	21%	17,704,415	25%	24,672,154	31%	23,421,133	32%
Creative Communities Scheme	3,391,940	7%	3,944,668	6%	5,706,561	7%	4,941,500	6%
International programme	2,394,075	5%	1,851,405	3%	495,048	1%	1,947,310	3%
Initiatives and Pilots	3,068,949	6%	11,778,149	17%	6,188,643	8%	7,922,918	11%
Capability building	1,053,218	2%	688,196	1%	3,661,332	5%	803,554	1%
Advocacy	601,546	1%	664,336	1%	609,331	1%	873,576	1%
Total invested	\$47,973,083		\$70,238,581		\$80,357,533		\$74,009,881	

Highlights and achievements in 2021/22

The summary below highlights what this investment has enabled through each deliverable in 2021/22. All programmes contribute to the success of Creative New Zealand's outcomes (page 48).

Investing in the arts

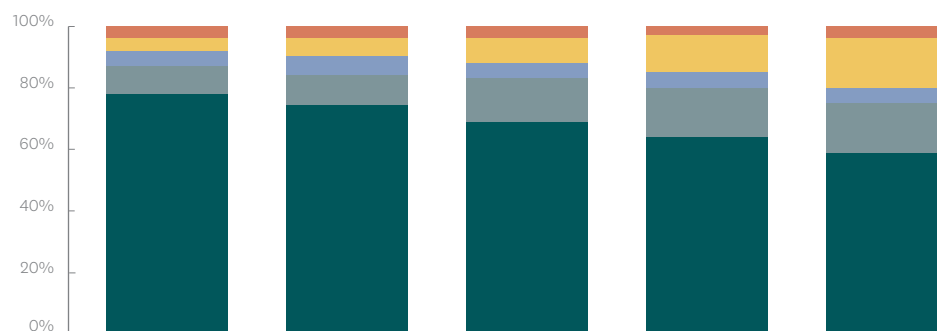
Investing in artists, art practitioners, and arts organisations and their projects in a fair, transparent, and strategic way

- **\$66.93 million** was delivered directly to programmes and initiatives that support the sector, including how the sector responds to the COVID-19 context. This investment included additional COVID-19 Delta Relief Funding (\$5 million) to support at-risk organisations, including festivals and community arts organisations, and to provide employment and continuity of practice for creative practitioners:
 - **\$34 million** was awarded to 81 organisations in the Tōtara and Kahikatea programmes, 46 percent of our total allocated funding. These organisations are key employers of artists and arts practitioners and, despite continuing challenges over the past year, have managed well and delivered their programmes as intended (table 4, measure D2.1, page 25)
 - **\$23.4 million** awarded through Grants and special opportunities, 32 percent of our total allocated funding. During the year, artists submitted 1358 applications, with 494 projects successfully approved: 97 percent of artists' projects met or exceeded expectations in 2021/22, despite the uncertain environment. Even with this achievement, the increased demand for funding is reflected in an average success rate of 34 percent for Arts Grants applications. Many strong projects are unable to be funded in every round. While we did not meet our target for the period, artists managed well overall and delivered their projects as intended in spite of the uncertain environment (table 4, measure D2.2, page 25)

Across the Tōtara, Kahikatea, and Grants programmes we monitor the level of investment through three funding application streams (Pacific arts, Māori arts, and General arts (figure 1). The increased support for Māori and Pacific arts, compared with pre-COVID levels, reflects the work carried out implementing *Te Hā o ngā Toi—Māori Arts Strategy 2019–2024* and the *Pacific Arts Strategy 2018–2023* (see below). This includes increased investment for Māori and Pacific works through the General Arts funding stream.

- **\$4.9 million** was distributed through the Creative Communities Scheme, with 1711 grants awarded by 67 territorial authorities. The 1188 projects completed in the period resulted in 163 650 reported participants
- **\$3.77 million** invested in the Pasifika Festivals Fund Initiative to continue to support Pasifika festivals experiencing financial hardships due to the direct effect of COVID-19. Further information is detailed on page 60
- **\$1.5 million** invested through our International Programme. Along with award-winning interdisciplinary artist Yuki Kihara's representation at the 59th International Art Exhibition—La Biennale di Venezia (refer page 32), a highlight was the [Global Digital New Work Fund](#), to support in-person/physical, digital or hybrid international presentations of work. Five grants totalling \$222,350 were supported in the inaugural funding round.

FIGURE 1: INVESTMENT INTO THE SECTOR BY FUNDING STREAM (PACIFIC ARTS, MĀORI ARTS, AND GENERAL ARTS (GA)), 2017/18–2021/22



	2017/18		2018/19		2019/20		2020/21		2021/22	
Pacific work funded from GA	\$1,412,746	4%	\$1,681,907	4%	\$2,449,639	4%	\$2,378,377	3%	\$2,686,239	4%
Pacific Arts Pool	\$1,507,228	4%	\$2,375,171	6%	\$5,458,341	8%	\$9,315,395	12%	\$11,461,922	16%
Māori works funded from GA	\$1,811,108	5%	\$2,414,430	6%	\$3,165,026	5%	\$4,166,412	5%	\$3,678,070	5%
Māori Arts	\$3,481,733	9%	\$4,124,693	10%	\$9,222,167	14%	\$12,950,331	16%	\$11,230,380	16%
General Arts	\$29,484,282	78%	\$31,453,654	75%	\$46,231,649	69%	\$49,998,761	64%	\$41,529,132	59%
Total	\$37,697,098		\$42,049,855		\$66,526,821		\$78,809,276		\$70,585,743	

Developing the Arts

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

- **\$6.2 million** was allocated to deliver targeted initiatives to develop the capability and capacity of individuals and arts organisations in New Zealand. Support in 2021/22 included:
 - the new Building Business Capability for Individual Practitioners Fund, to support individual artists and arts practitioners to develop skills that increase their career sustainability and future-proof their business practice. Sixty-six grants totalling \$598,000 were supported in the inaugural funding round
 - **\$440,000** to support New Zealand artists and practitioners to build sector capability and networks to operate internationally in the 2021/22 context
- **\$2 million** to support the implementation of *Te Hā o ngā Toi—Māori Arts Strategy 2019–2024* (highlights in 2021/22 are provided on pages 34–35)
- **\$1.2 million** to support the implementation of the *Pacific Arts Strategy 2018–2023* (highlights in 2021/22 are provided on pages 32–33)
- detail about the development of a business case for a digital arts and cultural development initiative is available on page 62.

Advocating for the Arts

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

- **\$801,107** allocated to advocate for the benefits of the arts. This included:
 - putting in place ongoing arts advocacy campaigns and engagement mahi. For example, a Creative New Zealand-led vaccination campaign was launched in December 2021, featuring the voices of diverse artists across the motu. Creative New Zealand has also supported campaigns led by the Aotearoa music industry and Te Matatini
 - delivering ongoing advocacy and working with local government, given its mandate for improving communities' social and cultural wellbeing
 - talking about the value of the arts, with a focus on their positive effects on the social wellbeing of communities
 - convening an external advisory group, Te Rōpū Mana Toi, to inform and advance our advocacy work and collective advocacy on matters of national significance.

Leadership in the arts

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

- **\$75,604** allocated to leadership activities. 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. This included:
 - communicating the results of our triennial *New Zealanders and the arts—Ko Aotearoa me onā Toi 2020* and *Audience Atlas Aotearoa 2020* research, which looks at attitudes, attendance, and participation in the arts, including the market for the arts in New Zealand, and enhancing the role of this research as an important advocacy and development tool for the arts sector
 - leading engagement with artists, communities, the sector, and stakeholders to identify significant impacts, issues, and opportunities.

Reporting performance against measures for the year ended 30 June 2022

Core activity measures

Our core activities are those we carry out under our four deliverables: Investing in the arts, Developing the arts, Advocating for the arts, and Leadership in the arts. We also include additional measures to monitor how well we manage our money, people, and operating environment. Table 4 lists the critical measures that show our achievements for the 2021/22 year.

TABLE 4: PERFORMANCE AGAINST CORE ACTIVITY MEASURES, 2021/22

Ref.	Name	2019/20 actual	2020/21 actual	2021/22 target	2021/22 actual	Variance	Notes
Deliverables							
Investing in the arts							
D2.1	Tōtara and Kahikatea organisations meet or exceed expectations against performance expectations set in individual funding agreements (overall performance of Tōtara and Kahikatea organisations)	96%	91.5%	96%	100%	4%	Exceeded target. This measure reports on Tōtara and Kahikatea organisations' delivery against the key performance indicators in individual funding agreements. It includes all Tōtara and Kahikatea clients with continuous funding agreements. Of the 263 goals in the reporting period, 262 met expectations in delivering to Creative New Zealand's outcomes.
D2.2	Completed projects meet or exceed expectations set in funding agreements	98%	98.2%	99%	97%	-1.9%	Did not meet target. Of the 407 projects evaluated in the reporting period, 395 met or exceeded expectations in delivering to Creative New Zealand's outcomes. This measure reports on evaluated completion reports for project-based funding: Grants and special opportunities and International programme grants.

Ref.	Name	2019/20 actual	2020/21 actual	2021/22 target	2021/22 actual	Variance	Notes
Deliverables							
Developing the arts							
D2.3	Clients agree the capability ⁵ building programme aligns with their needs and priorities	91%	91%	90%	N/A	N/A	<p>This measure is not applicable. It was developed on the assumption the Organisational Development Model (ODM) survey, a self-assessment tool specifically designed to assess the needs of Tōtara and Kahikatea organisations, would be used the year prior to inform the development of the capability building programme.</p> <p>The survey was not undertaken in the year prior (2020/21) as we were still operating within a dynamic environment assisting the sector to respond to the ongoing impacts of Covid. A capability building programme for Tōtara and Kahikatea organisations was not designed or delivered therefore the current measure is not appropriate or applicable to report against.</p> <p>The ODM enables organisations to review their organisation's strengths and weaknesses and to track their development overtime. The survey results provide information on the most common areas of need to consider in developing the programme content for the organisations the following year. It also enables us to gather trend information across the Tōtara and Kahikatea organisations as a group over time and to measure the impact of the capability programmes. In place of a targeted programme for these organisations in 2021/22 Council agreed to re-purpose the funds originally allocated for the capability building programme (\$300,000) previously targeted at Totara and Kahikatea organisations to a new Building Business Capability for Individual Practitioners (BBCIP) Fund. The rationale for this was partly that investment organisations were still delivering their projects approved under the Adaptation, Capability and Revenue Generation Funds (refer pages 56-57). Many of these projects were delayed or changed as they were directly impacted by COVID (e.g., availability of contractors/ staffing changing timeframes and increase in costs) and also affected by changes in delivery of their BAU. At this time the independent sector was particularly vulnerable to the ongoing effects of COVID on their arts practice and income security. We designed BBCIP to respond to these issues and to complement MCH's immediate financial support by providing grants to support individuals to develop their skills to increase their resilience/long term sustainability.</p>
D2.4	Clients rank capability building initiatives ⁶ as extremely or very effective, relevant, and helpful	79%	79%	≥75%	N/A	N/A	Initiative evaluation surveys were not undertaken in the period as we did not deliver a capability building programme for investment organisations in 2021/22. Refer D2.3.

5 Refers to the annual capability building programme for Totara and Kahikatea Investment Programme organisations.

6 When delivered, the capability building programme delivers a range of initiatives aimed at building investment organisations capability and capacity.

Ref.	Name	2019/20 actual	2020/21 actual	2021/22 target	2021/22 actual	Variance	Notes
Deliverables							
Developing the arts							
D2.5	Capability building initiatives ⁷ delivered to the sector that met or exceeded our expectations	98%	89.4%	≥92%	97%	5%	Exceeded target. 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. Of the 75 projects evaluated in the reporting period, 73 met or exceeded expectations. The results for this measure include evaluation of 'capability building' and 'initiatives and pilots' grants completed in the relevant financial year (that may have been approved in the previous financial years). In 2021/22, the results include 43 projects related to the Covid-19 recovery funds: Capability Fund 2020, Ngā Toi ā Rohe - Arts in the Regions Fund 2020, Pasifika Festivals Initiative and Revenue Generation Fund 2021. They also include 32 projects related to our core funding from previous financial years, such as: Toi Rangatahi Engagement Fund 2018/19, Partnership Incentive Fund 2020, Māori Arts Presentation Fund 2019, and some Pacific Arts Development projects.
Advocating for the arts							
D2.6	Annual advocacy actions that met or exceed our expectations	50%	83%	≥75%	75%	0%	Met target. 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)). Advocacy work for 2021/22 is discussed in the COVID-19 Advocacy Response: Phase 3 Plan and focuses on four high-level actions or pou, along with other advocacy functions. Three out of four pou met expectations. We had expected to advance more work under our wellbeing pou, but due to a staffing gap of six months, projects have been deferred and we focused on delivery of the public-facing elements only. Work under some pou progressed at a slower pace than others (due to lockdowns and the continually evolving COVID-19 context) and much of the work is foundational in nature, establishing longer-term engagement and advocacy. Additional work (eg. submissions) was advanced across the year on a responsive basis.
Leadership in the arts							
D2.7	Overall participant satisfaction with Creative New Zealand-led events ⁸	73%	85%	≥73%	N/A	N/A	Survey not carried out as Nui te Kōrero, Creative New Zealand's leadership conference, was not held in 2022. A review of the conference was carried out in late 2021. A decision was made to change the delivery to a biennial format to better align the project with our current and future organisational direction and vision, especially to bring it up to date with Te Kaupapa o Toi Aotearoa, and to support its delivery in a more sustainable way. The next hui will take place in October 2023.

⁷ Does not include the annual capability building programme Totara and Kahikatea Investment Programme organisations. This measure focuses on additional capability building initiatives to individuals or arts organisations. Includes contestable funds that aim to develop the capability and capacity of artists and arts organisations and any development initiatives and pilots that Creative New Zealand has delivered in the financial year.

Ref.	Name	2019/20 actual	2020/21 actual	2021/22 target	2021/22 actual	Variance	Notes
Our resources							
Public money							
D2.8	Total level of investment by Creative New Zealand in the arts	\$70,238,000	\$80,358,000	\$64,853,000 (budget)	\$74,010,000	\$9,157,000	<p>Exceeded target. Creative New Zealand invests in the arts sector through its four deliverables. The positive variance in the total investment was caused by higher revenue being distributed to the arts sector.</p> <p>The target of \$64.9 million was based on the budget approved by the Arts Council at its April 2021 meeting. Explanations of major variances against budget are provided in note 2 of the Financial Statements.</p>
D2.9	Maintain operating costs in line with policy set by the Arts Council	12.5%	12%	≤16%	14.9%	1.1%	<p>Exceeded target. Arts Council policy sets the operating costs between 15 percent and 16 percent of total expenditure. Operating costs for the year ending 30 June 2022 are below the policy range, at 14.9 percent.</p>
Our people and expertise							
D2.10	Improve on Workplace survey overall performance index	74.8%	74.8%	≥75%	N/A	N/A	<p>No change. The survey was not carried out in the period. Instead, an independent Health, Safety and Wellbeing review was carried out in June 2022. A programme of work has been developed to address the findings of the review in 2022/23.</p>
Our operational capacity							
D2.11	Funding decisions made within specified timeframes	100%	100%	100%	100%	0%	<p>Met target. This indicates the fairness and transparency within our funding decision-making processes and reflects the service standards we uphold for our applicants. All funding decisions were made within timeframes.</p>
D2.12	Percentage of applications externally assessed	100%	100%	100%	100%	0%	<p>Met target. The Delegations Schedule sets out when external assessments must be completed for funding rounds in which we are required to use external assessment, this was completed 100 percent.</p> <p>External peer assessors provide assessment for funding applications across the full range of Creative New Zealand's funding programmes and initiatives. They are people with an in-depth understanding of the art sector and current artform practice, including international trends and markets, or specialist knowledge of an area of arts development. Their expert input is an indicator of robust, high-quality decision-making processes for applicants.</p>

8 One annual leadership event has been held since this measure was introduced in 2019/20. Nui te Kōrero is Creative New Zealand's annual arts leadership conference where managers, leaders, producers, practitioners, marketers, and governors working in the arts gather for a national conversation about the big issues of the day.

Annual priorities 2021/22

Alongside the work delivered on pages 22-28, four further priorities for 2021/22 supported our outcomes and overall strategic direction.

A1. Delivering the multi-year initiatives under the Government's Arts and Culture COVID Recovery Programme according to funding agreements and budget

\$6,705,500 to deliver a further three multi-year funding initiatives through additional government funding to Creative New Zealand as part of the Arts and Culture COVID-19 Recovery Programme:

- Mātauranga Māori Te Awe Kōtuku Initiative (\$1.76 million)
- Pasifika Festivals Initiative (\$4 million)
- Funding through the Cultural Sector Capability Fund to develop a business case for a digital arts and cultural development initiative (\$950,000).

Further detail is available on page 56-62.

A2. Developing a remuneration principles policy to support the sustainability of arts sector careers

The Remuneration Policy for Artists and Arts Practitioners—Ko te Mahere Utu ma Nga Kaitoi Kaiwaihanga Toi was published in March 2022. The policy supports and promotes fair remuneration and employment practices for artists and arts practitioners and, over time, will help improve the sustainability of arts sector careers. The policy sets out principles and practice guidelines that can be used by artists and practitioners, arts organisations, and those engaging artists.

A3. Advancing Te Kaupapa o Toi Aotearoa—The Creative New Zealand Way

Te Kaupapa o Toi Aotearoa—The Creative New Zealand Way aims to build organisational culture, competencies, and practices that will enable us to meet our aspirations under Te Tiriti o Waitangi and deliver public value for all New Zealanders. Further information on what we have achieved this year is available under Our People and Expertise on page 39.

A4. Increasing our understanding of the diversity of those who access or benefit from our services

The Diversity Report—Te Pūrongo Rerenga 2019/20 was published in December 2021. The report aims to increase our understanding of issues around equity and access to the arts as we work to make sure the benefits of the arts we support are available to all New Zealanders.

We also started developing an accessibility policy in the reporting period. The policy is about us as an organisation, how accessible we are, and what we can do to improve. It will focus on Deaf and disabled artists, arts practitioners, tāngata whaikaha Māori, Pasifika disabled artists, and disability audiences and communities. This is a large piece of work that will take shape over the next 12 to 15 months.

We continued to share our Audience Atlas Aotearoa 2020 research in 2021/22. The 2020 report sets out the market for arts and culture in Aotearoa and summary reports for Māori, Pasifika and Asian New Zealand audiences and the respective markets for Ngā Toi Māori, Pacific Arts, and Asian New Zealand Arts. Live webinars on for the sector have been held throughout early 2022/23.

Trends in funding distribution

We monitor trends in our investment which helps us evaluate change over time and influences our future decisions. To monitor reach and understand New Zealand's arts landscape, we track the geographical spread of our funding (table 5). With a few exceptions (for example, the Creative Communities Scheme), we have traditionally allocated funding based on the quality of applications and the location of art delivery rather than the home location of the applicant. Figure 2 compares the distribution of our funding with that of the population from the 2018 Census and shows how funding continues to match significant population bases

We are the only arts development agency in New Zealand to fund nationally across all artforms (excluding film). Table 6 presents Creative New Zealand's distribution of funding across four financial years. Variances in funding distribution across artforms include the variable costs of delivery across artforms and the extent to which other funders are involved.

