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ISSN 2357-1659 (Print)

ISSN 2357-1667 (Online)

FRONT COVER:

FestPAC 2024, photography by Kura Moeahu

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In accordance with section 150(3) of the Crown Entities Act 2004, the Annual Report for 2023/24 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 2023/24 financial year—1 July 2023 to 30 June 2024—and reports against Creative New Zealand’s one output class: Promotion and support of the arts.



Kent Gardner
Manukura—Chair, Arts Council of New Zealand Toi
Aotearoa
25 October 2024



Hilary Poole
Mema o Te Kaunihera Toi Aotearoa
—Member, Arts Council of New Zealand Toi Aotearoa
25 October 2024

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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 Aotearoa for the benefit of all New Zealanders.

Our long-term strategic direction, *Te whakaputa hua ki te hunga o Aotearoa—Creating value for New Zealanders*, sets out our vision:

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

E te Arikini Kiingi Tuheitia Pōtatau Te Wherowhero VII, makea atu rā te pō ki ai o ne, ki ai o roa. Takahia atu rā ki roto i te huarahi ki te hunga e kokore e hoki mai, e kokore e hoki tinana mai.

This year saw the passing of Kiingi Tuheitia Pōtatau Te Wherowhero VII. Creative New Zealand has had a longstanding relationship with the Kingitanga. Generously, Kiingi Tuheitia, in remembrance of his mother Te Arikini Dame Te Atairangikaahu, gifted Creative New Zealand her name for the Te Waka Toi Supreme Award, now known as He Tohu Aroha mō Te Arikini Dame Te Atairangikaahu. His support over the years extended to the Festival of Pacific Arts and Culture, where he created connections between Ariki across Te Moana nui a Kiwa. Held in great esteem across this land, we honour Kiingi Tuheitia Pōtatau Te Wherowhero VII's life of service.

The arts continue to deliver value for New Zealanders across Aotearoa. Our *New Zealanders and the Arts—Ko Aotearoa me ōna Toi 2023* research shows that arts participation is at the highest level since the research began in 2005. It has increased from 37 percent to 54 percent over this period. Attendance has bounced back from a COVID 19 dip in 2020 and attitudes towards the arts are strong. Over 60 percent of New Zealanders agree that the arts help improve Aotearoa society, contribute positively to the economy and help define who we are as New Zealanders.

In 2023/24, we invested \$79.4 million in the arts through our funding, capability building, advocacy, leadership and partnership initiatives. Of our total revenue, \$49.5 million came from the New Zealand Lottery Grants Board Te Puna Tahua, 56 percent of total revenue for the year. Revenue of \$35.5 million from the Crown through Vote Arts, Culture and Heritage contributed 40 percent and included time-bound funding of \$18.8 million.

Achieving our three outcomes, **Greater public engagement with the arts, Stronger arts sector** and **Stronger arts**, is central to the value we create.

Achievements for 2023/24 include:

- over **337,000** participants in funded projects or events
- more than **3.9 million** attendances reported at funded arts experiences
- over **\$34 million** to support **80 organisations funded** through our multi-year Investment programmes, Toi Tōtara Haemata and Toi Uru Kahikatea
- **\$26.57 million** awarded through Grants and Special Opportunities. During the year, artists submitted 2,235 applications, with 494 projects successfully approved
- supporting the **Creative Communities Scheme**, run in partnership with territorial authorities, which awarded more than **\$5.1 million** through 1,832 grants to local communities throughout Aotearoa. The 1,230 projects completed in the period resulted in 144,756 reported participants among other achievements
- over **\$1.1 million** provided to support activities under *Te Hā o ngā Toi—Māori Arts Strategy* implementation
- over **\$2.3 million** provided to support activities under the *Pacific Arts Strategy*
- over **\$2.7 million** through capability building activities to provide opportunities for arts organisations and individual artists and arts practitioners to build their skills, with the goal of developing the arts community's capacity and capability to succeed
- more than **4,200** new New Zealand artworks developed.

Over the 2023/24 performance year, we have also:

- after extensive sector engagement, launched eight new *For the arts* contestable grant programmes that seek to make funding more accessible, easier to navigate and better meet the needs of the arts sector
- launched the *Tapatahi Accessibility Policy and Action Plan 2023–2028*, which guides our work with and for Deaf and disabled artists and arts practitioners, turi Māori, tāngata whaikaha Māori and disability communities, and ensures we are accessible to all New Zealanders
- delivered **capability resources** that support the arts sector to implement the principles and practice guidelines in our *Remuneration Policy for Artists and Arts Practitioners*

- supported the sector in making the case for the arts, through developing shared tools, evidence and research, including the launch of **Fact Finder: Evidence for stronger advocacy and decision-making.**

The 2023/24 year has not been without its challenges. Since 2018/19, the landscape has changed. Significant COVID-19 recovery investment increased demand for our funding and created new expectations. High inflation has reduced the purchasing power of grants.

In response, as signalled in our *Statement of Performance Expectations 2024/25*, we're looking hard at where we invest our resources, to achieve the greatest value for the arts community and the public.

We've started this journey with a review of our contestable grant programmes. We introduced the new *For the arts* programmes this year, to support arts communities in ways that better reflect their needs. We're pleased to see a significant increase in customer satisfaction following the introduction of these programmes. This indicates the changes we've made are working for the sector.

In 2024/25, we're looking at how we can best support arts organisations. This includes the 80 we support through our two investment programmes (Toi Tōtara Haemata and Toi Uru Kahikatea), which comprise around 60 percent of what we invest in the arts sector.

We're also looking at how we organise ourselves, how we can work as efficiently and effectively as possible and maximise investment in the sector.

As well as pressure on funding sources, the arts sector continues to be affected by wider economic conditions. These include increases in the cost of delivering arts experiences because of high inflation, general cost of living pressures and high interest rates.

In response, over 2024/25 we've committed to looking at how we can help the sector to increase revenue through private sector support.

We're also continuing to highlight the disparity between the high levels of public engagement with and support for the arts and the benefits that flow to the creative practitioners who make the work. Our *Profile of Creative Professionals 2023* research shows the median income for creative professionals at less than two-thirds of wage and salary earners, at \$37,000. That figure includes all sources of income (most creative professionals are gig economy workers); the median creative income is \$19,500.

If we want to continue enjoying the many benefits the arts offer, it is vital we think about the strategic and structural changes that will ensure the makers of our creative culture benefit, fairly, too.

This year has seen the passing of several senior arts leaders, and we acknowledge their significant contributions to the artistic and cultural life of Aotearoa.

Within our own house, we celebrate the life of Cathryn Laban who worked for Creative New Zealand; her mana and advocacy uplifted her community and all those around her. *Ia manuia lau malaga.*

On behalf of the Arts Council, we thank outgoing Arts Council Chair, Caren Rangi, and Deputy Chair, Michael Prentice for the important contribution they have made to Creative New Zealand. Caren and Michael's longstanding and considered advice to the governance of Creative New Zealand has been a support to the organisation.

Inspired by our arts communities, we are committed to working together with dedication, heart and manaaki to meet challenges and realise opportunities. We thank New Zealanders for their continued participation, engagement and support for the arts.

Mā whero, mā pango ka oti ai te mahi.

With red and black the work will be complete.



Kent Gardner
Manukura—Chair, Arts Council of New Zealand Toi Aotearoa
25 October 2024



Stephen Wainwright
Tumu Whakarae—Chief Executive, Creative New Zealand
25 October 2024

Part one

Introduction

Kupu Arataki

About the Arts Council and Creative New Zealand

Mō te Kaunihera Toi me Toi Aotearoa

OUR VISION

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

OUR PURPOSE

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

OUR VALUES

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

Tauiwī—we recognise New Zealand’s distinctive cultural and social diversity and work to make sure arts opportunities are available for all.

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

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

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

Te Taumata—we set high standards for our work.

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

Manaakitanga—we are welcoming and responsive to all.

Our strategic direction underpinning our work in 2023/24 *To tātou māhere rautaki e hono nei o tātou mahi mō ngā 2023/24*

Our strategic direction to 2029, *Te whakaputa hua ki te hunga o Aotearoa—Creating value for New Zealanders*, describes how we create long-term value for New Zealanders through our support for the arts and ngā toi.¹

Te whakaputa hua ki te hunga o Aotearoa—Creating value for New Zealanders describes, through four strategic perspectives, the environment we operate in, the relationships between the parts of the system, and how they work together to deliver value.

The model should be read as a ‘virtuous circle’ (page 12) where strengthening one segment leads to the strengthening of the next and so on. Over time, this approach will increase the value the arts deliver for all New Zealanders.

For each perspective, we’ve identified a goal we want to achieve by 2029.

Mana and Support Perspective
The mechanisms and entities that guide our strategic intentions and whose support influences our resources and authority
Our 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
Creative New Zealand Perspective
The strategies and policies that guide our work and strategic intentions, the resources we have and the services we deliver
Our goal: We have the strategies, services and operational capacity to drive the development of the arts and ngā toi in New Zealand.
Sector perspective
The artists and arts organisations, collaborators and partners we work with and who contribute to our outcomes.
Our goal: We work collaboratively with others developing a dynamic and resilient arts sector and building support for New Zealand arts and ngā toi in Aotearoa, Te Moana-nui-a-Kiwa and the world.
Outcomes and Value Perspective
The difference we want our work to make and the value we create for New Zealanders through our support for the arts and ngā toi.
Our goal: We can clearly articulate how our work and engagement in the arts and ngā toi deliver value for all New Zealanders.