TABLE 5: DISTRIBUTION OF FUNDING BY REGION, 2018/19–2021/22

Investment categories	2018/19		2019/20		2020/21		2021/22	
Auckland	\$12,990,293	27%	\$19,812,328	28%	\$22,818,994	28%	\$20,864,818	28.19%
Bay of Plenty	\$1,076,638	2%	\$2,411,188	3%	\$3,129,518	4%	\$2,488,083	3.36%
Canterbury	\$4,665,717	10%	\$6,357,028	9%	\$6,100,173	8%	\$5,576,106	7.53%
Chatham Islands	\$52,920	<1%	\$93,396	<1%	\$112,364	<1%	\$19,324	<1%
Gisborne	\$331,133	1%	\$573,751	1%	\$1,900,745	2%	\$1,507,177	2.04%
Hawkes Bay	\$867,549	2%	\$1,154,040	2%	\$1,406,684	2%	\$1,169,695	1.58%
Manawatu-Wanganui	\$965,769	2%	\$2,047,645	3%	\$1,831,623	2%	\$1,726,251	2.33%
Nelson-Marlborough	\$1,076,674	2%	\$1,387,898	2%	\$1,716,125	2%	\$1,520,299	2.05%
Northland	\$944,499	2%	\$1,663,055	2%	\$3,059,258	4%	\$2,197,095	2.97%
Otago	\$2,405,043	5%	\$2,532,543	4%	\$3,358,707	4%	\$2,951,853	3.99%
Southland	\$686,924	1%	\$547,700	1%	\$799,514	1%	\$606,698	<1%
Taranaki	\$810,995	2%	\$748,149	1%	\$921,113	1%	\$759,526	1.03%
Waikato	\$1,764,628	4%	\$2,351,464	3%	\$2,541,447	3%	\$2,749,427	3.71%
Wellington	\$7,273,047	15%	\$9,740,735	14%	\$12,943,372	16%	\$11,707,006	15.82%
West Coast	\$190,833	0%	\$181,777	0%	\$452,287	1%	\$161,472	<1%
International	\$5,913,581	12%	\$5,304,838	8%	\$2,452,042	3%	\$3,827,323	5.17%
National⁹	\$4,902,912	10%	\$6,501,016	9%	\$8,084,200	10%	\$9,084,645	12.27%
Online	\$1,053,929	2%	\$6,830,031	10%	\$6,729,366	8%	\$5,093,083	6.88%
	\$47,973,083	100%	\$70,238,581	100%	\$80,357,533	100%	\$74,009,881	100%

⁹ Organisations funded to tour work are recorded as 'national', and grants to individuals and organisations to work internationally are recorded as 'international'.

FIGURE 2: DISTRIBUTION OF FUNDING BY REGION AGAINST POPULATION, 2018/19–2021/22

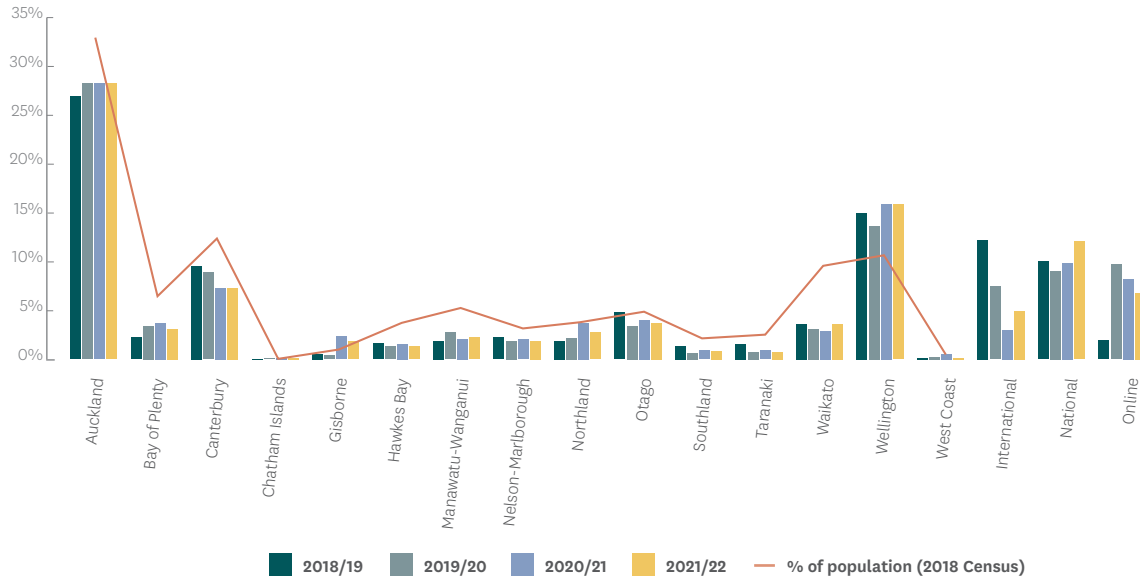


TABLE 6: DISTRIBUTION OF FUNDING BY ARTFORM, 2018/19–2021/22

	2018/19		2019/20		2020/21		2021/22	
Music	\$11,542,490	24%	\$ 15,502,696	22%	\$14,889,713	19%	\$12,694,847	17.2%
Theatre	\$10,691,212	22%	\$ 14,345,900	20%	\$15,146,764	19%	\$13,504,300	18.2%
Multi-disciplinary	\$7,189,641	15%	\$ 8,735,614	12%	\$13,671,737	17%	\$11,981,604	16.2%
Dance	\$4,687,909	10%	\$5,373,108	8%	\$6,253,747	8%	\$5,383,132	7.3%
Visual Arts	\$5,657,272	12%	\$8,374,174	12%	\$6,564,295	8%	\$6,282,339	8.5%
Literature	\$3,396,166	7%	\$4,397,139	6%	\$5,766,581	7%	\$5,306,056	7.2%
Craft/Object Art	\$1,684,459	4%	\$2,535,937	4%	\$2,308,895	3%	\$1,940,188	2.6%
Interarts	\$674,292	1%	\$1,171,716	2%	\$1,659,736	2%	\$1,626,539	2.2%
Customary Māori arts	\$1,162,520	2%	\$2,692,836	4%	\$3,929,900	5%	\$4,395,048	5.9%
Pacific heritage arts	\$724,426	2%	\$809,044	1%	\$1,635,164	2%	\$2,432,390	3.3%
Community arts	\$-	0%	\$5,560,141	8%	\$7,866,892	10%	\$7,586,728	10.3%
Unallocated¹⁰	\$562,696	1%	\$740,276	1%	\$664,108	1%	\$876,711	1.2%
	\$ 47,973,083	100%	\$ 70,238,581	100%	\$ 80,357,533	100%	\$74,009,881	100%

¹⁰ Unallocated includes investment in deliverables without direct link to specific artform, i.e., advocating, leadership and some capability building initiatives.

Showcasing artists on the world cultural stage

Award-winning interdisciplinary artist Yuki Kihara was selected as New Zealand's artist for the 59th International Art Exhibition—La Biennale di Venezia.

Renowned for delving into the complexities of post-colonial histories in the Pacific and interrogating Western misinterpretations from the perspective of fa'afafine, Kihara was the first Pasifika, Asian and fa'afafine artist to represent New Zealand at the Biennale Arte. Her selection was a significant opportunity to highlight Pacific Indigenous perspectives in global dialogues.

The Arts Council supported Kihara to present *Paradise Camp*, an exhibition that explored ongoing Sāmoa–New Zealand relationships through archival research, photography, video, and socially engaged methods. For the first time, the Arts Council partnered with Digital Arts Network, to create a digital component to Kihara's work that allowed audiences to watch and hear Kihara speaking to her research and creation process, and *Paradise Camp* themes and stories.

New Zealand has exhibited at the Biennale Arte since 2001. The Arts Council of New Zealand Toi Aotearoa has commissioned a review of Creative New Zealand's participation in the Venice Biennale before committing to a presence at the 2024 Biennale and beyond. The last external review was in 2006.

Serving communities through our Pacific Arts Strategy

Our *Pacific Arts Strategy 2018–2023* sets out the five-year strategic direction for Pacific arts. We are guided by four strategic focus areas of Tagata, Vaka, Va, and Moana, and look to respond to new opportunities that stimulate innovative ways of working with others. An increase in Pasifika staff roles over the past year at Creative New Zealand has increased our capacity to provide advice and tautua public service for Pacific arts communities.

Kaupapa Pasifika and our Teu Le Va engagement concept—working together with communities so they are empowered to lead their own growth—are at the heart of our strategy. Achievements with communities, in our fourth year of implementation, are set out as follows.

Yuki Kihara, *Paradise Camp*, curated by Natalie King. Installation view, Biennale Arte 2022. Photo: Luke Walker





Anne Maroussia Filimoehala conducts musicians of the New Zealand Symphony Orchestra.

Tagata—growing leadership opportunities for Pasifika artists and practitioners

Creative New Zealand invested \$25,000 into a six-month Sistema Aotearoa Emerging Pasifika Leaders pilot to support the development of up to 12 young Pasifika leaders working in orchestral and ensemble music education. This supported tutors at Sistema—most of whom are Māori or Pasifika—to develop their leadership skills and help create a thriving orchestral music ecosystem for the next generation of Pasifika artists and teachers.

We also supported three Pasifika artists to participate in the Pacific Arts Aotearoa Wikiproject, documenting the stories of Arts Pasifika Award winners and other notable Pasifika artists living in Aotearoa New Zealand.

Tagata—supporting diversity in the Pacific arts community

Two previous recipients of the Arts Pasifika Toa Award—Pati Umaga and Pelenakeke Brown—initiated and co-designed the Toa Residency pilot to build stronger pathways to the arts and increase support for the Pasifika disabled community. The residency supported two new projects, exploring how Pasifika disabled artists can collaborate and connect digitally. The pilot ran from April to December 2022, with a total investment of \$75,000.

Vaka—Pasifika-led arts groups, collectives, and organisations are supported

Creative New Zealand announced the recipients of the Tolu Wave fund. This provides up to two years of funding for eligible Pasifika festivals across Aotearoa to help navigate the ongoing disruptions caused by the COVID-19 pandemic. The Tolu Wave fund was the third part of the Pasifika Festivals Initiative under the Government’s Arts and Culture COVID Recovery Programme. The Pasifika Festivals Initiative is administered by Creative New Zealand in collaboration with Manatū Taonga Ministry for Culture and Heritage and the Te Manatū mō Iwi ō te Moana-nui-ā Kiwa Ministry for Pacific Peoples.

Va—Create new opportunities to establish partnerships and strengthen

Through our first formal partnership with the Manatū Aorere Ministry of Foreign Affairs and Trade, we supported Pasifika artists in Aotearoa and the Pacific Islands to collaborate and share skills and knowledge in a new digital Moana Nui a Kiva initiative. Both agencies contributed \$500,000 to develop and deliver the initiative by December 2022.

The final year of implementing the *Pacific Arts Strategy 2018–2023* continues in 2022/23.

Access, inclusion, and equity

Our purpose is to encourage, promote, and support the arts in New Zealand for the benefit of all New Zealanders, and providing access, inclusion, and equity underpins our strategic direction for 2019–2029. We have been working to improve the accessibility of our services and support the diverse communities of Aotearoa New Zealand, including the Deaf and disabled community, LGBTQIA+ or rainbow communities, Asian New Zealanders and those representing younger New Zealanders.

Ensuring our services are accessible and inclusive

This year, we started developing an accessibility policy, aimed at making sure our services are accessible to and reflective of different communities. We know from reporting on important elements of our *Diversity in the Arts Policy* that we have work to do to improve the accessibility of our services. The accessibility policy focuses on how we can provide high-quality, relevant, and accessible services to Deaf and disabled artists, arts practitioners, and disability audiences and communities. The policy will be developed over the 2022/2023 year, working with a Deaf and disability-led accessibility reference group. We aim to make sure Creative New Zealand's services are fair and equitable, our information and places can be accessed with ease and dignity, and the benefits of the arts we support are available to all New Zealanders.

Learning about audiences in Aotearoa

Our work on access, inclusion, and equity involves gaining a better understanding of the needs of communities throughout Aotearoa. In 2022, we hosted four online Q&A sessions to share the findings of the Audience Atlas Aotearoa 2020 research and help artists, arts and cultural organisations understand the needs of audiences and the value, and potential of the arts and culture market in Aotearoa. Online sessions provided opportunities to hear more about the general findings of the research and learn more about the specific interests of Māori, Pasifika and Asian New Zealand audiences and the markets for ngā toi Māori, Pacific arts, and Asian New Zealand arts.

Audience Atlas Aotearoa is the largest study of audiences in New Zealand and provides a unique way of understanding the current, lapsed and potential markets across more than 40 artforms. It gives detailed insights into New Zealanders' relationship with arts and culture, which artists,

arts practitioners, and arts organisations can use to increase audience engagement.

Audience Atlas Aotearoa 2020 research, undertaken against the backdrop of COVID-19, was based on 6743 responses collected nationally, representative of the population's demographics of people aged 16 years and over, including those who identified as Deaf or disabled. For the latest research, additional investment was made to increase the number of responses from those identifying as Māori, Pasifika, and Asian, to make sure we can confidently reflect the views of these important groups.

Protecting, cultivating, and retaining precious mātauranga toi

Te Waka Toi Pātaka—our mātauranga Māori framework—enables a Māori worldview to guide how we work and make decisions. It 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.

The framework is an important part of our *Statement of Intent 2022–2026* and underpins *Te Hā o ngā Toi—Māori Arts Strategy 2019–2024*. *Te Hā o ngā Toi* outlines how we work and partner with others to advance ngā toi Māori and the aspirations of ngā toi Māori artists and practitioners. It envisages ngā toi Māori as being visible everywhere and highly valued as part of Aotearoa New Zealand's distinct identity.

Over the past year, Creative New Zealand supported artist and practitioner-led initiatives around the country to protect, cultivate, and retain mātauranga toi: artform knowledge and tikanga integral to ngā toi Māori. Significant ways we offered support include the following.

Encouraging new initiatives to retain and revitalise ngā toi Māori practices and mātauranga working with iwi, hapū, marae, whakapapa-based rōpū or mātāwaka

Our Toi Ake – Mātauranga Māori Te Awe Kōtuku Fund supported the retention and greater access to a diverse range of ngā toi Māori artforms and mātauranga (knowledge). One initiative supported Kauae Raro Research Collective's online project promoting

the Māori use of earth pigments. Another initiative supported Ātea a Rangi Educational Trust to develop traditional waka tere (sailing) and navigation knowledge in Ngāti Kahungunu. Mātanga in waka tere sailed the waka hourua (double-hulled canoe) Te Matau a Māui from Napier to Wharekauri (Chatham Islands) using only traditional wayfinding methods for the 800 nautical mile return voyage.

Revitalising critically endangered Māori artforms

We have continued to support initiatives led by mātanga and pūkenga to strengthen the foundations and protect critically endangered ngā toi Māori artforms such as tārai waka (traditional Māori canoe building) and taonga pūoro (traditional Māori musical instruments). Partners such as Te Kīato Limited have worked with collectives of tārai waka practitioners in Te Taitokerau and in other rohe across Aotearoa to deliver successful programmes to grow numbers of experienced waka builders, and encourage greater whānau and tamariki engagement with waka, learning how to build and paddle waka. Haumanu Collective delivered a large programme of work to sustain and develop knowledge and awareness of taonga pūoro composition, performance, the making of Māori musical instruments, and their use in traditional healing.

These programmes of work have been supported under the Manatū Taonga Ministry for Culture and Heritage Mātauranga Māori Te Awe Kōtuku initiative. Creative New Zealand was one of eight government and cultural agencies working in partnership with mātanga, pūkenga, ngā toi Māori artists, practitioners,

marae, hapū, and iwi to deliver strategic initiatives through this programme under the Arts and Culture COVID Recovery programme.

Regional development of Māori arts partnerships

In 2022, we continued to work with Toi Ngāpuhi and Te Tairāwhiti Arts Festival, to advance regional programmes that preserve and promote mātauranga toi of specific rohe. Toi Ngāpuhi continued to inspire excellence in cultural and creative expression across Te Taitokerau. Their programmes focused on increasing knowledge and appreciation of Ngāpuhi artforms including the Unaunahi initiative, to share knowledge of whakairo, and Tai o Hī Tai o Hā, to provide career pathways for 16 to 24-year-olds in the arts and cultural sector.

Te Tairāwhiti Arts Festival promoted distinctive Tairāwhiti artforms, mātauranga toi and practices through community engagement, wānanga, workshops, and as part of the Festivals' Te Ara i Whiti - an interactive visual arts experience primarily composed of illuminated installations and sculptural works that celebrate contemporary Māori design and connections to place. Alongside its successful festival programme, Te Tairāwhiti has implemented a new community outreach programme. This involves collaborating with local art galleries and creative spaces to promote ngā toi Māori to local audiences in Tairāwhiti and provide opportunities for local Māori artists to exhibit their work.

Further stories on Creative New Zealand-funded artists, and organisations' achievements, this year are available on our website: www.creativenz.govt.nz/news



Kauae Raro project promoting Māori use of earth pigments funded under the Toi Ake Mātauranga Māori Te Awe Kōtuku fund. Photo Credit: Toroa Photography



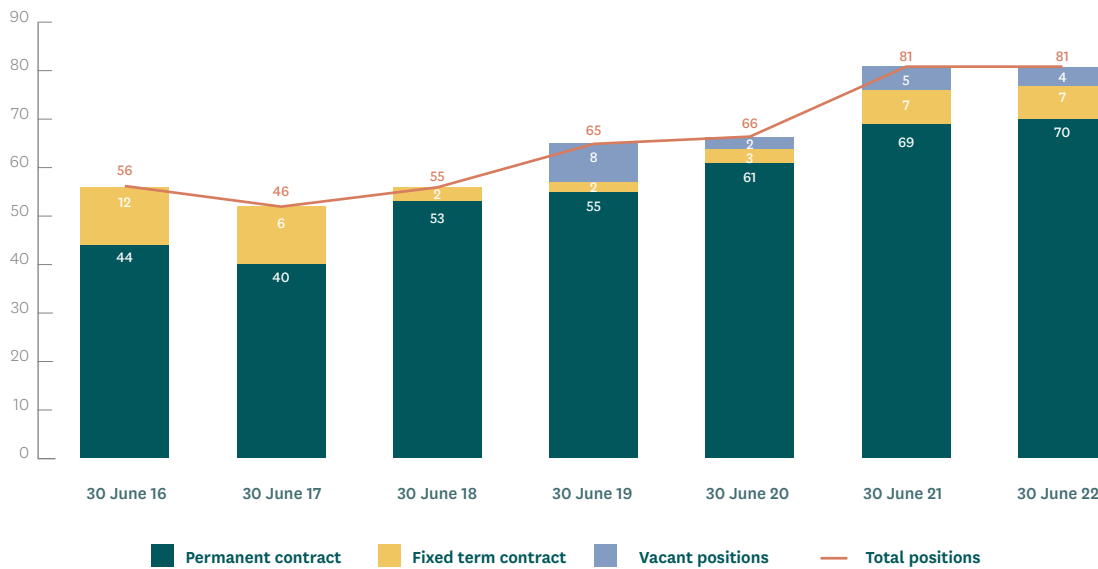
Te Tairāwhiti Arts Festival 2021, Artwork - Ron Te Kawa. Photo Phil Yeo.

Our resources—People and expertise

The Creative New Zealand whānau have a range of professional experience across artforms, international market development and cultural exchange, audience development, project management, and corporate and business services. Our staff work across five groups: Arts Development Services, Business Services, Māori Strategy and Partnerships, Pacific Arts, and Strategy and Engagement.

As at the end of June 2022, we had 77 staff (75.6 full-time equivalent staff), based in Auckland, Wellington, Christchurch, Dunedin, and across other centres. While we have dedicated office spaces in Auckland, Wellington, and Dunedin remote working has become increasingly feasible for all staff and has provided the flexibility to work outside of the main centres. Five positions were vacant at year-end (figure 3).

FIGURE 3: TOTAL STAFF NUMBERS AND EMPLOYMENT TYPE, 2015/16–2021/22



We aim to have a workforce that reflects the communities we serve. While we know we still have some way to go, we have made a commitment to focus on diversity and inclusion through the shape and kaupapa of our people and strengthened the diversity of our workforce while also expanding our teams¹¹ (figure 4, figure 5, and figure 6 on the next page).

Because of the increased investment in the sector in the past two years, we brought in additional resources to deliver the COVID-19 recovery response funding. In early 2020/21, we completed an extensive process to identify people capability and capacity needs to deliver our Phase 2 COVID-19 Plan, respond to the new context, and address the continuity of Creative New Zealand’s

core work (a mix of fixed-term and permanent roles that are programme, capability, and capacity related).

Along with addressing capacity and capability needs at that time, it was considered important to establish an advocacy team, strengthen the Māori Strategy and Partnerships group, and create a new Pacific arts group (given the expanded responsibilities regarding the Pasifika Festivals Initiative). It was also important to give specific mana and focus to a role driving our organisational culture change programme, Te Kaupapa o Toi Aotearoa (page 39). We consider our organisational culture to be the ‘invisible enabler’ of our wairua (spirit) and resilience and see significant value from becoming an intentionally Tiriti-honouring Crown entity.

¹¹ We respect that disclosing demographic information, such as ethnicity, is a personal choice. To encourage a clear picture of workplace diversity data, staff are invited to disclose demographic information, such as ethnicity, on a voluntary basis when they join our organisation. The information is held securely in personnel files and our payroll system. Staff can update their personal details at any time.

FIGURE 4: WORKPLACE DIVERSITY (AGE), 2018/19–2021/22

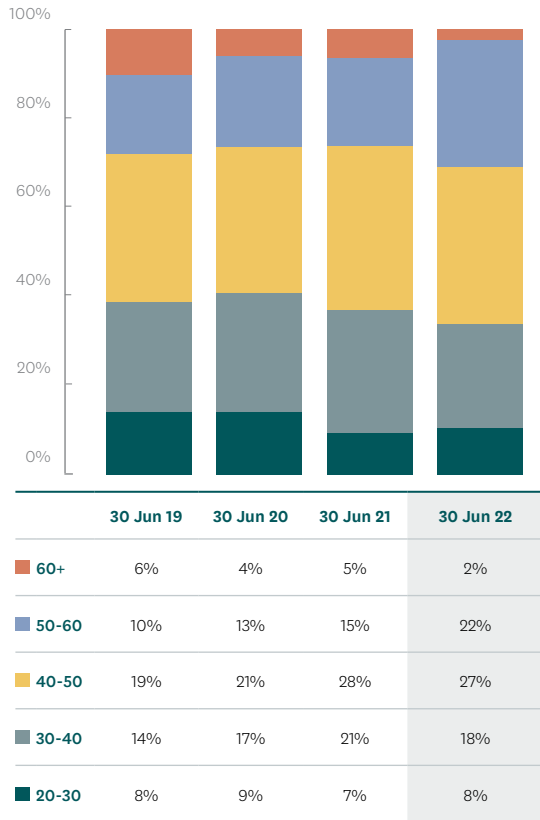


FIGURE 5: WORKPLACE DIVERSITY (ETHNICITY), 2018/19–2021/22

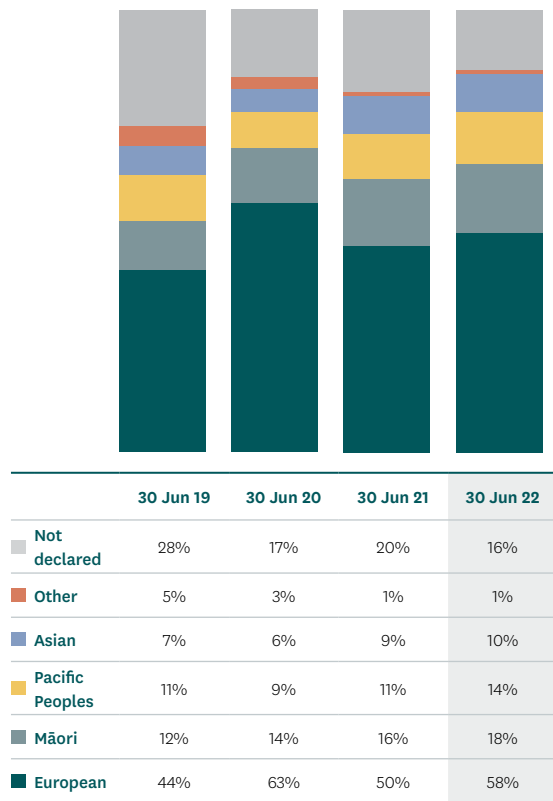
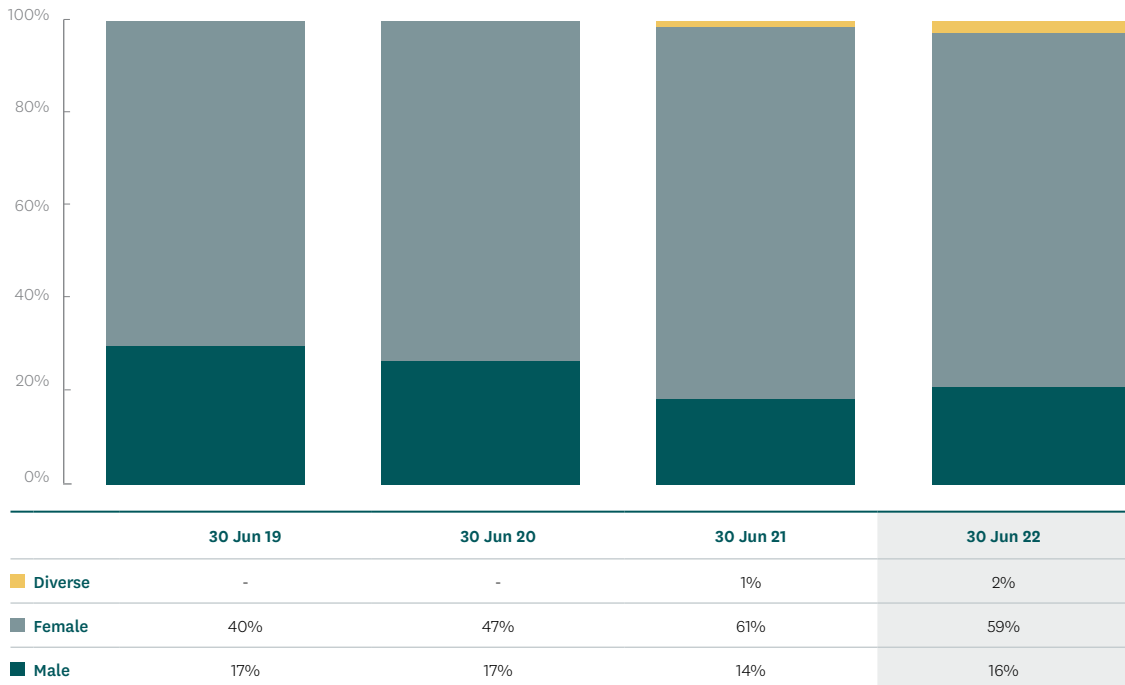


FIGURE 6: WORKPLACE DIVERSITY (GENDER), 2018/19–2021/22



Te Kaupapa o Toi Aotearoa— The Creative New Zealand Way

As Creative New Zealand’s Statement of Intent lays out **what** we want to achieve to create long-term value for all New Zealanders, Te Kaupapa o Toi Aotearoa will help guide **how** and **why** we do this. It considers the people and communities we serve; our vision, purpose, values, Te Waka Toi Pātaka (our mātauranga Māori framework); and the social context of our work within Aotearoa New Zealand.

Through Te Kaupapa o Toi Aotearoa, Creative New Zealand wants to work in a way that enhances the mana and supports the wellbeing of people and communities. We will be guided by the intellectual traditions, knowledge, and tikanga of tangata whenua—alongside tangata Tiriti and conventional government approaches—acknowledging our obligations under Te Tiriti o Waitangi.

Ngā toi Māori, te reo, tikanga and mātauranga Māori are distinctive to Aotearoa and central to our country’s unique national identity. They can help us think about how we relate to one another. We are working to develop our organisational culture and capability to work well in te ao Māori, be more responsive to other world views and perspectives, and support the wellbeing of artists, arts practitioners, communities, and the arts sector.

Te Kaupapa o Toi Aotearoa is part of our approach to make sure our work is accessible, inclusive, and equitable as we fulfil our purpose to ‘encourage, promote, and support the arts in New Zealand for the benefit of all New Zealanders’. We expect our thinking under Te Kaupapa to inform how we speak about our strategic intentions in future, including our long-term strategic direction, *Te uara mō tātou o Aotearoa—Creating value for New Zealanders*.

Our initial programme to build staff capability and develop and embed Te Kaupapa o Toi Aotearoa in the way we work has included three pou (phases):

- Pou Tuatahi: Understanding Te Kaupapa o Toi Aotearoa (started July 2021)
- Pou Tuarua: Building our organisational baseline capacity to be multi-lensed (2022)
- Pou Tuatoru: Embedding Te Kaupapa into key governance and management policies and behaviour (2022).

Pou Tuatahi included modules to develop foundational knowledge of te ao Māori through kaupapa such as whakapapa, mana whenua, whare, karakia, Te Tiriti o Waitangi, and waka hourua. Each module included background information and keynote speakers, such as mana whenua partners and mātanga with specialist knowledge in topics such as karakia. All staff were invited to take part, and resources, including videos of speakers, are available to all staff and Arts Council members.

Te Kaupapa o Toi Aotearoa has informed a new capability framework for Creative New Zealand (Tukutuku) and an approach to support the professional growth and development of staff (Tōku Ao). It also supports the way we operate as an organisation.

Through the COVID-19 pandemic, staff participated in morning karakia to maintain connections across the organisation and uplift staff wairua. All new staff and Arts Council members are welcomed with a pōwhiri or mihi whakatau, and most staff take part in Creative New Zealand events or activities to extend their te ao Māori knowledge (e.g. learning about Matariki and Puanga or the maramataka).

Te Kaupapa o Toi Aotearoa is also helping us think about how the value we create for New Zealanders can support greater holistic and intergenerational wellbeing as described in the Treasury’s Living Standards Framework and He Ara Waiora.

Governance

The Arts Council of New Zealand Toi Aotearoa is a 13-member board appointed by the Minister for Arts, Culture and Heritage as the governing body of Creative New Zealand. The Council steers our organisation, guided by the charter on page 40 that describes where it focuses its time and how it carries out its roles and responsibilities.

Council members have a variety of skills and experience, including a minimum of four members with knowledge of ngā toi Māori (Māori arts), te ao Māori (a Māori world view) and tikanga Māori (Māori protocol and culture). These members were appointed in consultation with the Minister for Māori Development. Two Arts Council members are appointed with knowledge of the arts, and the traditions or cultures, of the Pasifika peoples of New Zealand, in consultation with the Minister for Pacific Peoples.

Determining future focus and direction

As a board, we are focused on the future, guided by the mahi and legacy of those who've come before us. Together, we develop, endorse and support Creative New Zealand's strategic direction as the national arts development agency of Aotearoa. This helps guide our kaupapa, our waka and our mahi to future success.

- We acknowledge our organisational whakapapa and ensure we're delivering to our statutory purpose to encourage, promote and support the arts in New Zealand for the benefit of all New Zealanders.
- We carry out our work in delivering to our purpose by recognising: in the arts the role of Māori as tangata whenua the arts of the Pacific peoples of New Zealand; and the cultural diversity of the people of New Zealand; as well as recognising and upholding the principles of: participation; access; excellence and innovation; professionalism; and advocacy.
- We ensure our strategies, policies and the plans that give effect to them clearly say what's of value to us and what creates value for our communities, alongside a delegation policy that empowers the organisation through transparency and accountability.
- We develop our strategies, policies and plans in collaboration with others in the arts ecosystem, recognising that our kaupapa is strengthened by the views, aims and aspirations of others (including partners in the wider arts, culture and creative environment).
- When we make future-focused decisions, including on significant investments and new programmes or initiatives, we carefully consider how these advance our strategic direction and the future of the arts in Aotearoa.
- We regularly scan the environment to anticipate what might impact our ability to deliver value, and we intentionally decide what external change we want to bring into Creative New Zealand.
- We work to ensure our mahi is valued by those who provide us with mana and support, including government, and that they have confidence that we're delivering value for New Zealanders.

Building culture

As a board, we strive to set an effective and future-oriented governance culture for Creative New Zealand; one which upholds Te Kaupapa o Toi Aotearoa. This contributes to our roles of: Determining future focus and direction and Holding to account

- We set the tone for the culture of the organisation, including acting in accordance with the expectations of conduct set out in our Governance Manual; and managing any conflicts of interest openly and transparently.
- We are active champions of Creative New Zealand's culture and values, including working as a team to achieve our mahi and creating an environment where a diversity of views is welcomed and supported.
- We organise and structure ourselves, through committees and other means as needed (eg, working groups), so that the Council's work is carried out to best effect.
- We have a framework for decision-making in place that balances risk and reward against the longer-term value we wish to see created.
- We take a longer-term view to board succession planning; one which enables the board to keep adapting and evolving in a way that's authentic to Creative New Zealand's strategic direction and culture.
- We build effective, mana-enhancing relationships around our public value model – that is, with Creative New Zealand (principally through the Chief Executive), the authorising environment (including government), the arts sector (including collaborators and partners) and the public of Aotearoa.

Holding to account

As a board, we oversee Creative New Zealand's activities and progress made towards meeting the organisation's goals. This helps give confidence to those who fund and support us that we're responsible guardians of public money and that we work in the public interest.

- We lead, as a Crown entity board, by embracing the possibilities of the spirit of Te Tiriti o Waitangi.
- We hold ourselves to account in delivering public value by balancing justice and fairness with effectiveness and efficiency.
- We're accountable for what we do and what Creative New Zealand delivers, and we work to earn and keep the trust of the authorising environment, including through ensuring compliance with legal, contractual and other requirements.
- We monitor Creative New Zealand's performance, taking into account strategic risks and opportunities, to ensure that what it's doing it does well and that this is in alignment with the Council's stated strategic intentions.
- We evaluate the performance of the Chief Executive to ensure alignment with both the Council's strategic intentions and Creative New Zealand's kaupapa and culture.
- We develop bespoke methods to understand and evaluate our contributions, both individually and collectively, in a way that's authentic to our aspirations and our culture.

Arts Council committees

Komiti Māori – Under the Arts Council of New Zealand Toi Aotearoa Act 2014, Komiti Māori members advise the Council on matters relevant to Māori, and any other functions the Council delegates to the committee. The work of the Komiti includes:

- strategic advice and direction to grow Ngā Toi Māori nationally and internationally, noting the relationship between the Maturanga Māori Framework, *Investment Strategy* and *Te Hā o ngā Toi—Māori Arts Strategy*
- how the Arts Council can best support Ngā Toi Māori development in Aotearoa and internationally
- new relationships and collaborations across central and local government, and Iwi
- the role Creative New Zealand plays to support specific sector initiatives for Ngā Toi Māori.

Audit and Risk Committee – the Committee advises Council on audit, risk, and finance matters. The functions of the Committee include:

- advice to the Arts Council on matters relating to the Council's audit, risk and finance functions
- reviewing financial and performance reports prior to their consideration by the Council
- reviewing and endorsing corporate policies prior to their agreement by the Council (eg. sensitive expenditure)
- reviewing and recommending to the Council updates to the Council's Governance Manual
- any other functions delegated to the Committee by the Council.

People and Culture Committee – the Committee provides advice on the Council's people and culture responsibilities. The Committee was established in mid-2022 and will be responsible for:

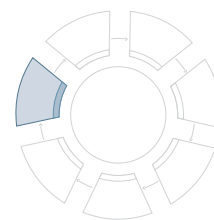
- advising and making recommendations to the Council on areas such as: organisational culture elements of the Te Kaupapa o Toi Aotearoa work programme
- setting annual performance expectations for the Chief Executive for each performance year, and reviewing the Chief Executive's performance against these following the end of each performance year
- the process around amendments to the Chief Executive's terms and conditions of employment, including amendments to the Chief Executive's remuneration package
- material changes to Creative New Zealand's organisational structure
- policy settings for Creative New Zealand staff remuneration, recruitment, appointment, and remuneration of Senior Leadership Team members if this falls outside of remuneration policies
- board-related people matters, including Council succession planning, annual Council self-evaluations, and any disciplinary or code of conduct matters.

Membership of the Arts Council in 2022/23 is provided on the next page.

Arts Council members and office holders as at 30 June 2022*	First appointed	Current term expires	Other Arts Council office held	Meeting attendance per member for the period 1 July 2021 to 30 June 2022**
Caren Rangī (Manukura —Chair)	1 May 2014	21 March 2024	Member, People & Culture Committee (ex officio);	91%
Michael Prentice (Manukura Tuarua —Deputy Chair)	1 May 2014	31 Oct 2024	Chair, People & Culture Committee	100%
Robyn Hunt	25 Feb 2020	31 Jan 2023		100%
Kura Moeahu	25 Feb 2020	31 Jan 2023	Co-Chair, Komiti Māori	72%
Garth Gallaway	1 May 2017	31 Apr 2023	Member, Audit & Risk Committee	94%
Hilary Poole	1 Nov 2021	31 Oct 2024	Chair, Audit & Risk Committee	100%
Ane Tonga	1 Nov 2021	31 Oct 2024	Member, Audit & Risk Committee	88%
Janine Morell-Gunn	9 Dec 2019	30 Sep 2025	Member, Komiti Māori	83%
John Ong	9 Dec 2019	30 Sep 2025	Member, Audit & Risk Committee	100%

* Whetu Fala and Bonita Bigham were appointed to the Arts Council in July 2022 and August 2022, respectively. A list of all board members in 2021/22 and total remuneration paid is available on page 91.

** These figures represent combined attendance at Arts Council meetings and meetings of committees which Council members sit on.



The sector

The artists and arts organisations, collaborators, and partners we work with and who contribute to our outcomes

Sector perspective

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

Why this goal?

The sector perspective describes who we work with: those who help achieve our outcomes and help us deliver value for New Zealanders. When we talk about ‘the sector’, we mean the artists, arts organisations, collaborators, and partners we work with.

This year, we continued to champion the role that artists and the arts play in uplifting communities in Aotearoa. While we realise our collaborators and partners have experienced their own challenges over the past two years, their support is valued and has an effect. Through placing greater importance on our relationships and partnerships, we hope to better achieve our outcomes and increase the value we create for New Zealanders.

Highlights and progress in 2021/22

Creative New Zealand’s two investment programmes, Toi Tōtara Haemata and Toi Uru Kahikatea, supported 81 arts organisations to provide a sustainable infrastructure for the arts sector in 2021/22. The organisations are the backbone of the arts sector and their performance is a proxy for the artistic and financial

health of the wider arts sector. We work with the organisations throughout the year to help them improve their performance.

While organisations have continued to manage well overall, their financial health reflects the challenging environment for the sector over the past two years (table 7, indicators 1.4 and 1.5). It is pleasing to see, however, support for the organisations from others remains stable (table 7, indicator 1.6).

To achieve our vision and outcomes in 2021/22, we worked with over 150 bodies. These included central government agencies, local government, community and philanthropic trusts, iwi and Māori, Pasifika groups, patrons, the private sector, volunteers, and the wider creative sector (table 7, indicator 1.7).

Partnerships and relationships are an important part of the delivery of our strategies. For example, crucial to the success of the delivery of *Te Hā o ngā Toi—Māori Arts Strategy 2019–2024* are our partnership relationships. This year we partnered with: The Greatful Eight, Te Kīato, Haumanu Collective, Te Tairāwhiti Arts Festival, Toi Ngāpuhi, APRA AMCOS, Te Taura Whiri i te Reo Māori Māori Language Commission, Te Kotahitanga o Te Atiawa, and internationally renowned portrait ‘artist’ Mr G (Graham Hoete).

Shared achievements and highlights in 2021/22

- The **Pasifika Festival Initiative** was delivered in collaboration with Manatū Taonga Ministry for Culture and Heritage, Te Manatū mō Iwi ō te Moana-nui-ā Kiwa Ministry for Pacific Peoples, and the Pacific Business Trust, alongside the

festivals. This included supporting festivals because the Delta variant of COVID-19 resulted in many postponing or adapting their activities. Through the **Tolu Wave**, [19 eligible Pasifika festivals](#) received funding support to deliver festivals and develop their capability in the calendar years 2022 and 2023.

- In partnership with the Australia Council for the Arts, a new digital fellowship was announced aimed at digital practice development. Six New Zealand-based arts practitioners were chosen for the inaugural Digital Fellowship Programme. This provided an opportunity to collaborate with each other and six Australia-based arts practitioners to explore and co-develop their digital practice.
- In partnership with photojournalists from VII Academy, a Pacific photography programme was announced aimed at deepening digital storytelling.
- Creative New Zealand contributed to a report and recommendations for the Festival of Pacific Arts review, presented at the 35th Council of Pacific Arts and Culture in 2022.
- The [Asian Artists' Fund](#), a co-investment in partnership with Foundation North, was introduced. The new initiative for Asian artists in Auckland and Northland offered funding to support initiatives that are by, with, and for Asian Arts communities in those regions
- Along with the Creative New Zealand-led [vaccination campaign](#) in December 2021, we also supported campaigns led by the [Aotearoa music industry](#) and [Te Matatini](#).
- The All in for Arts—He waka toi e eke noa nei tātou regional roadshow changed to four digital events delivered in March 2022.