¹ Toi is broadly understood as ‘art’ or ‘knowledge’ (source: Te Aka Māori Dictionary: www.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 wider meaning and significance.

When we refreshed our Statement of Intent in 2022, we committed to three focus areas we believed would help to lift the sector out of the challenges associated with the COVID-19 pandemic and contribute to the goals established in our long-term strategic direction.

Resilience —Manahau

Developing a resilient and sustainable arts sector, including sustainable arts sector careers

Access, inclusion and equity —Te uru, te whakauru me te mana taurite

Ensuring our services and the arts are accessible to, inclusive of and equitable for all New Zealanders

Wellbeing —Oranga

Embedding a recognition of the role of the arts and ngā toi in contributing to the wellbeing of New Zealanders

Looking ahead, by focusing on these strategic focus areas, we want to see change in:

- how we deliver our services
- how the arts sector operates
- how society values and supports the arts and ngā toi.

The strategic focus areas have guided our deliverables in 2023/24 and supported how we achieve our long-term outcomes.

For more information on our focus areas, and the links between them and our strategic direction to 2029 (*Te whakaputa hua ki te hunga o Aotearoa—Creating value for New Zealanders*), see our [Statement of Intent 2022–2026](#)

Our strategic direction for 2019–2029—Creating value for New Zealanders

Te ara ā-rautaki e whāia ana e mātau i ngā tau 2019-2029

—Te whakaputa hua ki te hunga o Aotearoa

OUTCOMES AND VALUE PERSPECTIVE

Our goal: We can clearly articulate how our work and engagement in the arts and ngā toi deliver value for all New Zealanders

MANA AND SUPPORT PERSPECTIVE

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



SECTOR PERSPECTIVE

Our goal: We work collaboratively with others developing a dynamic and resilient arts sector, and building support for New Zealand arts and ngā toi in Aotearoa, Te Moana-nui-a-Kiva and the world

CREATIVE NEW ZEALAND PERSPECTIVE

Our goal: We have the strategies, services and operational capacity to drive the development of the arts and ngā toi in New Zealand

Te Kaupapa o Toi Aotearoa— the Creative New Zealand way

At the heart of *Te whakaputa hua ki te hunga o Aotearoa—Creating value for New Zealanders* is Te Kaupapa o Toi Aotearoa—the Creative New Zealand way.

Our strategic direction to 2029 and *Statement of Intent 2022–2026* set out **what** we want to achieve. Te Kaupapa o Toi Aotearoa helps 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, we want to work in a way that enhances the mana of people and communities. Our work 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.

Our work is guided by three principles.

- **Whakamana i te Tiriti:** Giving effect to both Māori sovereignty and partnership aspirations embedded in Te Tiriti o Waitangi.
- **Tuku Rauemi:** Empowering and enabling the communities we work with to determine their futures.
- **Mana aki i te Tangata:** Amplifying reciprocity and wellbeing in the way we work.

Under our Te Kaupapa o Toi Aotearoa work programme, we are developing 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.

We expect our thinking under Te Kaupapa o Toi Aotearoa to inform how we articulate our strategic intentions in the future, including our long-term strategic direction, *Creating value for New Zealanders*.

Our programme has three phases to build staff capability and develop and embed Te Kaupapa in the way we work.

- **Pou Tuatahi:** Understanding Te Kaupapa o Toi Aotearoa started in July 2021.

- **Pou Tuarua:** Building our organisational baseline capacity to be multi-lensed followed in 2022/23.
- **Pou Tuatoru:** Embedding Te Kaupapa o Toi Aotearoa into significant governance and management policies and ways of working is the focus for 2023/24.

Our work to date is summarised on page 43.

We are privileged to work with mana whenua partners in the locations where our offices are based (Tāmaki Makaurau—Auckland—and Te Whanganui-a-Tara—Wellington), and with many tohunga and mātanga around the motu who have generously shared their mātauranga to support us as we rechart our course for the future.

Te Waka Toi Pātaka

Te Waka Toi Pātaka—our Mātauranga Māori Framework—enables a Māori world view to guide how we work and make decisions.² Te Waka Toi Pātaka anticipates a wider view of wellbeing. It incorporates the social, cultural, environmental and economic value of ngā toi Māori, and responds to the aspirations of the ngā toi Māori sector.

Together, the elements of the Pātaka ask us to consider how Creative New Zealand contributes to the following.

- **Manahau**—resilience.
- **Kawenga**—our collective responsibilities to nurture and protect the arts and culture for future generations.
- **Whakarite**—balance—the relationship between the past and present and the importance of engagement and connection.
- **Hononga Whenua**—connection to Papatūānuku and those things that anchor us together.
- **Whanaketanga**—development, including adaption and innovation.
- **Hononga Tīpuna**—whakapapa and the ancestral connections that make our artforms distinctive.
- **Maiatanga**—potential.
- **Hapori**—communities that uphold the integrity of the arts.
- **Āwhina me te Ākina**—the role of the public sector in strengthening and advocating for the arts.