Koinei aku
kaingākau
That's why

*Love,
Pose.*

Reporting performance against measures for the year ended 30 June 2022

TABLE 7: PERFORMANCE AGAINST SECTOR PERSPECTIVE MEASURES AND INDICATORS, 2021/22

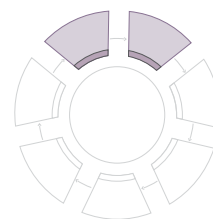
Ref.	Measure/indicator	2019/20 Actual	2020/21 Actual	2021/22 Target	2021/22 Actual	Variance	Notes
Artistic health							
I1.4	Tōtara and Kahikatea organisations meet or exceed expectations for quality of artistic programme	100%	100%	100%	100%	0%	Met target. The quality of our investment organisations' artistic programmes is a proxy measure of the artistic health in New Zealand. Maintaining excellence in this area has a material effect on the health of the sector. All 81 investment organisations met or exceeded expectations for quality of artistic programme measures.
Financial health							
I1.5	Tōtara and Kahikatea organisations meet or exceed expectations for financial health	98%	96%	≥98%	96%	-2%	Did not meet target. Investment organisations received around 46 percent of Creative New Zealand's investment in the arts in 2021/22 Their financial health is a proxy measure of the financial health of the arts sector. Of 81 organisations, 78 met or exceeded expectations for financial health measures. Organisations in general managed themselves well during the difficulties of the COVID-19 period and therefore received higher scores in 'organisational health' and 'financial health'.
Funding							
I1.6	Average private support (sponsorship, philanthropy, and trust funding) per investment organisation	72.9%	62.1%	≥63%	61.7%	-1.3%	Did not meet target. Using our investment clients as a proxy for the arts sector, we can show support for the sector by measuring the level of revenue organisations generate from sources other than Creative New Zealand.
Our relationships							
I1.7	Number of active relationships (including co-investment, regular meetings, shared projects) Creative New Zealand maintains with organisations that have shared interests.	175	159	≥175	157	-10%	Did not meet target. While some initiatives were put on hold in 2021/22 as we focused on the direct needs of the sector in response to COVID-19, we have continued to connect, work together, and share our resources to build support for the sector.

Monitoring the state of the sector over time

Creative New Zealand also monitors the following areas, to better understand the state of the sector over time. These are not performance measures Creative New Zealand is held accountable for, because change in these areas is often out of our control and affected by significant challenges, like those brought about by the COVID-19 pandemic. We keep monitoring them, however, to see where we can contribute through our programmes and advocacy and policy work. A snapshot of these trends is included in table 8.

TABLE 8: SNAPSHOT OF TRENDS IN PERFORMANCE MEASURES

Indicator	Data source and frequency	Result as at 30 June 2021	Result as at 30 June 2022	Desired trend		Notes
Employment						
Median chief executive salary in a small (arts) organisation compared with the not-for-profit median	Arts Sector Remuneration Report - Arts organisation remuneration survey 2021—biennial	86%	95%	↑	+9%	Increase. This indicator demonstrates pay rates within surveyed arts organisations versus the not-for-profit sector. Arts organisations chief executive salaries have increased at a faster rate than comparable not-for-profit chief executive salaries.
Median total income for creative professionals versus median total income for New Zealanders earning a salary or wage	Profile of Creative Professionals survey 2019—triennial	\$35,800	N/A	↑	N/A	The survey was not carried out in the period. The next Profile of Creative Professionals survey will be run in 2022/23. In 2019, the median total income for New Zealanders earning a salary or wage was \$51,800. While Creative New Zealand does not have a direct effect on salaries, its work in arts policy and advocacy, often in collaboration, aims to contribute to growth in the sector in these areas.
Funding						
Annual level of local authority investment in 'culture'	Stats NZ local authority statistics—annual	\$481 million	\$490,634 million	↑	2%	Increase. Local authority investment in 'culture' in the 2021 year remained consistent overall across the 67 territorial authorities.
Average annual government per person expenditure on arts	Creative New Zealand desk research—annual	\$141 million	N/A	↑	N/A	Not available in time for this report however will be updated in the Statement of Performance Expectations 2023/24.
The market						
Percentage of New Zealanders in the market for culture	Audience Atlas survey 2020—triennial	96%	N/A	↑	0%	Survey was not carried out in the reporting period. The next Audience Atlas Aotearoa survey will be run in 2023. This measure tracks the New Zealand public's appetite for arts in New Zealand.
Percentage of New Zealanders engaged in the arts	New Zealanders and the Arts survey 2020—triennial	75%	N/A	↑	0%	The New Zealanders and the Arts—Ko Aotearoa me onā Toi survey was not carried out in the reporting period. The survey will be run again in 2023. Overall, 75 percent of New Zealanders surveyed in 2020 had engaged with (attended or participated) the arts in the previous 12 months.



Our outcomes	The value we create for New Zealanders
The difference we want to our work to make	The value we create through our support for the arts

Outcomes and value perspective

Goal 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 and are an important element of how we achieve our vision for 'Dynamic and resilient New Zealand arts, valued in Aotearoa and internationally'. They guide all our work, including how we assess applications to our funding programmes and deliver our development and advocacy initiatives.

Investment across outcomes shifts from year to year, in line with our priorities. The effects of the COVID-19 pandemic have meant we have concentrated on sustainability and resilience for the sector since 2019/20. We have prioritised resources directly to the outcome New Zealand's arts sector is resilient,

helped by the increased investment through Budget 2020. While we continued to deliver to this outcome in 2021/22, we were able to spread investment across all our outcomes including an increase to our international outcome (figure 7, page 48). Our investment across our outcomes also supports the three cultural sector priority outcomes communicated by our ministers in early 2021: economic recovery, vibrant and innovative sectors, and better access and participation.

Highlights and achievements in 2021/22

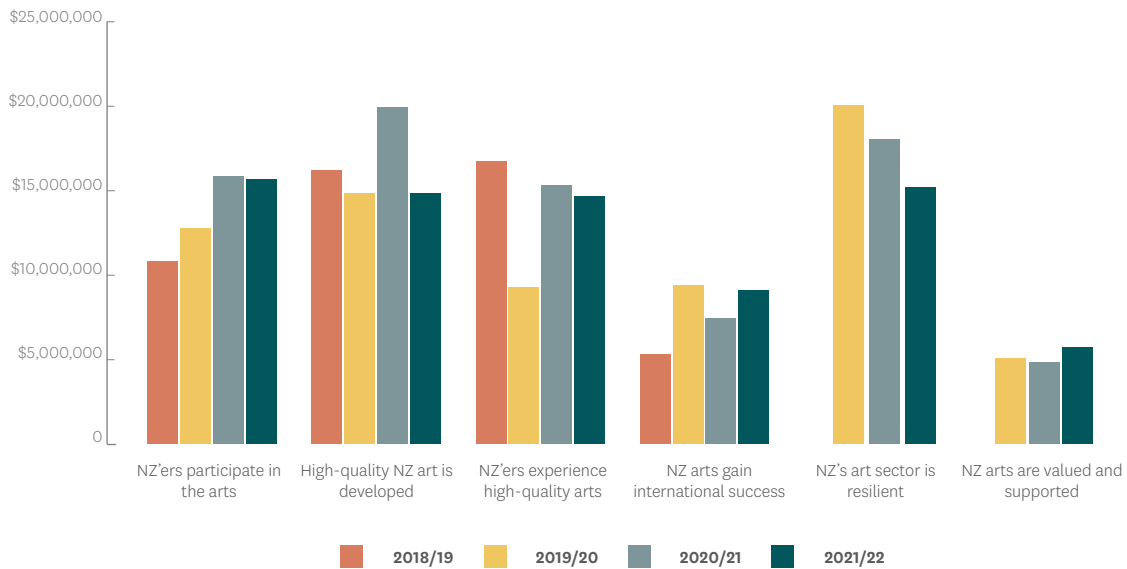
Despite the ongoing challenges in 2021/22, we are proud of the art and artists we have helped this year and the audiences that have come out to support them. This includes:

- more than 6000 high-quality New Zealand artworks developed
- over 250 000 participants in projects or events funded by Creative New Zealand
- more than 1.9 million attendances reported at arts experiences across the country.



Taki Rua - Pourakahua. Image: Philip Merry

FIGURE 7: INVESTMENT IN OUR OUTCOMES, 2018/19–2021/22



Outcome: Stronger arts as shown by High-quality New Zealand art is developed

G1.1 Performance measure: Number of new New Zealand works developed—Exceeded Target

6,486 new New Zealand works were created in the period, against a full year target of 3,500 (2021: 7,382) (figure 8). Both investment and project funded clients' results have decreased year-on-year (328 or 24% decrease and 567 or 9% decrease respectively).

Investment clients developed 1,041 new New Zealand works (2021: 1,369). The decrease is mainly attributable to literature, with some clients commissioning and completing less works than in 2021.

Project funded clients developed 5,446 new New Zealand works from 482 completed and evaluated projects (2021: 984 projects, 6,013 new New Zealand works).

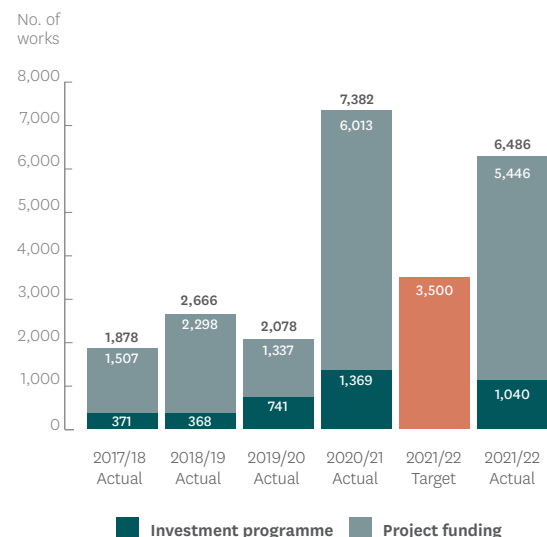
The results can be broken down as follows:

- increase through Covid-19 Recovery Response & Resurgence (phases 2 & 3) - 184 projects resulting in 931 new works created (2021: 32 projects; 259 new works created),
- decrease through Covid-19 Emergency Response (phase 1; Arts Continuity Grants) - 6 projects

resulting in 13 new works created (2021: 627 projects; 3,834 new works created), and

- increase through regular project funding - 292 projects resulting in 4,502 works created (2021: 325 projects; 1,920 new works created). This increase is attributable to two projects funded through Arts Grants - a community arts project creating 1,681 new works and a Pacific arts heritage project creating 1,800 new works.

FIGURE 8: NUMBER OF NEW NEW ZEALAND WORKS DEVELOPED BY PROGRAMME, 2017/18 -2021/22



Outcome: Stronger arts as shown by New Zealand arts gain international success

G1.2 Performance measure: Number of individuals and organisations funded by Creative New Zealand to engage internationally—Met target

The number of individuals and organisations provided with an opportunity to engage internationally is significantly lower due to the impact of Covid-19 and the border closure, and comparable to previous year (figure 9).

G1.3 Performance measure: Number of international arts activities/events funded—Exceeded target

Although international activities have reduced significantly due to Covid-19, as has our target, we are reporting 367 international arts activities/events, exceeding the full year target of 200 (figure 10).

- Investment clients provided 158 opportunities for international audiences to experience New Zealand arts activities. This is an increase compared to the previous year (2021: 34), which is mainly attributable to the New Zealand jewellery exhibition in the Marzee gallery, Netherlands by Makers 101 Ltd, open for 114 days (7 November 2021 to 1 March 2022).
- Project funded clients provided 209 opportunities for international audiences to experience New Zealand arts activities (2021: 850). The high number in the previous year was attributable to one project - Dane Mitchell's Post Hoc Stealth Towers, to exhibit elements of Venice Biennale project, Post hoc, in Germany - resulting in 690 arts 'events' or opportunities for audiences to engage with it. The exhibition opened on 1 Aug 2020 and was open to the public for 2 years, resulting in 690 exhibition days. The funded activity has been completed, hence the result was counted in the reporting period.

FIGURE 9: NUMBER OF INDIVIDUALS AND ORGANISATIONS FUNDED BY CREATIVE NEW ZEALAND TO ENGAGE INTERNATIONALLY, 2017/18 - 2021/22

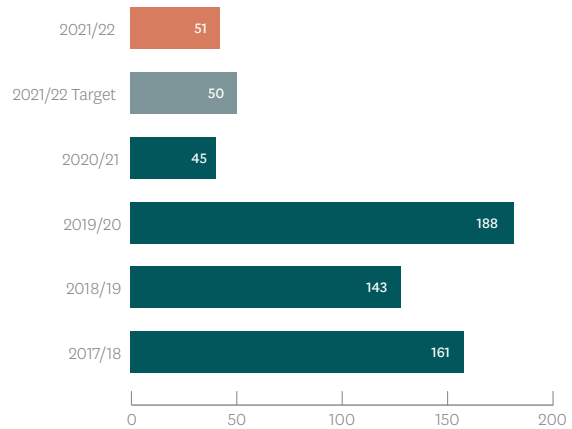
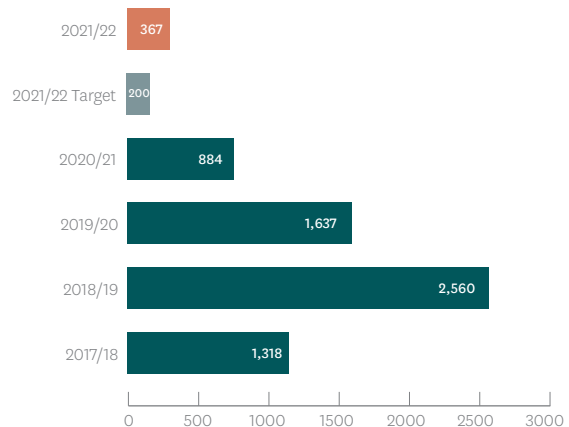


FIGURE 10: NUMBER OF INTERNATIONAL ARTS ACTIVITIES/EVENTS FUNDED, 2017/18-2021/22

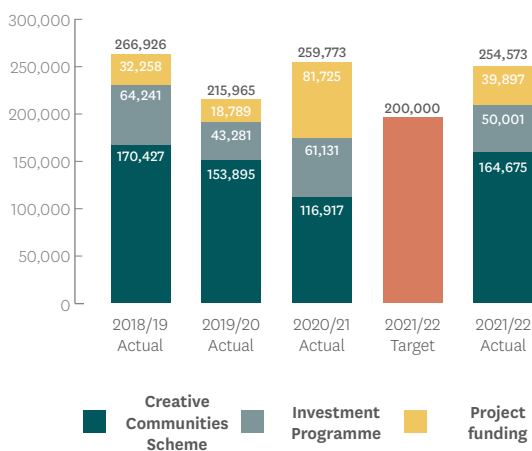


Outcome: Greater public engagement with the arts as shown by New Zealanders participate in the arts

G1.4 Performance measure: Number of participants in arts activities funded by Creative New Zealand—**Exceeded Target**

Participation reported across all programmes is at 254,573, exceeding the target of 200,000 by 27% (figure 11).

FIGURE 11: NUMBER OF PARTICIPANTS IN ARTS ACTIVITIES FUNDED BY CREATIVE NEW ZEALAND, BY PROGRAMME, 2017/18 -2021/22



- Investment clients reported lower participation numbers, a decrease by 11,130 or 18%. This decrease can be attributed to music, dance, and theatre artform with activities mostly in the major centres and online. This is a direct result of the uncertainty within the arts sector through the COVID-19 traffic light settings.
- Project funded clients reported 39,897 participants from 482 completed and evaluated projects (2021: 984 projects; 81,725 participants), a decrease by 41,828 or 51%. This decrease can be attributed to community arts and visual arts artforms with activities in Canterbury, Auckland and online.

There were several projects in 2021/22 that in particular contributed to the increased participation:

- a public art trail of over 115 penguin sculptures decorated by artists and school children in Christchurch for 9 weeks resulted in 28,180 participants (funded through Covid-19 Recovery Response; community arts),
- The Auckland Performing Arts Centre’s re-building in a Covid-19 environment resulted in 11,030 online participants (funded through Covid-19 Emergency Response; community arts),
- a rangatahi-led programme of workshops and exhibitions in Auckland resulted in 9,911 participants (regular funding; visual arts).

We are reporting a decrease through Covid-19 Recovery Response & Resurgence (phases 2 & 3) - 184 projects resulting in 20,244 participants (2021: 32 projects; 31,934 participants); a decrease through Covid-19 Emergency Response (phase 1; Arts Continuity Grants) - 6 projects resulting in 183 participants (2021: 627 projects; 23,363 participants), and a decrease through regular project funding - 292 projects resulting in 19,470 participants (2021: 325 projects; 26,428 participants).

- Territorial authorities (TAs) reported higher participation through the Creative Communities Scheme. In 2021/22, the 1,202 community projects completed resulted in 164,675 reported participants (2021: 1,013 projects completed resulted in 116,917 reported participants), an increase by 40% in participation numbers.

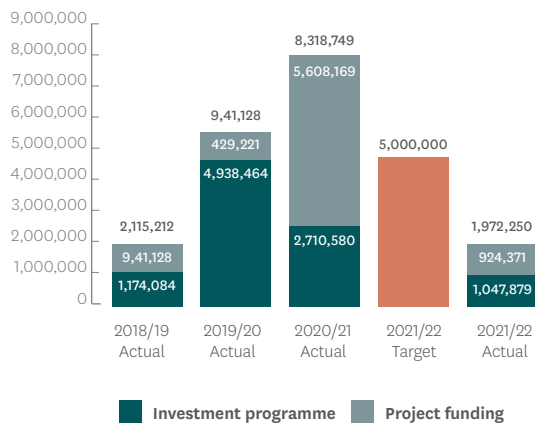
A year-on-year comparison shows that the most significant increases in participant numbers were recorded in Wellington (up by 23,820), Napier (up by 14,678), Christchurch (up by 7,984) and Far North (by 6,834). Some territorial authorities with significant increases of between 3,000 and 4,000 participants include Dunedin, Hamilton, Ashburton, Manawatu, and Western Bay of Plenty. Other TAs, like Auckland, Tasman and Whakatane have reported lower participation by 5,000 to 6,000 participants. This is as expected and attributable to the increased investment through Covid-19 recovery funding and the uncertainty through the Covid-19 traffic light settings.

Outcome: Greater public engagement with the arts as shown by New Zealanders experience high-quality arts

G1.5 Performance measure: Number of attendances at arts activities events funded by Creative New Zealand—Did not meet target

This measure refers to audience numbers, including paid audiences, readers, viewers, and attendances at free events. Attendance reported across all programmes is at 2.0 million, against the target of 5.0 million, and a decrease of 6.4 million or 77% compared to the previous year number (figure 12).

FIGURE 12: NUMBER OF ATTENDANCES AT ARTS ACTIVITIES AND EVENTS FUNDED BY CREATIVE NEW ZEALAND, BY PROGRAMME, 2017/18 -2021/22

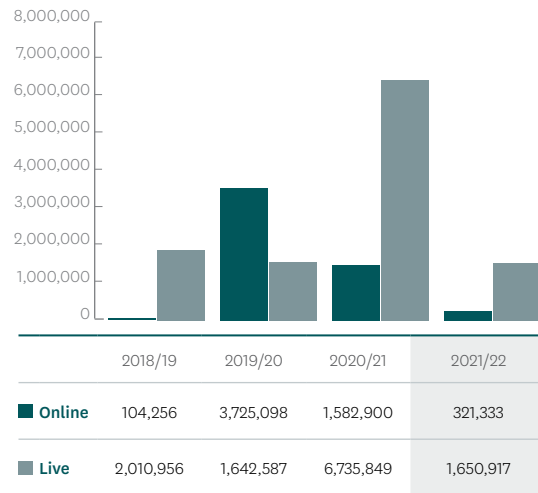


- Investment clients reported 1.048 million attendances in 2021/22, a decrease of 1.663 million or 61% compared to 2020/21.

The significant decrease in attendance numbers is attributable to a drop in online activities by 1.379 million or 96% (2022: 53,675; 2021: 1,433,033; 2020: 3,724,853; 2019: 101,213), and a drop in attendances in Auckland due to lockdowns by 0.4 million or 71% (2022: 151,079; 2021: 519,706) (figure 13).

The online attendances in livestream activities in the previous year were mainly attributable to Auckland Philharmonia Orchestra (479,388), New Zealand Opera Limited (217,261), Pacific Islands Dance Fono (214,500) and SOUNZ Centre for New Zealand Music (235,092).

FIGURE 13: NUMBER OF ATTENDANCES AT ARTS ACTIVITIES AND EVENTS FUNDED BY CREATIVE NEW ZEALAND, ACROSS ALL PROGRAMMES, ONLINE VERSUS LIVE, 2018/19 -2021/22



Taking online activities out of the equation, investment clients reported lower attendance numbers for live events to prior year (2022: 994,204; 2021: 1,277,547; 2020: 1,213,611; 2019: 1,072,871), which is attributable to the impact of Covid-19 on live events.

- Project funded clients reported 0.9 million attendances in 2020/21 from 454 projects with national activities completed and evaluated in the reporting period (2021: 916 projects; 5,608,169 attendances). The decrease can be attributed to visual arts and literature artforms with activities in Auckland. The two major outliers in 2021 causing the decrease in 2022 were:
 - a project presenting new photographic work on three digital billboards at three locations in Auckland CBD resulted in 4,137,448 views (funded through Covid-19 Emergency Response; visual arts),
 - a project funding a platform for Māori and indigenous voices online resulted in 571,267 views (regular funding; literature).

Taking these outliers out of the equation, attendance numbers are slightly higher than in the previous year, by 24,918 or 3%, although the number of completed and evaluated projects has decreased by 462 or 51%. There were several projects that contributed to this increase:

- development and presentation of a promenade street performance for Cuba Dupa 2021 with 160,000 attendances (multidisciplinary art funded through Covid-19 Recovery (phase 2)),
- dance performances in Otago with 60,000 attendances (regular project funding; dance), and
- development and production of a multi-contributor online platform that celebrates and elevates New Zealand children’s literature with 65,000 attendances (literature funded through Covid-19 Recovery (phase 2)); and
- online exhibition at the 13th Gwangju Biennale with 160,000 attendances (visual arts funded through Covid-19 Recovery (phase 2)).

We are reporting an increase in attendances from activities funded through Covid-19 Recovery Response & Resurgence (phases 2 & 3) - 522,045 in 2021/22 vs 234,344 in 2020/21, a decrease through Covid-19 Emergency Response (phase 1; Arts Continuity Grants) - none reported in 2021/22 vs 4,463,652 in 2020/21, and a decrease through regular project funding - 402,326 in 2021/22 vs 910,206 in 2020/21.

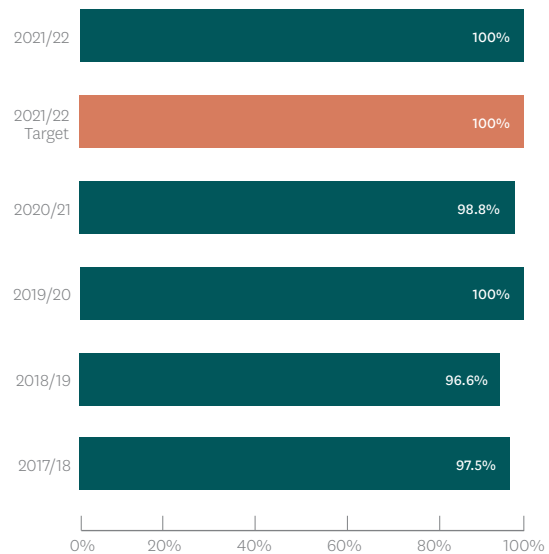
Outcome: Stronger arts as shown by New Zealand’s arts sector is resilient

G1.6 Performance measure: 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—Met target

All 81 organisations in the Tōtara and Kahikatea programmes met expectations during the January to June 2022 period. Due to the significant impact of Covid-19 on investment organisations, the expectations were adjusted to new circumstances (figure 14).

If a client was unable to do the contracted activity due to the COVID level status at the time, they were not penalised for this. On top of this, organisations in general managed themselves very well during the difficulties of this period.

FIGURE 14: PERCENTAGE OF INVESTMENT ORGANISATIONS THAT MEET OR EXCEED EXPECTATIONS SET IN THEIR FUNDING, 2017/18 TO 2020/21



Outcome: Stronger arts sector as shown by New Zealand arts are valued and supported

G1.7 Performance measure: Maintain or increase average 'other' (non-Creative New Zealand) investment per organisation—Met target

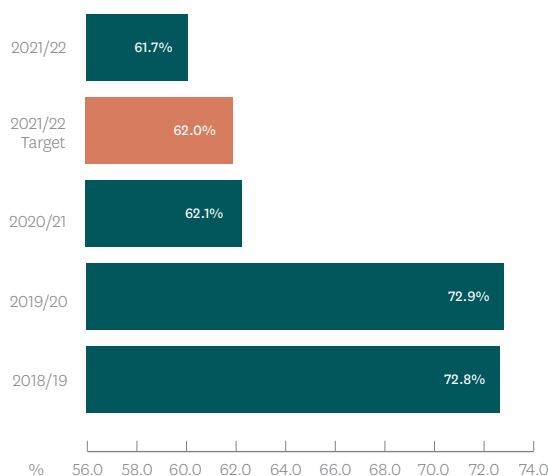
Using our investment clients as a proxy for the arts sector, we can demonstrate the support for the sector by measuring the level of revenue organisations generate from sources other than Creative New Zealand.

The result is calculated as a proportion of total other (non-CNZ) revenue over the total revenue for all investment clients. The result is based on the calendar year financial information, e.g., the current year 2021/22 is based on the 2021 calendar year actual financial information (Jan-Dec 2021).

For the calendar year 2021, average 'other' (non-CNZ) investment in our investment clients is at 61.7% (2020: 62.1%), a slight drop compared to the previous year (figure 15).

However, the total revenue of investment organisations increased by 14% to \$101.9m, close to the 2019 level of \$103.5m. This increase is mainly attributable to the increase in revenue from sales by \$6.5m or 23%, other government agencies by \$2.1m or 108% and corporate sponsorships by \$1.2m or 34%

FIGURE 15: AVERAGE 'OTHER' (NON-CREATIVE NEW ZEALAND) INVESTMENT PER ORGANISATION, 2018/19 -2021/22

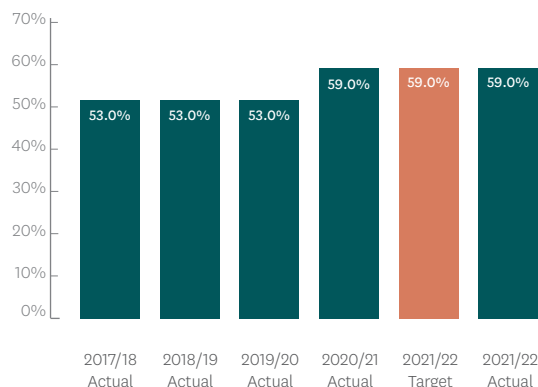


Outcome: Stronger arts sector as shown by New Zealand arts are valued and supported

G1.8 Index rating for how New Zealanders perceive the value of the arts to New Zealand (New Zealanders and the Arts 2020 survey)—No change

The index rating for how New Zealanders perceive the value of the arts to New Zealand (*New Zealanders and the Arts 2020 survey*) demonstrating New Zealand arts being valued and supported remains at 59%.

FIGURE 16: INDEX RATING FOR HOW NEW ZEALANDERS PERCEIVE THE VALUE OF THE ARTS TO NEW ZEALAND (NEW ZEALANDERS AND THE ARTS 2020 SURVEY), 2017/18 -2021/22

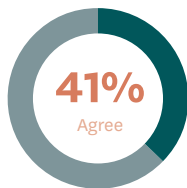


Monitoring the value the arts create for New Zealanders

Internationally, the body of evidence is growing on the contribution of the arts to a broad range of wellbeing outcomes. We are gradually building an evidence base to support these outcomes within a New Zealand context. This work allows us to show the sector's contribution to the different dimensions of wellbeing.

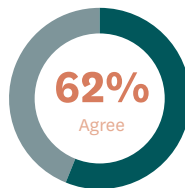
The Statement of Performance Expectations 2021/22 includes the full set of public value statements and indicators we monitor. Many of the results are sourced from the *New Zealanders and the Arts—Ko Aotearoa me onā Toi* triennial research and highlight the ways the arts create value and add to the wellbeing of New Zealanders. While we know areas still need work to improve, highlights in the 2020 research are included below and show a positive overall attitude to the arts.

Engagement in the arts improves the lives of New Zealanders



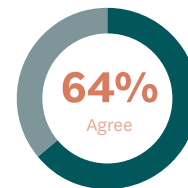
The arts are important to my personal wellbeing

Engagement in the arts strengthens whānau, communities, and society



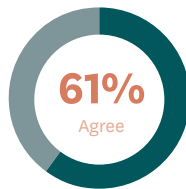
Index rating for how engagement in the arts strengthens communities, society, and our identity.

The arts sector contributes to prosperous and resilient communities

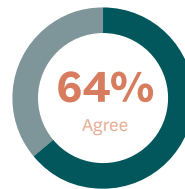


The arts contribute positively to the economy.

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



The quality of New Zealand arts and the contribution of the arts to our diverse identities and shared sense of national identity.



The arts help define who we are as New Zealanders.

Source: *New Zealanders and the Arts—Ko Aotearoa me ōna Toi 2020*. Available on our website.

Promoting the value of the arts

Advocating for the arts is at the heart of Creative New Zealand's work. Successful advocacy for the special place of the arts in Aotearoa helps assure its vibrancy and sustainability into the future.

Led by our dedicated Advocacy team, the Advocacy Strategy sets the high-level direction Creative New Zealand will take—working together with the arts sector—to make the compelling case for the arts and to strive to be a powerful advocate for the arts.

The team has worked hard on raising the profile of the arts over the past year, and their achievements are noted below.

Articulating the positive effect of the arts on the social wellbeing of communities

We partnered with the Mental Health Foundation and Ensemble Magazine to launch the 8-week long Creative Wellbeing storytelling series. This aimed to encourage awareness and engagement with creativity as a driver of collective and individual wellbeing. We worked with

various established and emerging writers, to provide different perspectives on the intrinsic benefits of creative practice to hauora (wellbeing).

We also launched a social media campaign to amplify voices from the arts community, to encourage vaccination. The campaign was launched in December 2021, as we entered the COVID-19 Protection Framework (traffic light system).

Delivering advocacy work alongside local government

Several councils made significant commitments to supporting arts and culture in their communities through the long-term planning process in 2021. Creative New Zealand made submissions to 13 council's long-term plan consultations. The aim was to encourage councils to invest in arts and culture and to recognise artists and art organisations as partners who they can work with to deliver wellbeing outcomes. Our submissions focused on supporting work that is already happening in many cities and towns, identifying gaps in support, and encouraging councils to directly involve their arts communities as they plan for the future.

Convening and supporting arts sector advisory group, Te Rōpū Mana Toi

At the heart of the Advocacy Strategy is a commitment to working closely with the sector. This year we regularly convened Te Rōpū Mana Toi, an independent group of sector leaders who advise and advance arts advocacy work at the national level. Its members include artists, practitioners, managers, and directors from around Aotearoa who have been identified as strong advocates for arts and culture across a range of artforms and kaupapa. In 2021/22, Te Rōpū Mana Toi has developed a series of vision statements to guide its own agenda. These focus on the role of the arts in wellbeing, an arts ecosystem fit for Aotearoa, creative pathways in education, and the essential role of the arts and artists in society.

We listen and learn from the group's unique perspectives of the arts sector's challenges, opportunities, and priorities. Informed by their work, we collectively drive an arts advocacy movement envisaging a country where all communities enjoy the benefits of arts, culture, and creativity.



Creative Wellbeing storytelling series, Illustrator: Huriana Kopeke-Te Aho.

Progress report on the delivery of the Arts and Culture COVID Recovery Programme Recovery funding 2020/21

The \$80 million Creative New Zealand invested in the sector in 2020/21 included the allocation of an additional \$25 million one-off Crown investment as part of the Arts and Culture COVID Recovery Programme. This investment is summarised on the following pages. While the full effects of the allocated funding will not be reported until 2022/23, table 9 reports on progress for each funding programme and the outcomes sought. Revised budgets reflect the need to respond to the immediate needs of the sector.

Tables 10, 11 and 12 on page 56–62 summarise three further multi-year initiatives Creative New Zealand was allocated additional funding for as part of the Government’s wider Arts and Culture COVID Recovery Programme for the cultural sector. This funding was in addition to the one-off \$25 million allocated through core Creative New Zealand programmes in 2020/21. While the funds below were delivered in the 2020/21 year, the results of most projects funded will not be reported and evaluated until the 2021/22 financial year.

The result of all funding is available on our website (www.creativenz.govt.nz/results-of-our-work).

TABLE 9: REPORTING ON RETAIN CORE ARTS INFRASTRUCTURE FUNDING \$25 MILLION

Funding component	Budget 2020/21 ¹²	Revised budget 31 March 2021 ¹³	Actual 2020/21	Outcomes sought	Performance measure and target as per SPE 2021/22	Results as at 2021/22
Retaining core arts infrastructure and delivering arts projects in communities:	\$25 million	\$25 million ¹⁴	\$25 million	<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. 	In the absence of baseline data for the new funding programmes and initiatives below, historical data from similar funding programmes has been used.	
1. Funding through Investment programmes:	\$16 million	\$12,556,278	\$11,415,494	Recovery support to 81 Tōtara and Kahikatea arts organisations that receive multi-year funding through Creative New Zealand’s Investment programmes.		
1a. Adaptation Fund	\$6,000,000	\$6,781,580	\$6,781,580	<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. 	Of completed projects, 99 percent meet or exceed expectations, as set out in funding agreements.	Thirty-five Adaptation Fund grants were awarded. Of the 35 projects supported, 17 were completed in the period and met the expectations of their funding agreements. A further 18 projects received extensions due to COVID impacts in 2021/22 and will be reported in the 2022/23 year.

¹² Budget 2020/21 figures are derived from the updated Statement of Performance Expectations 2020/21, published in February 2021.

¹³ Revised Budget 2020/21 figures equal the budget approved at the April 2021 Arts Council meeting, reflecting the need to respond to the immediate requirements of the sector.

¹⁴ Includes \$0.5 million operating expenditure: \$200,000 from Grants, \$100,000 from Ngā Toi ā Rohe—Arts in the Regions Fund, and \$100,000 from Creative Communities Scheme.

Funding component	Budget 2020/21	Revised budget 31 March 2021	Actual 2020/21	Outcomes sought	Performance measure and target as per SPE 2021/22	Results as at 2021/22
1b. Capability Fund	\$1,500,000	\$642,314	\$642,314	<ul style="list-style-type: none"> Supports organisations to address immediate organisational needs and help stabilise and increase the sustainability of their businesses in response to the effects of the COVID-19 environment. 	Of completed projects, 99 percent meet or exceed expectations, as set out in funding agreements.	Twenty-nine Capability Fund grants were awarded. Of the 29 projects supported, 24 were completed in the period and met the expectations of their funding agreements. A further five projects received extensions due to COVID impacts in 2021/22 and will be reported in the 2022/23 year.
1c. Resilience Fund	\$6,000,000	\$350,000	\$1,027,360	<ul style="list-style-type: none"> Provides two rounds of emergency support for Tōtara and Kahikatea organisations that have been materially negatively affected by COVID-19. Helps organisations maintain their essential people and honour contracts with other creative practitioners until 31 December 2020 for Round 1 and 30 June 2021 for Round 2. 	Of completed projects, 99 percent meet or exceed expectations, as set out in funding agreements.	Achieved. Sixteen Tōtara and Kahikatea organisations that were negatively affected by COVID-19 were able to maintain essential people and honour contracts.
1d. Revenue Generation Fund	–	\$3,000,000	\$2,970,625	<ul style="list-style-type: none"> Designed to build arts organisations' ability to diversify and increase their income streams, to help grow their sustainability in response to COVID-19. The fund is open to organisations in the Tōtara and Kahikatea investment programmes along with arts organisations that submitted an expression of interest to take part in our developmental programme Te Puāwaitanga in March 2020. 	Of completed projects, 99 percent meet or exceed expectations, as set out in funding agreements.	Not measured in the period. Thirty-one Revenue Generation Fund grants awarded. All projects will be completed and evaluated within the 2022/23 financial year.
1e. Unallocated	\$2,500,000	\$1,782,384	–	<ul style="list-style-type: none"> Contingency to respond to immediate COVID-19 related needs of the sector. 		
2. Funding through Grants programmes	\$5,800,000	\$8,800,000	\$10,126,714	Support for artists and arts organisations through existing Grants programmes (with some repurposing for the COVID-19 environment).		
Arts Grants	\$5,800,000	\$8,800,000	\$9,855,992	<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. 	Of completed projects, 99 percent meet or exceed expectations, as set out in funding agreements.	Achieved. Funding was awarded to 200 projects (General arts 153, Māori arts 22, Pacific arts 25) in 2020/21. All projects met expectations.

Funding component	Budget 2020/21	Revised budget 31 March 2021	Actual 2020/21	Outcomes sought	Performance measure and target as per SPE 2021/22	Results as at 2021/22
Toi Ake – Mātauranga Māori Te Awe Kōtuku Fund	–	–	\$270,722	<ul style="list-style-type: none"> Toi Ake – Mātauranga Māori Te Awe Kōtuku Fund supports Māori artists, arts practitioners and Māori-led arts organisations to work with marae, hapū, iwi, whakapapa-based rōpū or mātāwaka to protect, develop and ensure the retention of mātauranga toi (artform and arts practice knowledge) related to heritage ngā toi Māori. 	Of completed projects, 99 percent meet or exceed expectations, as set out in funding agreements.	Achieved. Four additional Toi Ake—Mātauranga Māori te Awe Kōtuku grants were awarded in 2020/21. All projects met expectations.
3. Creative Communities Scheme	\$1,800,000	\$1,800,000	\$1,764,070	Additional support for community arts in the COVID-19 environment.		
Creative Communities Scheme top up	\$900,000	\$900,000	\$900,000	<ul style="list-style-type: none"> Top-up funding for territorial authorities 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, and young people (\$0.9 million). 	Number of grants awarded by territorial authorities (expected to support an additional 450 local arts projects).	Full results were reported in the Annual Report 2020/21. Although the number of projects supported by the additional \$900,000 was not tagged for monitoring and reporting purposes, Territorial authorities supported 879 projects through the Creative Communities Scheme in 2020/21 to a value of \$4,668 million, around 400 more than in 2019/20.
Local Government Arts Fund	\$900,000	\$900,000	\$864,070	<ul style="list-style-type: none"> Establish an application process based on criteria that will focus on retaining critical arts infrastructure at the local level. The aim is to address COVID-19-related gaps, and current cost exclusions will be reviewed (\$0.9 million). 	Of completed projects, 99 percent meet or exceed expectations, as set out in funding agreements.	Twenty-six Local Government Arts Fund grants awarded. Of the 26 projects supported, 9 were completed in the period and met the expectations in their funding agreements. A further 17 projects are yet to report on their projects or have received extensions due to COVID impacts in 2021/22. They will be reported in the 2022/23 year.