² Te Waka Toi Pātaka is described in more detail in [Te Hā o ngā Toi—Māori Arts Strategy 2019–2024](#)

Part two

Statement of performance

Te tauki whakatutuki i ngā mahi

Our performance framework for 2023/24

Tā mātau anga ā-whāinga mahi i ngā tau 2023/24

Our performance framework stems from our long-term strategic direction, *Te whakaputa hua ki te hunga o Aotearoa—Creating value for New Zealanders*. Our performance framework for 2023/24 is on page 16.

Over the 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**.

Our work is guided by the Arts Council of New Zealand Toi Aotearoa Act 2014, by government priorities and the sector-wide priorities outlined in the Manatū Taonga Ministry for Culture and Heritage's Cultural Sector Strategic Framework.

We report on our performance against all measures and indicators set out in the *Statement of Performance Expectations 2023/24* in the following pages.

Creative New Zealand performance framework 2023/24



Our outcomes

Our outcomes describe the difference we want our work to make. They are an important element of how we achieve our vision for Dynamic and resilient New Zealand arts, valued in Aotearoa and internationally. Investment across outcomes shifts from year to year, in line with our priorities (figure 1) including how we assess applications to our funding programmes and deliver our development and advocacy initiatives.

Figure 1: Investment in our outcomes, 2020/21–2023/24



	2020/21	2021/22	2022/23	2023/24
New Zealander's participate in the arts	\$15,561,773	\$15,407,572	\$14,359,681	\$18,095,102
High-quality arts is developed	\$19,669,398	\$14,665,149	\$13,898,214	\$17,241,821
New Zealander's experience high-quality arts	\$15,047,174	\$14,367,845	\$13,234,496	\$14,240,572
New Zealand arts gain international success	\$7,423,713	\$9,058,909	\$9,001,789	\$10,424,411
New Zealand's art sector is resilient	\$17,844,286	\$14,891,909	\$17,521,142	\$14,473,212
New Zealand arts are valued and supported	\$4,811,188	\$5,618,497	\$5,616,925	\$4,941,890

Highlights and achievements

We are proud of the artists, practitioners and arts organisations we have helped this year and the audiences that have supported them. This includes:

- more than **4,200** high-quality New Zealand artworks being developed
- over **700** opportunities (exhibition days or activities) for audiences to experience Creative New Zealand-funded works on the international stage
- over **337,000** participants in projects or events funded by Creative New Zealand
- more than **3.9 million** attendances reported at arts experiences across the country.

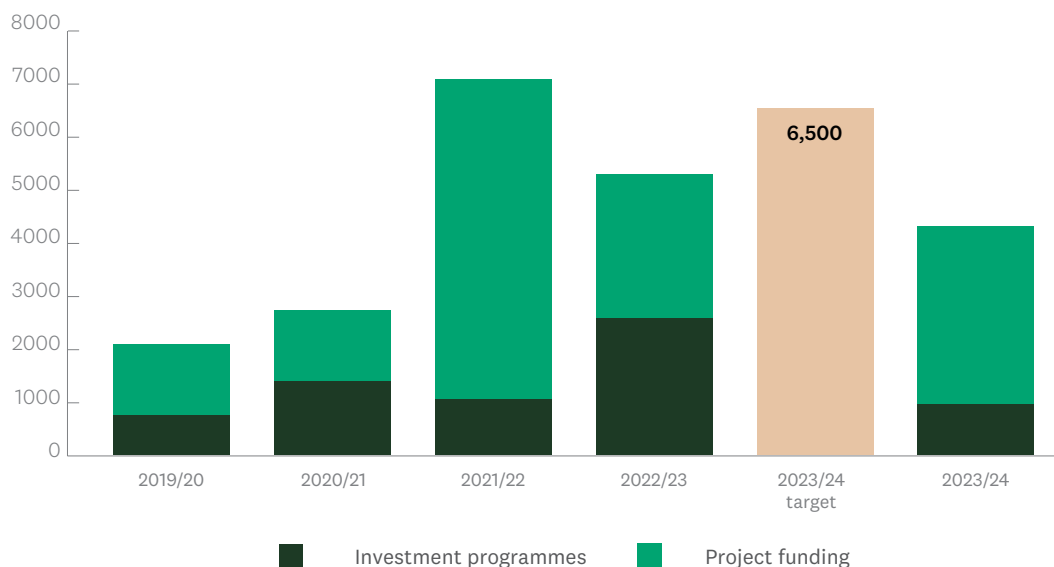
Reporting performance against outcomes measures

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

1.1 Performance measure: Number of new New Zealand works developed

— Did not meet target

Figure 2: Number of new New Zealand works developed by programme, 2019/20–2023/24



	2019/20	2020/21	2021/22	2022/23	2023/24
Investment programmes	741	1,369	4,040	2,564	936
Project funding	1,337	6,013	5,446	2,711	3,350
Total	2,078	7,382	6,486	5,275	4,286

Transition to the new *For the arts* contestable funding programme created forecasting uncertainty for 2023/24 and projected new works were lower than anticipated.