Funding component	Budget 2020/21	Revised budget 2020/21	Committed as at 30 June 2021	Outcomes sought	Performance measure and target as per SPE 2020/21	Results as at 2021/22
4. Ngā Toi ā Rohe—Arts in the Regions initiative	\$900,000	\$1,343,722	\$1,193,722	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.		
Ngā Toi ā Rohe Fund	\$750,000	\$1,236,989	\$1,086,989	· Open to organisations, including Tōtara and Kahikatea, outside Auckland, Wellington, and Christchurch, for grants up to \$150,000. The initiatives aim 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.	Of completed projects, 99 percent meet or exceed expectations, as set out in funding agreements.	Nine Ngā Toi ā Rohe Fund grants were awarded in the period. A further \$106,733 was awarded to the Performing Arts Network of New Zealand towards touring of work outside the main centres. Of the 10 projects supported, 6 were completed in the period and met the expectations of their funding agreements. A further 4 projects received extensions due to COVID impacts in 2021/22 and will be reported in the 2022/23 year.
Arts in the Regions Touring Fund	\$150,000	\$106,733	\$106,733			

TABLE 10: REPORTING ON PASIFIKA FESTIVALS INITIATIVE (\$12 MILLION OVER THREE YEARS)

Funding component	Budget 2021/22	Actual 2022	Actual 2021	Outcomes sought	Performance measure and target 2021/22	Results as at 2021/22
Pasifika Festivals Initiative	\$4,000,000¹⁵	\$3,771,917	\$2,338,757	<ul style="list-style-type: none"> · Pasifika festivals experiencing financial hardships due to the direct effect of the COVID-19 pandemic remain viable. · Pasifika festivals have the technical ability and management capability to operate in a COVID-19 environment. · Key stakeholders that form part of the Pasifika festival ecosystem are considered in any funding considerations. 	Along with the existing <i>Statement of Performance Expectations 2020/21</i> performance measures, a post-completion survey will be designed in collaboration with partners.	
<i>Tasi Wave 2020</i>	Budget was not allocated for this demand-driven initiative	\$-	\$498,425	Tasi 2020 provided financial support to stabilise eligible Pasifika festivals in the short term through to 31 December 2020. It addressed the effects of the COVID-19 pandemic so Pasifika festivals can build capability.	Of completed projects, 99 percent meet or exceed expectations, as set out in funding agreements.	Achieved. Four festivals were supported through Tasi 2020 and remained stable through to 31 December 2020. All four festivals met expectation.
<i>Tasi Wave 2021</i>	Budget was not allocated for this demand-driven initiative	\$-	\$1,840,332	The Tasi Wave 2021 of the Pasifika Festivals Fund was a contestable fund for eligible Pasifika festivals to present a festival in the 2021 calendar year. Tasi Wave 2021 addresses the impacts of COVID-19 so that eligible Pasifika festivals that were unable to secure sufficient funding to stage a festival in 2021 could receive a funding contribution.	Of completed projects, 99 percent meet or exceed expectations, as set out in funding agreements.	Achieved. Sixteen festivals were supported through Tasi Wave 2021. All festivals met expectations.
<i>Lua Wave</i>	Budget was not allocated for this demand-driven initiative	\$255,897	\$-	The Lua Wave fund provided support for existing Pasifika-led festivals with a track record of success that have a long-term strategic focus. Funding could be used for building organisations' capability needs in the areas of governance, leadership, digital capacity, and festival staffing.	Of completed projects, 99 percent meet or exceed expectations, as set out in funding agreements..	Achieved. Nine festivals were supported through Lua Wave. All festivals met expectations.
<i>Tolu Wave</i>	Budget was not allocated for this demand-driven initiative	\$3,421,020	\$-	The Tolu Wave fund provided up to two-years of funding for eligible Pasifika festivals across Aotearoa to help them continue operating through the ongoing disruptions due to COVID-19.	Of completed projects, 99 percent meet or exceed expectations, as set out in funding agreements.	Not measured in the period. Thirty-six grants were awarded to festivals through the Tolu Wave fund. All projects will be completed and evaluated within the 2022/23 financial year.
<i>Fa Wave</i>	Budget was not allocated for this demand-driven initiative	\$95,000	\$-	A strategic Fa Wave initiative will focus on strengthening the national ecosystem for Pasifika festivals.	To be developed within 2022/23 financial year	Not measured in the period. All relevant information will be reported within the 2022/23 financial year.

15 Includes \$200,000 operating expenditure.

TABLE 11: MĀTAURANGA MĀORI TE AWE KŌTUKU INITIATIVE (\$3.29 MILLION OVER TWO YEARS)

Funding component	Budget 2021/22	Actual 2022	Actual 2021	Outcomes sought	Performance measure and target 2021/22	Results as at 2021/22
Mātauranga Māori Te Awe Kōtuku initiative	\$1,755,500	\$2,225,500	\$1,072,500	<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 SPE performance measures, post-completion analysis will continue to be carried out in collaboration with partners and reported in full.	
<i>Retaining critically endangered Tārai Waka</i>	\$375,000	\$375,000	\$225,000	To support the retention and revitalisation of critically endangered Tārai Waka mātauranga (waka building knowledge), working in partnership with tohunga and emerging practitioners to develop and implement a strategy to protect, retain and strengthen the artforms and start to develop the infrastructure required to sustain them	Of completed projects, 99 percent meet or exceed expectations, as set out in funding agreements	Achieved. All projects met expectations.
<i>Retaining endangered Taonga Pūoro</i>	\$330,000	\$330,000	\$70,000	To support the retention and revitalisation of critically endangered Taonga Pūoro (traditional Māori instruments) mātauranga, working in partnership with mātanga and experienced practitioners to deliver programmes of work to preserve and increase access to artform knowledge (making of taonga pūoro, composition performance and use of taonga pūoro in healing) and develop stronger artform foundations and infrastructure.	Of completed projects, 99 percent meet or exceed expectations, as set out in funding agreements.	Achieved. All projects met expectations.
<i>Regional Partnerships – Te Tairāwhiti Arts Festival</i>	\$250,000	\$250,000	\$150,000	Creative New Zealand worked with regional partners to protect and promote regional Māori arts practices and knowledge: Te Tairāwhiti Arts Festival to with a specific focus on working with pūkenga in raranga, uku and whakairo and promoting these artforms through Te Ara I Whiti and community engagement programmes	Of completed projects, 99 percent meet or exceed expectations, as set out in funding agreements.	Achieved. All projects met expectations.
<i>Regional Partnerships— Toi Ngāpuhi</i>	\$285,500	\$285,500	\$112,500	and Toi Ngāpuhi to retain at-risk Te Taitokerau artform mātauranga within Ngāpuhi working with tohunga and pūkenga to build the number of knowledge holders within the iwi and hapū and engaging local taiohi in mahi toi	Of completed projects, 99 percent meet or exceed expectations, as set out in funding agreements	Achieved. All projects met expectations.
<i>Contestable Funds -Toi Ake – Mātauranga Māori Te Awe Kōtuku Fund</i>	\$515,000 ¹⁶	\$980,000	\$470,000	To boost Creative New Zealand’s existing Toi Ake contestable fund to support Māori artists, arts practitioners and Māori-led arts organisations (including groups and collectives) to work with marae, hapū, iwi, whakapapa-based rōpū or mātāwaka to protect, develop and ensure the retention of mātauranga toi (artform and arts practice knowledge) related to heritage ngā toi Māori.	99% percent of completed projects meet or exceed expectations as set out in funding agreements.	Not measured in the period. Thirty-five projects have been supported in total and will be completed and evaluated within the 2022/23 and 2023/24 financial year.

16 Includes \$45,000 operational costs.

TABLE 12: CULTURAL SECTOR CAPABILITY FUNDING (\$2 MILLION OVER TWO YEARS)

Funding component	Budget 2021/22	Actual 2022	Actual 2021	Outcomes sought	2021/22 milestones	2021/22 progress
<i>Cultural Sector Capability funding</i>	\$1,800,000	\$165,925	\$-	The arts sector has the necessary industry, technical, and business capability to meet the challenges of a COVID-19 environment.	A business case scoping a new digital arts and cultural development initiative will be completed by 30 September 2021. Recommendations from the business case will be progressed through to 30 June 2022.	Project scoping and a business case was completed in 2021/22. Following this, the Arts Council approved negotiations with a preferred provider of a digital arts commissioning and capability service in October 2022.

PART 3

FINANCIAL PLANNING AND PERFORMANCE
WHAKAMAHERE PŪTEA MAHI



Financial Planning and Performance

The following section details the 2021/22 financial performance and the financial planning context for 2022/23.

Financial performance 2021/22

Creative New Zealand ended the 2021/22 year with a net deficit of \$2.5 million, against the \$5.1 million budgeted net deficit published in the Statement of Performance Expectations 2021/22. However, both revenue and expenses exceeded those budgeted by \$13.2 million and \$10.6 million, respectively. These variances are mainly caused by higher revenue, namely from the New Zealand Lottery Grants Board Te Puna Tahua (NZLGB) by \$7.4 million and the Crown by \$4.6 million (as detailed in note 2 on pages 73–74). The higher revenue was distributed to the arts sector through increased levels of funding (as detailed in note 9 on pages 77–79).

Total investment in the arts sector for 2021/22 is below the overall investment Creative New Zealand made in 2020/21 (\$74.0 million compared with \$80.4 million), but higher than in 2018/19, being the last pre-COVID-19 year, as shown in figure 17. This increased investment includes the significant one-off Crown investment in Creative New Zealand of \$31.1 million in 2020/21 (\$3.4 million deferred to 2021/22) and \$12.2 million in 2021/22 (\$3.1 million deferred to 2022/23), as shown in figure 19. How this money is being invested is detailed in note 10 on pages 80–82.

Of the total expenses, 14.9 percent was spent on Creative New Zealand's operations, below the minimum range of its operating cost policy range of 15 percent to 16 percent. Having remained at the same level for 11 years from 2007/08 to 2017/18, operating costs have increased in relative terms as we have developed more specialist skills within the organisation.

- Because of the increased investment in the sector in the past two years, we brought in additional resources to deliver the COVID-19 recovery response funding. In early 2020/21, we completed an extensive process to identify people capability and capacity needs to deliver our Phase 2 COVID-19 Plan, respond to the new context, and address the continuity of Creative New Zealand's core work (a mix of fixed-term and permanent roles that are programme, capability, and capacity related).
- Along with addressing capacity and capability needs, it was considered important to establish an advocacy team, strengthen the Māori Strategy and Partnerships

Group, create a new Pacific arts group (given the expanded responsibilities regarding the Pasifika Festivals Initiative), and give specific mana and focus to a role driving our organisational culture change programme, Te Kaupapa o Toi Aotearoa. We consider our organisational culture to be the 'invisible enabler' of our wairua (spirit) and resilience and see significant value from becoming an intentionally Tiriti-honouring Crown entity.

- In 2021/22, we also started developing a new public-facing digital customer experience (CX) platform that will integrate the current website, portal, and online knowledge bases and allow us to develop and deliver best practice digital services (\$1.1 million over two financial years).

Creative New Zealand's accumulated funds decreased to \$19.7 million at the end of 2021/22. In 2019/20, Creative New Zealand used a significant portion of its equity reserves to respond to the COVID-19 crisis and reduced accumulated funds to \$12.2 million, as shown in figure 18. The depleted accumulated funds were increased in 2020/21 to \$22.2 million due to the welcome windfall from Lotto New Zealand profits.

Financial planning context for 2022/23

Dynamic planning and budgeting will continue to be the norm for Creative New Zealand, given the remaining uncertainty in its financial and operating environment.

We have developed a relevant and affordable work programme for 2022/23 that reflects our strategic intentions, the ongoing COVID-19 context, and remaining uncertainty in our operating environment. The plan and budget for 2022/23 were developed considering the following:

- revenue from the NZLGB based on the updated Lotto New Zealand revenue projections for 2022/23, as advised in July 2022. For any financial year, the actual revenue from the NZLGB depends on the actual Lotto New Zealand profit for that year
- additional revenue through Vote: Arts, Culture and Heritage of \$1 million to extend our Mātauranga Māori Te Awe Kōtuku programme for 2022/23, including support for tārai waka and taonga pūoro and provide a boost to the Toi Ake—Mātauranga Māori Te Awe Kōtuku Fund

- significantly higher inflation than experienced in recent times and the effect this will have on our operations and those we fund
- contracted budget of nearly \$20 million in 2022/23 that includes all of the Toi Tōtara Haemata Investment programme and specific tagged initiatives under the Government’s Arts and Culture COVID Recovery Programme (eg, the Pasifika Festivals Initiative)
- a minimum equity level at \$6 million at the end of the second year of any budgeting cycle (equity policy agreed by the Arts Council in February 2021; this policy is designed to help reduce the organisation’s exposure to adverse financial circumstances).

As the one-off COVID-19 recovery response funding comes to an end, the 2022/23 budgeted overall investment in the arts sector is decreasing to \$71.3 million.

Our operating costs are close to the 2021/22 level, with some provision for inflation. Because of the increased sector investment in the past three years, our operating

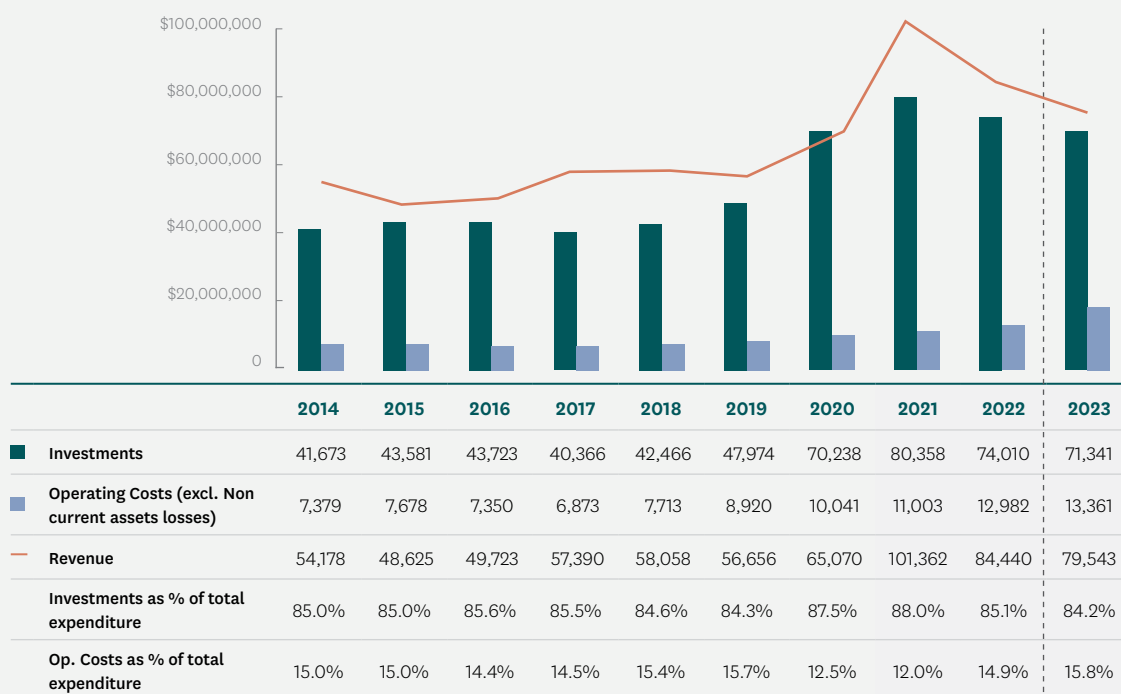
costs were well below the minimum range of our operating cost policy range of 15 percent to 16 percent of total expenses, at 12 percent to 14.9 percent. In 2022/23, the operating costs are projected at 15.9 percent, but still within the operating cost policy range. This position will be reviewed as revenue is confirmed and the consequences of our operating context, including the ongoing COVID-19 pandemic, become clearer.

Because of the significant investment we made in our initial 2020 COVID-19 emergency response, and our reduced reserves, we will have limited financial flexibility over the next four years.

Creative New Zealand will continue with its dynamic approach to planning and budgeting, with the next budgets developed around August 2022, to reflect Lotto New Zealand’s profit targets for 2022/23 and any wash-up payment for 2021/22 (generally advised in August).

For further information, see our Statement of Performance Expectations 2022/23, available on our website at: www.creativenz.govt.nz/About-Creative-NZ/Corporate-documents/Statement-of-Performance-Expectations-202223

FIGURE 17: REVENUE AND EXPENSE TRENDS 2013/14 TO 2022/23



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

2023 = current budget for 2022/23

FIGURE 18: SURPLUS/(DEFICIT), MINIMUM EQUITY AND ACCUMULATED FUNDS 2013/14–2022/23

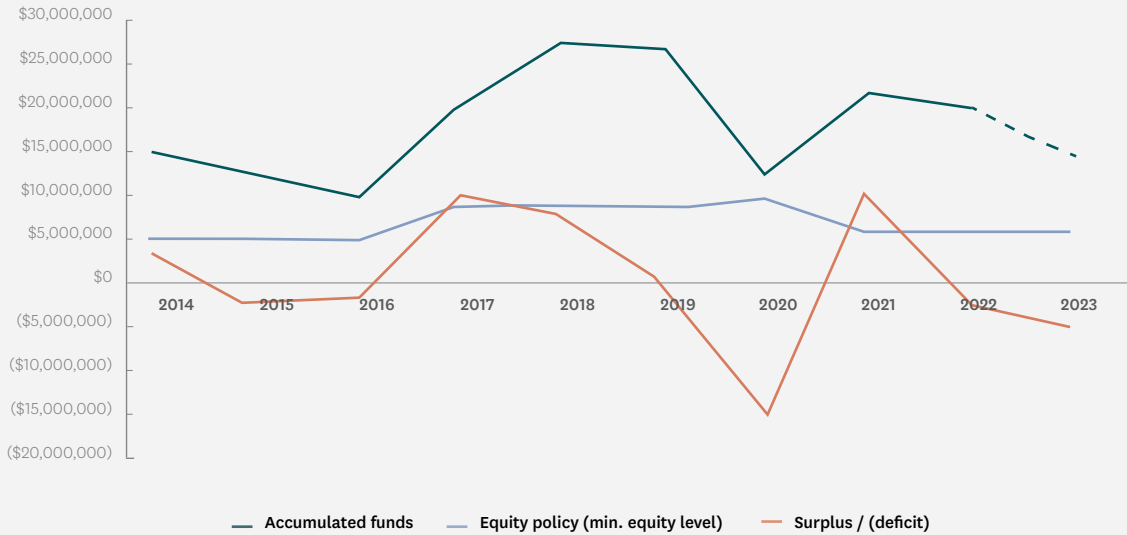
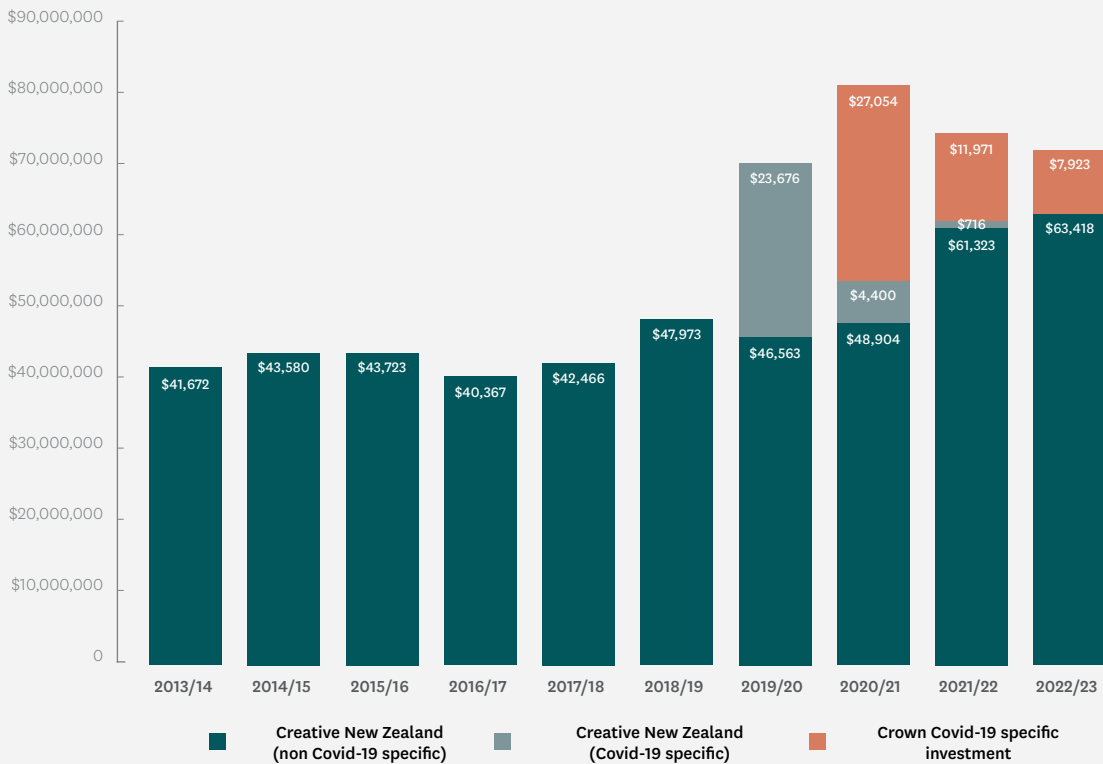


FIGURE 19: INVESTMENT INTO THE ARTS SECTOR 2013/14–2022/23—COVID-19 AND NON-COVID-19 SPECIFIC



Statement of financial performance

For the year ended 30 June 2022

	NOTE	ACTUAL 2022 \$000	BUDGET 2022 \$000	ACTUAL 2021 \$000
Revenue				
Revenue from the Crown	3	29,129	24,444	44,402
Revenue from the New Zealand Lottery Grants Board	4	53,878	46,500	55,625
Interest revenue		420	120	234
Other revenue	5	1,013	214	1,101
TOTAL REVENUE		84,440	71,278	101,362
Expenditure				
Investing in the arts	9	66,929	55,202	65,985
Developing the arts	9	6,204	7,879	13,709
Advocating for the arts	9	801	1,152	609
Leadership in the arts	9	76	620	55
		74,010	64,853	80,358
Operating Costs				
Personnel expenses	6	9,120	8,009	7,923
Depreciation and amortisation	7	426	365	410
Other expenses	8	3,436	3,159	2,670
		12,982	11,533	11,003
TOTAL EXPENDITURE		86,992	76,386	91,361
SURPLUS / (DEFICIT)		(2,552)	(5,108)	10,001

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

Budget is derived from the Statement of Performance Expectations 2021/22 published in June 2021.

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

Statement of other comprehensive revenue and expense

For the year ended 30 June 2022

	NOTE	ACTUAL 2022 \$000	BUDGET 2022 \$000	ACTUAL 2021 \$000
Surplus/(deficit) for the year		(2,552)	(5,108)	10,001
Other comprehensive revenue and expense				
Gain/(Loss) on revaluation of works of art	15	210	-	746
Total other comprehensive revenue and expense		210	-	746
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		(2,342)	(5,108)	10,747

Statement of changes in equity

For the year ended 30 June 2022

	NOTE	ACTUAL 2022 \$000	BUDGET 2022 \$000	ACTUAL 2021 \$000
Total equity as at 1 July		24,821	24,266	14,074
Net operating surplus/(deficit) for the year		(2,552)	(5,108)	10,001
Other comprehensive revenue and expense		210	-	746
Total comprehensive revenue and expense		(2,342)	(5,108)	10,747
TOTAL EQUITY AS AT 30 JUNE	19	22,479	19,158	24,821

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

Budget is derived from the Statement of Performance Expectations 2021/22 published in June 2021.

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

Statement of financial position

For the year ended 30 June 2022

	NOTE	ACTUAL 2022 \$000	BUDGET 2022 \$000	ACTUAL 2021 \$000
ASSETS				
Current assets				
Cash and cash equivalents	11	7,667	8,839	9,210
Investments in term deposits	12	22,000	15,000	22,000
Receivables	13	16,345	11,925	20,209
Prepayments		326	200	157
Total current assets		46,338	35,964	51,576
Non-current assets				
Property, plant and equipment	14	739	490	514
Works of art	15	1,983	1,773	1,773
Intangible assets	16	691	1,080	967
Total non-current assets		3,413	3,343	3,254
TOTAL ASSETS		49,751	39,307	54,830
LIABILITIES				
Current liabilities				
Grants payable	9	22,274	19,000	24,983
Payables and deferred revenue	17	4,213	569	4,334
Employee entitlements	18	666	480	553
Total current liabilities		27,153	20,049	29,870
Non-current liabilities				
Lease incentive	20.2	38	38	57
Employee entitlements	18	81	62	82
Total non-current liabilities		119	100	139
TOTAL LIABILITIES		27,272	20,149	30,009
NET ASSETS		22,479	19,158	24,821
EQUITY				
Accumulated funds	19	19,696	16,574	22,237
Revaluation reserves	19	1,983	1,773	1,773
Restricted reserves (special purpose funds)	19	800	811	811
TOTAL EQUITY		22,479	19,158	24,821

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

Budget is derived from the Statement of Performance Expectations 2021/22 published in June 2021.

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

Statement of cash flows

For the year ended 30 June 2022

	ACTUAL 2022 \$000	BUDGET 2022 \$000	ACTUAL 2021 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Revenue from the Crown	28,914	23,444	47,762
Revenue from the New Zealand Lottery Grants Board	57,874	52,875	51,509
Interest received	407	126	324
Grant retirements and gains	234	200	517
Other revenue	774	14	439
Net goods and services tax	-	-	888
Cash was applied to:			
Payments of grants	(76,623)	(70,433)	(74,411)
Payments to employees	(9,008)	(7,978)	(7,921)
Payments of operating expenses	(3,498)	(3,192)	(2,482)
Net goods and services tax	(242)	-	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	(1,168)	(4,944)	16,625
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Term deposits maturing (with maturities over 3 months)	22,000	22,000	10,000
Cash was applied to:			
Purchase of property, plant, equipment and intangible assets	(375)	(459)	(108)
Investment in term deposits (with maturities over 3 months)	(22,000)	(15,000)	(22,000)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(375)	6,541	(12,108)
NET INCREASE (DECREASE) IN CASH HELD	(1,543)	1,597	4,517
Cash and cash equivalents at the beginning of the year	9,210	7,242	4,693
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	7,667	8,839	9,210

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

Budget is derived from the Statement of Performance Expectations 2021/22 published in June 2021.

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

Statement of cash flows (continued)

For the year ended 30 June 2022

RECONCILIATION OF SURPLUS/(DEFICIT) TO NET CASH FLOW FROM OPERATING ACTIVITIES	ACTUAL 2022 \$000	ACTUAL 2021 \$000
Net surplus/(deficit) from operations	(2,552)	10,001
Add/(less) non-cash items:		
Depreciation and amortisation	426	410
Retirement of grants	(96)	(435)
Total non-cash items	330	(25)
Add/(less) movements in working capital items:		
Decrease (increase) in receivables	4,087	(4,243)
Decrease (increase) in prepayments	(169)	17
Decrease (increase) in interest receivable	(13)	90
Decrease (increase) in net goods and services tax receivable	(242)	888
Increase (decrease) in payables and deferred revenue	(92)	3,504
Increase (decrease) in employee entitlements	112	2
Increase (decrease) in lease incentive	(16)	27
Increase (decrease) in grants payable	(2,613)	6,364
Net movements in working capital items	1,054	6,649
NET CASH FLOW FROM OPERATING ACTIVITIES	(1,168)	16,625

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

Budget is derived from the Statement of Performance Expectations 2021/22 published in June 2021.

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

Notes to the financial statements

1. Statement of accounting policies

For the year ended 30 June 2022.

1.1. Reporting entity

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

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

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

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

The financial statements of Creative New Zealand are for the year ended 30 June 2022 and were approved for issue by the Board (the Arts Council) on 19 December 2022.

1.2. Basis of preparation

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

1.2.1. Statement of compliance

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

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

1.2.2. Presentation currency and rounding

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

1.2.3 Standards issued and not yet effective and not early adopted

Standards and amendments, issued but not yet effective, which have not been early adopted are as follows.

PBE IPSAS 41 Financial Instruments

PBE IPSAS 41 replaces PBE IFRS 9 Financial Instruments and is effective for the year ending 30 June 2023, with earlier adoption permitted. CSE has assessed that there will be little change as a result of adopting the new standard, as the requirements are similar to those contained in PBE IFRS 9.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for the year ending 30 June 2023, with earlier adoption permitted. Creative New Zealand has not yet determined how application of PBE FRS 48 will affect its statement of performance.

1.3. Significant accounting policies

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

1.3.1. Foreign currency transactions

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

1.3.2. Goods and services tax

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

1.3.3. Income tax

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

1.3.4. Budget figures

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

1.3.5. Comparatives

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

1.4. Use of judgements, estimates and assumptions

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

Creative New Zealand bases its judgements and estimates on historical experience, advice from independent experts and on other various factors it believes to be reasonable under the circumstances. The result of these judgements and estimates forms the

basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

No judgements, estimates or assumptions materially affect these financial statements.

2. Significant budget variances

Creative New Zealand's budget figures are derived from the Statement of Performance Expectations 2021/22 published in June 2021, based on the budget approved by the Arts Council at its April 2021 meeting. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Arts Council in preparing these financial statements.

Explanations for specific major variances are outlined below.

Statement of Financial Performance

An operating deficit of \$2.5 million for the year ended 30 June 2022 is reported against the net operating deficit budget of \$5.1 million, a variance of \$2.6 million.

Total revenue for the year is reported above budget by \$13.2 million, attributable to:

- higher revenue received from the NZLGB by \$7.4 million. The budget was based on Lotto New Zealand's projections before the start of 2021/22. The final expected 2021/22 payment from the NZLGB was confirmed in July 2021 and revised during the year. For any financial year, the actual revenue from the NZLGB depends on the actual Lotto New Zealand profit for that year
- higher revenue from the Crown by \$4.7 million, resulting from:
 - deferred 2020/21 revenue from the Crown related to unspent COVID-19 recovery response funding being \$2.3 million higher than budgeted
 - additional revenue from the Crown of \$5.5 million allocated in 2021/22 to provide short-term support to the arts sector in response to the COVID-19 Delta variant (\$5 million) and to deliver to programmes under the Mātauranga Māori Te Awe Kōtuku initiative (\$0.5 million)
 - deferred 2021/22 revenue from the Crown of \$3.1 million related to unspent multi-year COVID-19 recovery response funding for Cultural Sector Capability Fund and Pasifika Culture and Heritage Fund, as detailed in note 10

- higher other revenue by \$0.8 million, related to the various project-related revenue from partners and donations (eg, Venice Biennale 2022, Moana Nui A Kiva Fund), and higher grant retirements
- higher interest revenue by \$0.3 million, resulting from the increase in the term deposit interest rates during the year.

Total expenses for the year exceeded the budget by \$10.6 million. The variances in expenses were mainly caused by higher revenue being distributed to the arts sector (detailed in note 9), as follows:

- Grants and special opportunities (Arts Grants and Toi Ake Fund) increased by \$9.8 million
- Creative Communities Scheme increased by \$1.0 million
- Toi Tōtara Haemata and Toi Uru Kahikatea support through the Resilience Fund of \$1.3 million.

This was offset by underspends in a number of initiatives:

- Cultural Sector Capability Fund by \$1.6 million (deferred revenue)
- delayed advocacy initiatives by \$0.8 million
- variances in other initiatives totalling \$0.5 million.

Reflecting the people capability and capacity review implemented mid-way through 2020/21, our operating costs have exceeded the budget by \$1.4 million due to the additional resources needed to deliver the COVID-19 recovery response funding. This budget was agreed by the Arts Council on 28 July 2021.

Statement of Financial Position

The budget variances in the Statement of Financial Position are mainly caused by the variances in the operating result. Total current assets are higher than budgeted by \$10.4 million, reflecting:

- higher cash and term deposit balances by \$5.8 million attributable to the higher funding received from the NZLGB and lower cash outflow linked to the deferred revenue received from the Crown, as outlined in note 10
- a higher receivables balance by \$4.4 million attributable to the increased fourth instalment receivable from the NZLGB in July 2021 (\$14.3 million compared with budgeted \$11.6 million)

and the wash-up from current year's profit of \$1.4 million.

Total current liabilities are higher than budgeted by \$7.0 million caused by a combination of higher funding, deferred revenue from the Crown, and the timing of some funding rounds.

Statement of Cash Flows

The Statement of Cash Flows reflects the movements in the Statement of Financial Performance and Statement of Financial Position. The budget variances are mainly driven by the variances outlined above. The cash and cash equivalents budget balance was based on a high cash balance on call and lower term deposits, due to uncertain cash requirements related to the COVID-19 response. Investing activity is dependent on timing and amount of funding received and the cash flow needs. Due to careful cash management, more funds were placed on longer term deposits at the year end.

3. Revenue from the Crown

Accounting policy

Vote: Arts Culture and Heritage—core funding

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 no conditions are attached to the core funding (a condition refers to an enforceable legal right of return of the transferred asset if it is not used for the specific intended purpose) and it is recognised as revenue at the point of entitlement. This is considered to be the start of the appropriation period to which the funding relates. The fair value of the revenue from the Crown has been determined to be equivalent to the amounts due in the funding arrangements.

COVID-19 recovery response funding

Revenue from the Crown related to the COVID-19 recovery response is recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied, because there is an obligation in substance to return the funds if conditions of the grant are not met.

Breakdown of revenue from the New Zealand Lottery Grants Board

	ACTUAL 2022 \$000	BUDGET unaudited 2022 \$000	ACTUAL 2021 \$000
Vote: Arts Culture and Heritage—core funding	16,689	16,689	16,689
COVID-19 recovery response funding*			
Core Infrastructure and Arts Delivery	813	–	24,187
Cultural Sector Capability Fund	332	2,000	34
Pasifika Festivals Initiative	4,057	4,000	2,453
Mātauranga Māori Te Awe Kōtuku Initiative	2,238	1,755	1,039
Delta Relief	5,000	–	–
	29,129	24,444	44,402

* Creative New Zealand received \$28.914 million of revenue from the Crown (2021: \$47.762 million). Of this, \$3.145 million (2021: \$3.360 million) was recognised in the Statement of Financial Position as deferred revenue due to the attached conditions of the funding. A reconciliation of the COVID-19 recovery response funding is included in note 10.

Apart from the general restrictions, no unfulfilled conditions or contingencies are attached to government funding (2021: \$nil).

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

Accounting policy

Creative New Zealand receives most of its funding from the NZLGB. The NZLGB allocates part of Lotto 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.

Breakdown of revenue from the New Zealand Lottery Grants Board Te Puna Tahua

	2022 \$000	2021 \$000
Funding allocation for the year (based on budgeted profit)	51,000	45,000
Additional allocation for the year (based on forecast profit)	1,500	8,250
Additional profit allocation (wash-up from current year's profit)	1,378	2,374
Additional profit allocation (wash-up from previous year's profit)	–	1
	53,878	55,625

5. Other revenue

Accounting policy

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

Other grants

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

Interest revenue

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

Donated assets

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

The fair value of donated assets is determined as follows.

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

Grant retirements

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

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

Breakdown of other revenue

	2022	2021
	\$000	\$000
Retirement of grants	330	952
Revenue from project partners	503	79
Revenue from ticket sales	1	18
Donations	91	1
Todd Corporation (Todd New Writer's Bursary)	10	10
Rental revenue	8	-
Other	70	41
	1,013	1,101

6. Personnel expenses

Accounting policy

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.

Breakdown of personnel expenses

	2022	2021
	\$000	\$000
Salaries and wages	8,033	7,011
Other staff-related costs	783	753
Employer contributions to defined contribution plans	231	196
Increase/(decrease) in employee entitlements	73	(37)
	9,120	7,923

During the year ended 30 June 2022, there were no employees who received compensation relating to the cessation of their employment with Creative New Zealand (2021: one employee received \$40,000).

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

	2022	2021
\$100,000 – \$109,999	10	10
\$110,000 – \$119,999	1	3
\$120,000 – \$129,999	9	7
\$130,000 – \$139,999	4	3
\$140,000 – \$149,999	3	Nil
\$150,000 – \$159,999	Nil	1
\$160,000 – \$169,999	1	Nil
\$170,000 – \$179,999	1	1
\$180,000 – \$189,999	2	Nil
\$200,000 – \$209,999	1	1
\$210,000 – \$219,999	Nil	1
\$300,000 – \$309,999	Nil	1
\$320,000 – \$329,999	1	Nil

The Chief Executive's remuneration and benefits is in the \$320,000 to \$329,999 band. The Chief Executive's remuneration and benefits in 2021 was in the \$300,000 to \$309,999 band, because the Chief Executive agreed to voluntarily take a 20 percent reduction in salary from 4 May 2020 for six months.

7. Depreciation and amortisation

	2022	2021
	\$000	\$000
Depreciation		
Leasehold improvements	48	41
Computer equipment	54	50
Furniture, equipment and fittings	41	38
Amortisation		
Computer software	283	281
	426	410

8. Other expenses

	2022	2021
	\$000	\$000
Fees to auditor – Audit New Zealand		
– for audit of financial statements	82	66
Board member remuneration (note 23)	183	174
Operating lease payments	404	370
Bad debt written off	33	–
Other expenses	2,734	2,060
	3,436	2,670

9. Expenses by investment category

Accounting policy

Grant expenses

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

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

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

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

Breakdown of expenses by investment category

	ACTUAL 2022 \$000	BUDGET unaudited 2022 \$000	ACTUAL 2021 \$000
INVESTING IN THE ARTS			
Toi Tōtara Haemata Investment programme	16,088	16,088	15,888
Toi Uru Kahikatea Investment programme	15,883	16,303	15,810
Grants and special opportunities	19,041	13,110	10,035
Creative Communities Scheme	3,942	3,995	3,943
International programme	1,507	1,436	182
COVID-19 emergency response			
Toi Tōtara Haemata short-term relief	–	–	166
Toi Uru Kahikatea short-term relief	–	–	164
Grants and special opportunities – Arts Continuity Grants	–	–	4,040
Initiatives and pilots – Emergency Relief Grants	–	–	30
COVID-19 emergency response*			
Toi Tōtara Haemata—Resilience Fund**	813	–	734
Toi Uru Kahikatea—Resilience Fund**	503	–	293
Creative Communities Scheme	1,000	–	1,764
Grants and special opportunities—Arts Grants	3,400	–	10,127
Grants and special opportunities—Mātauranga Māori Te Awe Kōtuku (Toi Ake Fund)	980	470	470
Initiatives and pilots—Pasifika Festivals Fund	3,772	3,800	2,339
	66,929	55,202	65,985

* A reconciliation of the COVID-19 recovery response funding is included in note 10.

** In 2021/22, \$0.716 million was invested into the Resilience Fund from Creative New Zealand's budget and \$0.600 million from the COVID-19 Delta relief funding.

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.

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

	ACTUAL 2022 \$000	BUDGET unaudited 2022 \$000	ACTUAL 2021 \$000
DEVELOPING THE ARTS			
Capability building—national programme	634	559	–
Capability building—international programme	440	495	313
Initiatives and pilots	2,911	3,785	2,069
COVID-19 recovery response*			
Toi Tōtara Haemata—Adaptation Fund	734	–	2,453
Toi Uru Kahikatea—Adaptation Fund	79	–	3,516
Capability building—Capability Fund (Tōtara and Kahikatea)	–	–	636
Capability building—Revenue Generation Fund (Tōtara and Kahikatea)	–	–	2,970
Capability building—Cultural Sector Capability Fund	166	1,800	–
Initiatives and pilots—Mātauranga Māori Te Awe Kōtuku (Tārai Waka and Taonga Pūoro)	1,240	1,240	558
Initiatives and pilots—Ngā Toi ā Rohe (Arts in the Regions) Fund	–	–	1,194
	6,204	7,879	13,709
ADVOCATING FOR THE ARTS			
Advocacy	801	1,152	609
	801	1,152	609
LEADERSHIP IN THE ARTS			
Capability building—national programme	3	120	55
Advocacy	73	500	–
	76	620	55

* A reconciliation of the COVID-19 recovery response funding is included in note 10.

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.

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

Breakdown of grants payable

	2022 \$000	2021 \$000
Toi Tōtara Haemata Investment Programme	7,694	7,676
Toi Uru Kahikatea Investment Programme	7,807	7,810
Grants and other investment categories	6,773	9,497
	22,274	24,983

10. Reconciliation of COVID-19 response revenue and expenses

Creative New Zealand received significant one-off investment from the Crown of \$31.073 million in 2020/21 through Budget 2020. This funding was restricted in its use towards achieving the following outcomes:

- 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 COVID-19 environment (\$1 million per annum over two years)
- manage the new Pasifika Culture and Heritage Fund to support Pasifika festivals throughout New Zealand that are facing financial hardship brought about by the COVID-19 crisis, as well as to develop their capability so they can operate in a COVID-19 environment (\$4 million per annum over three years)
- deliver to programmes under the Mātauranga Māori Te Awe Kōtuku Initiative, 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 (\$1.073 million in 2020/21 and \$1.755 million in 2021/22).