The 2023/24 target is an estimate based on what may be supported in the coming year with actual projects funded determining how many works are developed.

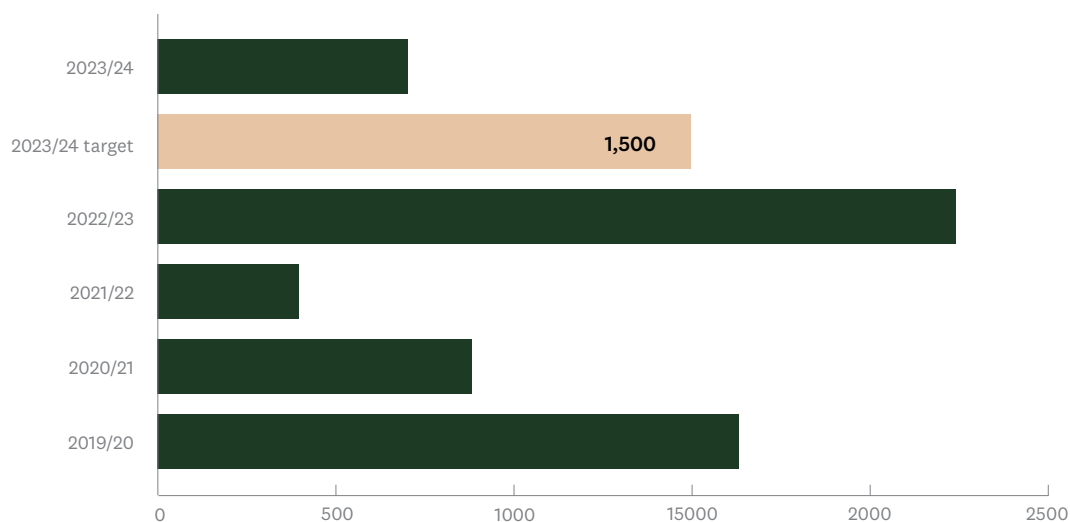
The 2023/24 result was lower than the previous period. This can be attributed to a single online music project supported through contestable project funding in 2022/23 that reported 1,381 new works. This activity was not repeated in 2023/24.

Toi Tōtara Haemata and Toi Uru Kahikatea Investment Programme organisations developed 936 new New Zealand works in 2023/24, and a further 3,350 works were created through contestable project funding. Increases are reported in Community arts (up by 574), Customary Māori arts (up by 394) and Multidisciplinary arts (up by 195). Increases are offset by a decrease in Pacific heritage arts (down by 396).

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

1.2 Performance measure: Number of international arts activities and events funded
— Did not meet target

Figure 3: Number of international arts activities and events funded, 2019/20–2023/24



	2019/20	2020/21	2021/22	2022/23	2023/24
Number of international arts activities and events funded	1,637	884	367	2,248	705

Forecasting for 2023/24 anticipated that international activities would increase following the lifting of COVID-19 restrictions.

The 2023/24 target is an estimate based on what may be supported in the coming year with actual projects funded determining how many activities and events will occur.

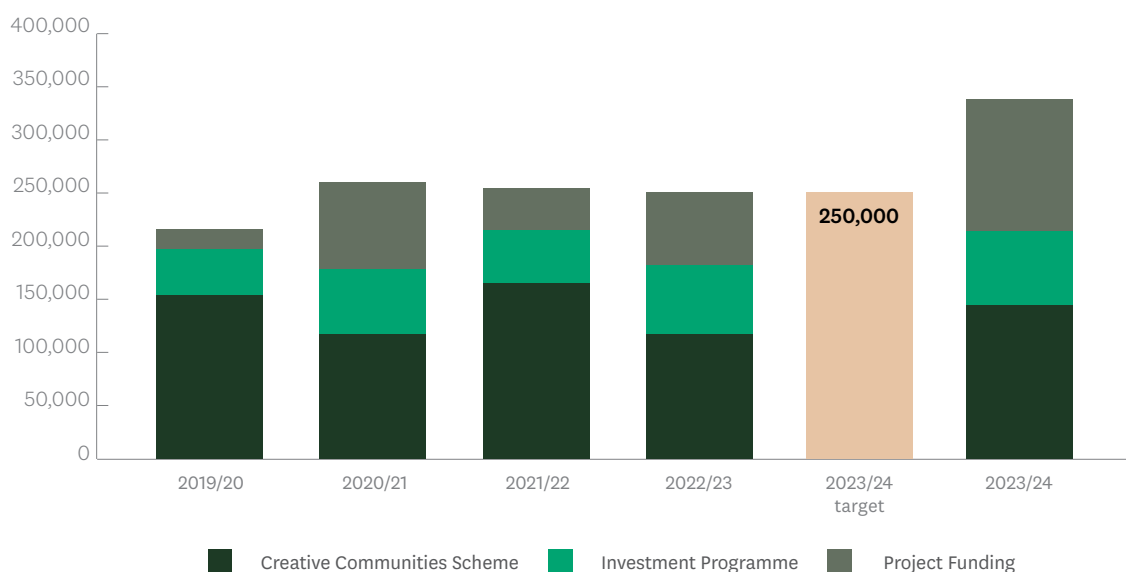
The decrease in activities and events, compared with 2022/23, is due to International programme biennial events.³ In 2022/23, long-running visual arts exhibitions were held, with each exhibition day counting as an opportunity. Visual arts exhibitions in Australia resulted in 1,250 exhibition days (Queensland Art Gallery, Art Gallery of New South Wales and Biennale of Sydney) and the 59th La Biennale di Venezia 2022 (23 April to 27 November 2022) resulted in 218 exhibition days reported in the period. Neither exhibition was offered in 2023/24.