Further, \$5.47 million of the COVID-19 recovery response funding was allocated in 2021/22:

- to deliver to programmes under the Mātauranga Māori Te Awe Kōtuku initiative, in particular: to boost the existing Toi Ake contestable fund to support the retention of mātauranga and heritage ngā toi Māori artforms (\$0.47 million)
- to provide short-term support to the arts sector in response to the COVID-19 Delta variant (\$5 million).

Due to the exceptional circumstances of this funding, it is expected that any unspent funding relating to COVID 19 recovery response initiatives is to be returned to the Crown at the end of the period it is appropriated for. Due to the attached conditions of the funding, Creative New Zealand has recognised deferred revenue in the Statement of Financial Position for the unspent funds.

The reconciliation of COVID-19 recovery response funding revenue and expenses is detailed below.

		Toal allocation 2022 \$000	Revenue 2022 \$000	Deferred revenue – note 17 2022 \$000	Toal allocation 2021 \$000	Revenue 2021 \$000	Deferred revenue – note 17 2021 \$000
	NOTE						
CORE INFRASTRUCTURE AND ARTS DELIVERY							
Revenue from the Crown	3	-	813	-	25,000	24,187	813
EXPENSES							
Toi Tōtara Haemata and Toi Uru Kahikatea							
Adaptation and Capability Funds	9	-	813	-	7,417	6,604	813
Resilience Fund	9	-	-	-	1,027	1,027	-
Revenue Generation Fund	9	-	-	-	2,971	2,971	-

	NOTE	Toal allocation 2022 \$000	Revenue 2022 \$000	Deferred revenue – note 17 2022 \$000	Toal allocation 2021 \$000	Revenue 2021 \$000	Deferred revenue – note 17 2021 \$000
Grants and special opportunities							
Arts Grants and Annual Arts Grants, including tagged funding for Māori and Pasifika artists, arts practitioners, and arts organisations	9	–	–	–	9,856	9,856	–
Toi Ake – Mātauranga Māori Te Awe Kōtuku Fund top up	9	–	–	–	271	271	–
Initiatives and pilots							
Ngā Toi ā Rohe (Arts in the Regions) Fund	9	–	–	–	1,194	1,194	–
Creative Communities Scheme							
Creative Communities Scheme top up	9	–	–	–	900	900	–
Local Government Arts Fund	9	–	–	–	864	864	–
Operating costs					500	500	–
Total expenses		–	813	–	25,000	24,187	813

CULTURAL SECTOR CAPABILITY FUND

Revenue from the Crown	3	1,000	332	1,634	1,000	34	966
EXPENSES							
Capability building—Cultural Sector Capability Fund	9	900	166	1,634	900	–	900
Operating costs		100	166	–	100	34	66
Total Expenses		1,000	332	1,634	1,000	34	966

PASIFIKA FESTIVALS INITIATIVE

Revenue from the Crown	3	4,000	4,057	1,490	4,000	2,453	1,547
EXPENSES							
Initiatives and pilots —Pasifika Festivals Fund	9	3,801	3,772	1,490	3,800	2,339	1,461
Operating costs		199	285	–	200	114	86
Total expenses		4,000	4,057	1,490	4,000	2,453	1,547

	NOTE	Toal allocation 2022 \$000	Revenue 2022 \$000	Deferred revenue – note 17 2022 \$000	Toal allocation 2021 \$000	Revenue 2021 \$000	Deferred revenue – note 17 2021 \$000
MĀTAURANGA MĀORI TE AWE KŌTUKU INITIATIVE							
Revenue from the Crown	3	2,225	2,238	21	1,073	1,039	34
EXPENSES							
Grants and special opportunities —Toi Ake Fund	9	980	980	–	470	470	–
Initiatives and pilots —Tārai Waka and Taonga Pūoro	9	1,240	1,240	–	558	558	–
Operating costs		5	18	21	45	11	34
Total expenses		2,225	2,238	21	1,073	1,039	34
DELTA RELIEF							
Revenue from the Crown	3	5,000	5,000	–	–	–	–
EXPENSES							
Grants and special opportunities —Arts Grants	9	3,400	3,400	–	–	–	–
Creative Communities Scheme	9	1,000	1,000	–	–	–	–
Toi Tōtara Haemata and Toi Uru Kahikatea Investment programmes—Resilience Fund	9	600	600	–	–	–	–
Total expenses		5,000	5,000	–	–	–	–
TOTAL COVID-19 RECOVERY RESPONSE FUNDING		12,225	12,440	3,145	31,073	27,713	3,360

11. Cash and cash equivalents

Accounting policy

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

Breakdown of cash and cash equivalents

	2022 \$000	2021 \$000
Cash at bank and on hand	126	130
Term deposits with maturities less than three months	7,541	9,080
Total cash and cash equivalents	7,667	9,210

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

12. Investments in term deposits

Accounting policy

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

Breakdown of investments in term deposits

	2022 \$000	2021 \$000
Term deposits	22,000	22,000
Total investments in term deposits	22,000	22,000

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

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

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

13. Receivables

Accounting policy

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

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

Breakdown of receivables

	2022 \$000	2021 \$000
Receivables from non-exchange transactions		
New Zealand Lottery Grants Board	15,628	19,624
Goods and services tax receivable	598	388
Sundry receivables	60	151
Receivables from exchange transactions		
Interest receivable	59	46
Total receivables	16,345	20,209

Creative New Zealand does not expect any credit losses at 30 June. Receivables are non-interest bearing and are normally settled on 30-day terms. The carrying value of receivables approximates to their fair value. The ageing profile of receivables at year end is detailed on the next page.

	2022 \$000	2021 \$000
Not past due	16,323	20,104
Past due 1–30 days	–	–
Past due 31–60 days	22	54
Past due 61–90 days	–	51
Past due over 90 days	–	–
	16,345	20,209

14. Property, plant and equipment

Accounting policy

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

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

Additions

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

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

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

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

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

Disposals

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

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

Depreciation

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

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

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

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

Impairment of property, plant and equipment

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

Non-cash generating assets

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

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

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

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

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

	Work in progress* \$000	Leasehold improvements \$000	Furniture, equipment & fittings \$000	Computer equipment \$000	Total \$000
Cost					
Balance at 1 July 2021	15	369	439	493	1,316
Additions	-	243	59	66	368
Disposals	-	-	(1)	(17)	(18)
Reclassification	(15)	15	-	-	-
Balance at 30 June 2022	-	627	497	542	1,666
Accumulated depreciation					
Balance at 1 July 2021	-	141	274	387	802
Depreciation expense	-	48	41	54	143
Eliminated on disposal	-	-	(1)	(17)	(18)
Balance at 30 June 2022	-	189	314	424	927
Carrying amount at 30 June 2022	-	438	183	118	739
Cost					
Balance at 1 July 2020	-	369	426	494	1,289
Additions	15	-	13	58	86
Disposals	-	-	-	(59)	(59)
Reclassification	-	-	-	-	-
Balance at 30 June 2021	15	369	439	493	1,316
Accumulated depreciation					
Balance at 1 July 2020	-	100	236	396	732
Depreciation expense	-	41	38	50	129
Eliminated on disposal	-	-	-	(59)	(59)
Balance at 30 June 2021	-	141	274	387	802
Carrying amount at 30 June 2021	15	228	165	106	514

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

* The work in progress balance at 30 June 2021 relates to the fit out of the office space in Auckland, 59 High Street.

15. Works of art

Accounting policy

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

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

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

The works of art are stated at fair value at 30 June 2022 as determined by Ben Plumbly, Director of Art at Art+Object auction house. The works of art collection was revalued in May 2021 and tested for impairment in May 2022.

	2022 \$000	2021 \$000
Valuation		
Balance at 1 July	1,773	1,027
Revaluation increase/(decrease)	210	746
Carrying amount at 30 June	1,983	1,773

16. Intangible assets

Accounting policy

Software acquisition and development

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

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

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

Amortisation

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

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

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

Movements for computer software are as follows:

	2022 \$000	2021 \$000
Cost		
Balance at 1 July	2,224	3,685
Additions	7	22
Disposals	-	(1,483)
Balance at 30 June	2,231	2,224
Accumulated amortisation		
Balance at 1 July	1,257	2,459
Amortisation expense	283	281
Eliminated on disposal	-	(1,483)
Balance at 30 June	1,540	1,257
Carrying amount at 30 June	691	967

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

17. Payables and deferred revenue

Accounting policy

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

Breakdown of payables and deferred revenue

	2022 \$000	2021 \$000
Payables and deferred revenue under exchange transactions		
Trade payables	331	360
Revenue in advance (The Todd Trust)	10	10
Lease incentive – current portion (note 20.2)	19	16
Accrued expenses	236	84
	596	470
Payables and deferred revenue under exchange transactions		
Revenue in advance from the Crown (note 10)	3,145	3,360
Deferred GST payable	472	504
	3,617	3,864
Total payables and deferred revenue	4,213	4,334

Creative New Zealand has a bank credit card facility of up to \$200,000 (2021: \$200,000). At 30 June 2022, \$13,966 of the total facility was used (2021: \$16,478).

18. Employee entitlements

Accounting policy

Short-term employee entitlements

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

Long-term employee entitlements

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

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

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

	2022 \$000	2021 \$000
Current portion		
Accrued/(prepaid) salaries and wages	129	90
Annual leave	480	396
Long service leave	53	53
Time in lieu	4	14
Total current portion	666	553
Non-current portion		
Long service leave	81	82
Total non-current portion	81	82
Total employee entitlements	747	635

19. Equity

Accounting policy

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

- accumulated funds
- revaluation reserve
- restricted reserve.

Revaluation reserve relates to the revaluation of works of art (note 15).

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

Capital management

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

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

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

Breakdown of equity

	2022 \$000	2021 \$000
Accumulated funds		
Balance at 1 July	22,237	12,184
Net operating surplus/(deficit) for the year	(2,552)	10,001
Transfer of special purpose funds from restricted reserves	11	52
Balance at 30 June	19,696	22,237
Revaluation reserves (works of art)		
Balance at 1 July	1,773	1,027
Revaluation of works of art (note 15)	210	746
Balance at 30 June	1,983	1,773
Restricted reserves (special purpose funds)		
Balance at 1 July	811	863
Transfer of special purpose funds to accumulated funds	(11)	(52)
Balance at 30 June	800	811
Total equity	22,479	24,821

Restricted reserves (special purpose funds)

2022	Opening balance \$000	Revenue \$000	Expenses \$000	Closing balance \$000
Edwin Carr Foundation	599	8	20	587
Tup Lang scholarship fund	76	1	2	75
Louis Johnson fund	54	1	1	54
Butland Music Foundation	42	1	–	43
New Zealand/Aotearoa Music Scholarship	40	1	–	41
Total restricted reserves (special purpose funds)	811	12	23	800

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

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

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

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

The New Zealand/Aotearoa Music Scholarship comes from the estate of Brent Lewis. The deceased set aside \$160,000 from the estate to form a scholarship fund to be awarded over 10 years from 2010 at \$16,000 per year. The scholarship enables up to two young musicians to undertake study or gain further musical experience at a tertiary institution in New Zealand or overseas. Creative New Zealand is the Residual Beneficiary of the estate of Brent Lewis. On completion of 10 years, the remaining funds were transferred to Creative New Zealand with the expectation to award at least one further scholarship in 2020/21.

20. Capital commitments and operating leases

20.1. Capital commitments

	2022 \$000	2021 \$000
Capital commitments		
Property, plant and equipment	-	-
Total capital commitments	-	-

20.2. Operating leases

Accounting policy

Operating leases

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

	2022 \$000	2021 \$000
Operating leases as lessee, payable:		
Not later than one year	397	438
Later than one year and not later than five years	1,096	1,263
Later than five years	249	480
Total non-cancellable operating leases payable	1,742	2,181

Creative New Zealand leases office premises in Wellington and Auckland, a shared office space in Dunedin, video conferencing equipment, and multi-function print devices. The non-cancellable leasing periods for these leases range from one to nine years.

No contingent rents are payable and no sublease income is receivable on these operating leases.

In respect of the leased office in Wellington, 2-12 Allen Street, the landlord agreed to a two-month rent-free period from the lease start date of 1 August 2019. In respect of the leased office in Auckland, 59 High Street, the landlord agreed to a four-month rent-free period from 1 March 2021. The benefit of these lease incentives is recognised as a reduction of rental expense over the lease term of nine years and three years respectively.

Breakdown of lease incentive

	2022 \$000	2021 \$000
Current portion (note 17)	19	16
Non-current portion	38	57
Total non-cancellable operating leases payable	57	73

21. Contingencies

21.1. Contingent liabilities

	2022 \$000	2021 \$000
Bank of New Zealand Letter of Credit – Datacom Employer Services Limited	300	200

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

21.2. Contingent assets

	2022 \$000	2021 \$000
Invoiced to grantees in a default position	71	46

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

22. Related parties

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

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

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

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

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

Key management personnel compensation

	2022 \$000	2021 \$000
Council members		
Remuneration (note 23)	\$182,567	\$174,037
Full-time equivalent members	1.50	1.51
Leadership team		
Remuneration	\$1,311,509	\$1,113,544
Full-time equivalent members	6.38	5.44

23. Board member remuneration

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

Member	Tenure	2022 \$000	2021 \$000
Caren Rangī	Arts Council Deputy Chair from 1 May 2017; Arts Council acting Chair from 11 December 2020; Arts Council Chair from 22 March 2021	33,000	24,958
Michael Moynahan	Arts Council Chair from 1 May 2017 to 10 December 2020	–	12,437
Michael Prentice	Arts Council member; Chair of Audit and Risk Committee from 1 February 2020; Arts Council Deputy Chair from 1 November 2021	16,800	14,373
Garth Gallaway	Arts Council member; Audit and Risk Committee member	14,000	13,067
Roger King	Arts Council member; Audit and Risk Committee member to 15 December 2021	14,000	13,067
Hilary Poole	Arts Council member; appointed 1 November 2021; Audit and Risk Committee member from 15 December 2021	9,333	–
Dean Whiting*	Arts Council member; Chair of Māori Committee from 1 January 2019	–	–
Briar Grace-Smith	Arts Council member; Māori Committee member; appointed 1 May 2019; term ended 31 Dec 2021	7,000	14,000
Riria Hotere-Barnes	Arts Council member; Māori Committee member; appointed 9 December 2019	14,000	13,067
Kura Moehau	Arts Council member; Māori Committee member; appointed 25 February 2020	14,000	14,000
Luamanuao Dame Winnie Laban, QSO	Arts Council member; term ended 31 October 2021	4,667	13,067
John Ong	Arts Council member; appointed 9 December 2019	14,000	13,067
Janine Morrell-Gunn	Arts Council member; appointed 9 December 2019	14,000	13,067
Robyn Hunt	Arts Council member; appointed 25 February 2020	14,000	13,067
Ane Tonga	Arts Council member; appointed 1 November 2021	9,333	–
Angela Abernethy	Audit and Risk Committee independent member from April 2020	2,800	2,800
Bonita Bigham	Māori Committee independent member from May 2022	1,634	–
		182,567	174,037

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

No board members received compensation or other benefits in relation to cessation (2021: \$nil). Most Arts Council members agreed to voluntarily take a 20 percent reduction in their remuneration from 4 May 2020 for six months.

24. Financial instruments

Accounting policy

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

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

Creative New Zealand does not use derivative financial instruments.

24.1. Financial instrument categories

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

	2022 \$000	2021 \$000
Financial assets measured at amortised cost:		
Cash and cash equivalents	7,667	9,210
Receivables	15,747	19,821
Investments in term deposits	22,000	22,000
Total financial assets	45,414	51,031
Financial liabilities measured at amortised cost:		
Grants payable	22,274	24,983
Payables	596	470
Total financial liabilities	22,870	25,453

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

24.2. Financial instrument risks

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

Market risk

Price risk

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

Currency risk

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

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

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

Fair value interest rate risk

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

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

Cash flow interest rate risk

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

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

The interest rates for fixed-term deposits at 30 June 2022 were ranging between 0.61 percent and 2.04 percent (2021: between 0.55 percent and 1.43 percent). Call deposits were invested at the official cash rate (OCR) of 2.00 percent at 30 June 2022 (2021: 0.25 percent).

Credit risk

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

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

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

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

Impairment

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

Credit risk exposure by credit risk rating grades, excluding receivables

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

	2022 \$000	2021 \$000
Counterparties with credit ratings*		
Cash and cash equivalents		
A1/A+	7,667	9,210
Investments in term deposits		
A1/A+	22,000	22,000
Total financial assets	29,667	31,210
Counterparties without credit ratings		
Debtors and other receivables		
Existing counterparty with no defaults in the past	16,345	20,209
Existing counterparty with defaults in the past	-	-
Total financial assets	16,345	20,209

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

Liquidity risk

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

Contractual maturity analysis

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

2022 (in \$000)	Carrying amount	Contractual cash flows	Less than 6 months	Between 6–12 months	Over 1 year
Payables and deferred revenue	4,213	4,213	4,213	–	–
Grants payable	22,274	22,274	22,274	–	–
2021 (in \$000)					
Payables and deferred revenue	4,334	4,334	4,334	–	–
Grants payable	24,983	24,983	24,983	–	–

25. Events subsequent to balance date

No events have occurred after 30 June 2022 that materially affect these financial statements.

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

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

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

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

	2022 \$000	2021 \$000
Conditional funding, payable in out-years:		
Not later than one year	3,800	31,845
Later than one year and not later than two years	-	100
Total funding commitments as at 30 June	3,800	31,945

The variance in the amount between 2022 and 2021 is caused by the timing of the multi-year funding contracts and the timing of funding decisions.

In July 2022, the Arts Council approved \$104.923 million of funding over the three financial years (2022/23: \$34.560 million, 2023/24: \$34.791 million and 2024/25: \$35.572 million) for our investment programmes (23 organisations in the Toi Tōtara Haemata programme and 58 organisations in the Toi Uru Kahikatea programme). The investment programmes represent

about 55 percent of our investment in the arts sector. The funding is split as follows:

	2022 \$000
Conditional funding, payable in out-years, approved in July 2022:	
In 2022/23	34,560
In 2023/24	34,791
In 2024/25	35,572
Total funding commitments as at 31 July 2022	104,923

Independent Auditor's Report

To the readers of the Arts Council of New Zealand Toi Aotearoa's financial statements and performance information for the year ended 30 June 2022.

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

Opinion

We have audited:

- the financial statements of Creative New Zealand on pages 67 to 94, that comprise the statement of financial position as at 30 June 2022, the statement of financial performance, statement of other comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the performance information of Creative New Zealand on pages 13 to 35, and 43 to 62.

In our opinion:

- the financial statements of Creative New Zealand on pages 67 to 94:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2022; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the performance information on pages 13 to 35, and 43 to 62:
 - presents fairly, in all material respects, Creative New Zealand's performance for the year ended 30 June 2022, including:

- for each class of reportable outputs:
- its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
- its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 19 December 2022. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Arts Council and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

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

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

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

The Arts Council is responsible on behalf of Creative New Zealand for preparing financial statements and performance information that are fairly presented and

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

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

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

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

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

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the

information agreed to Creative New Zealand's statement of performance expectations.

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

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

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Creative New Zealand's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Arts Council.
- We evaluate the appropriateness of the reported performance information within Creative New Zealand's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Arts Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Creative New Zealand's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the

performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Creative New Zealand to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Arts Council is responsible for the other information. The other information comprises the information included on pages 1 to 100 but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

Independence

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

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



Andrew Clark

Audit New Zealand

On behalf of the Auditor-General

Wellington, New Zealand

Statement of responsibility

For the year ended 30 June 2022

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

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

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

In the opinion of the Arts Council, the financial statements and the Statement of Performance for the year ended 30 June 2022 fairly reflect the financial position and operations of Creative New Zealand.

Signed on behalf of the Arts Council



Caren Rangi ONZM | Manukura—Chair

Arts Council of New Zealand Toi Aotearoa

19 December 2022



Michael Prentice | Manukura Tuarua—Deputy Chair

Arts Council of New Zealand Toi Aotearoa

19 December 2022



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