³ Events are the number of opportunities audiences have to experience arts activities, for example, each time a play, concert or dance performance occurs, or each day an exhibition is open to the public.

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

1.3 Performance measure: Number of participants in arts activities funded by Creative New Zealand— Target exceeded

Figure 4: Number of participants in arts activities funded by Creative New Zealand, by programme, 2019/20–2023/24



	2019/20	2020/21	2021/22	2022/23	2023/24
Creative Communities Scheme	153,895	116,917	164,675	117,107	144,756
Investment Programme	43,281	61,131	50,001	65,018	69,030
Project Funding	18,789	81,725	39,897	68,401	123,753
Totals	215,965	259,773	254,573	250,526	337,539

Participation includes the active involvement of individuals, groups and/or communities in the making or presentation of art. It applies to professional, emerging and non-professional artists, including those involved in cultural and recreational activities.

The 2023/24 result is an increase of 87,031 participants, or 35 percent, compared with the previous year (figure 4). COVID-19 festival funding through the Pasifika Festivals Initiative and Creative Communities Scheme allowed more artists and arts organisations to make and present art in 2023/24.

The increase in participation through project funding (up by 55,352 participants or 81 percent) can be attributed to the Pasifika Festivals Initiative, with 59,241 reported

participants from 35 projects. As a result, a significant increase occurred in participation in Community arts (up by 21,650 or 63 percent) and Multidisciplinary arts (up by 28,820 or 282 percent).

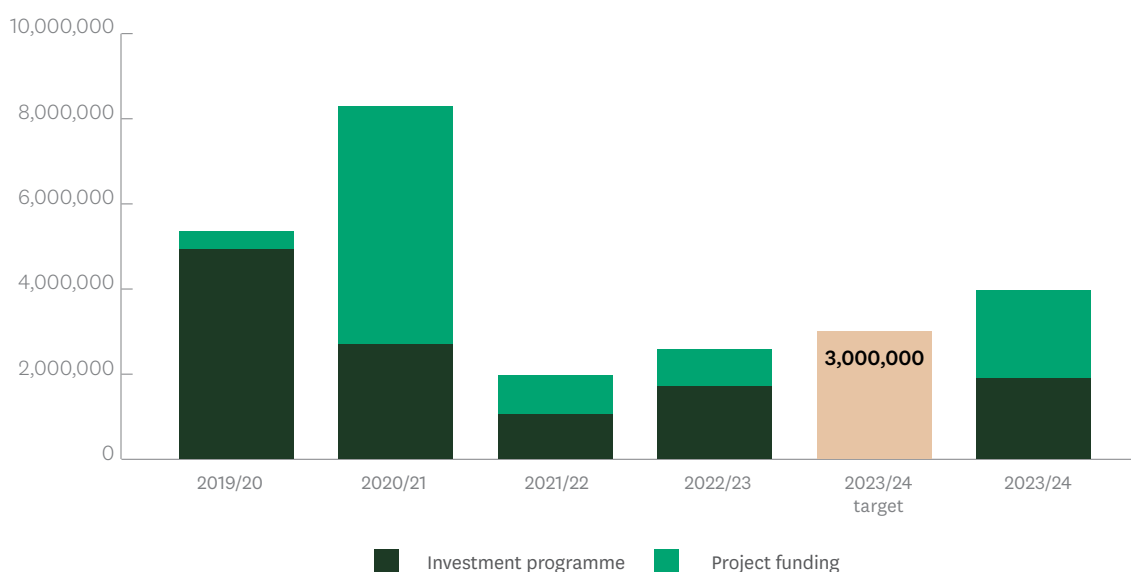
Territorial authorities reported increased participation levels through the Creative Communities Scheme as a result of additional COVID-19 festival funding. Participation numbers for 2023/24 represent an increase of 24 percent on 2022/23.

Toi Tōtara Haemata and Toi Uru Kahikatea Investment Programme organisations reported participation levels consistent with the previous year.

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

1.4 Performance measure: Number of attendances at arts activities and events funded by Creative New Zealand— Target exceeded

Figure 5: Number of attendances at arts activities and events funded by Creative New Zealand, by programme, 2019/20–2023/24



	2019/20	2020/21	2021/22	2022/23	2023/24
Investment programme	4,938,464	2,710,580	1,047,879	1,718,991	1,909,377
Project funding	429,221	5,608,169	924,537	866,269	2,078,115
Totals	5,367,685	8,318,749	1,972,250	2,585,260	3,987,492

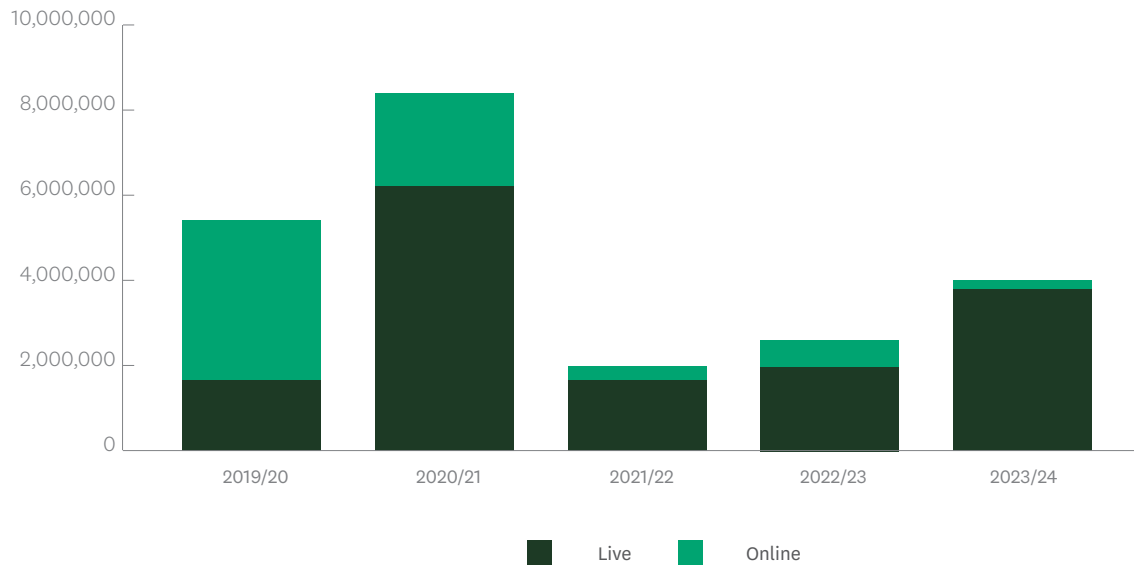
This measure refers to audience numbers, including paid audiences, readers, viewers and attendances at free events.

Attendances in 2023/24 show an increase of 1.402 million, or 54 percent, compared with the previous year (figure 5).

Attendances at Investment programme-delivered activities increased 11 percent from 2022/23. The 2023/24 result consists of 1,783,161 live attendances and 195,516 online attendances. The increase in live attendances was recorded in Multidisciplinary arts (up by 233,328 or 211 percent), Literature, and Visual arts artforms. As with earlier participation results, the result can be attributed to increased attendances at festival activities in 2023/24. The decrease in online attendance (figure 6) has been recorded in Multidisciplinary arts and Literature artforms.

Project-funded attendances were up 140 percent from 2022/23. The significant increase is attributable to the Pasifika Festivals Initiative (771,562 attendances) and contestable festival grants (154,049 attendances). Cuba Dupa, in Wellington, returned in 2023, after having been cancelled in 2022, with 121,550 attendances and a body of musical work inspired by Toi Māori using the voices of Taonga Pūoro, which drew 210,000 attendees.

Figure 6: Number of attendances at arts activities and events funded by Creative New Zealand, across all programmes, online versus live, 2019/20–2023/24

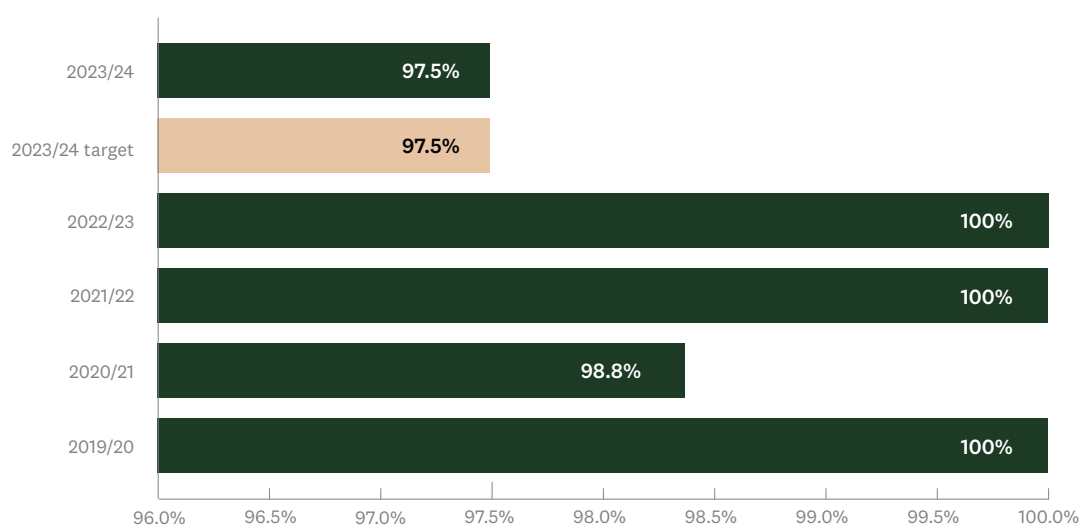


	2019/20	2020/21	2021/22	2022/23	2023/24
Live	1,642,587	6,164,582	1,650,917	1,961,756	3,760,591
Online	3,725,098	2,154,167	321,333	623,504	226,901
Totals	5,367,685	8,318,749	1,972,250	2,585,260	3,987,492

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

1.5 Performance measure: Percentage of Tōtara and Kahikatea investment organisations that meet or exceed expectations set in their funding agreements across the three dimensions: quality of artistic programme; financial health; organisational health— Target met

Figure 7: Percentage of Investment programme organisations that meet or exceed expectations set in their funding agreements, 2019/20–2023/24



	2019/20	2020/21	2021/22	2022/23	2023/24
Investment programme organisations that meet or exceed expectations	100%	98.8%	100%	100%	97.5%

Of the 80 organisations in the Toi Tōtara Haemata and Toi Uru Kahikatea Investment programmes, 78 (97.5 percent) met or exceeded overall expectations across the three dimensions (quality of artistic programme; financial health; organisational health) from January to June 2024 (figure 7).

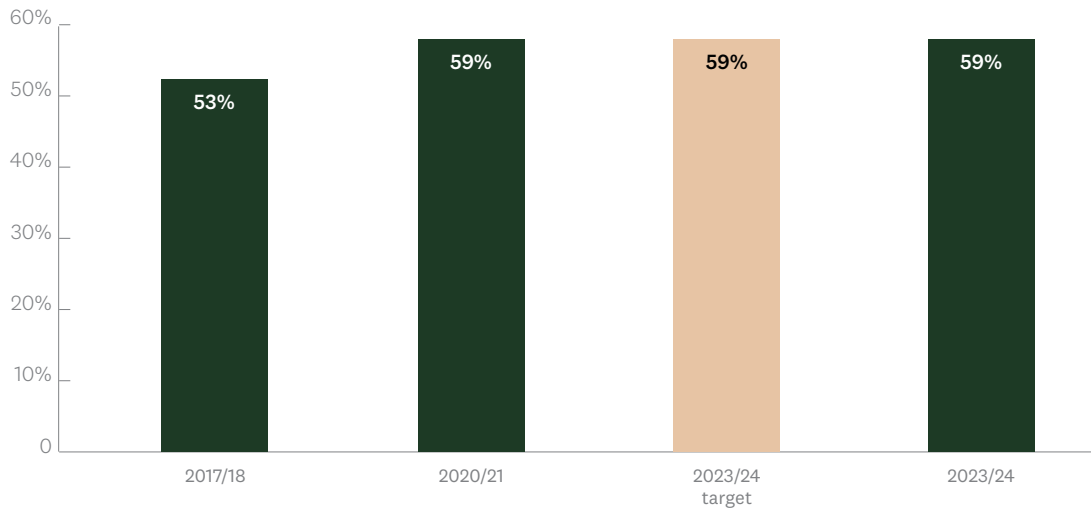
Eight organisations in the portfolio have not met expectations for Financial Health and one organisation has not met expectations for Organisational Health. In the previous four years, due to the significant effect of COVID-19 on investment organisations, the expectations were adjusted to the new operating context. Organisations in general managed themselves well during the challenging COVID-19 period.

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

1.6 Index rating for how New Zealanders perceive the value of the arts to New Zealand (New Zealanders and the Arts 2023 survey)

— Target met (considered no change)

Figure 8: Index rating for how New Zealanders perceive the value of the arts to New Zealand (New Zealanders and the Arts 2023 survey), 2017/18, 2020/21 and 2023/24

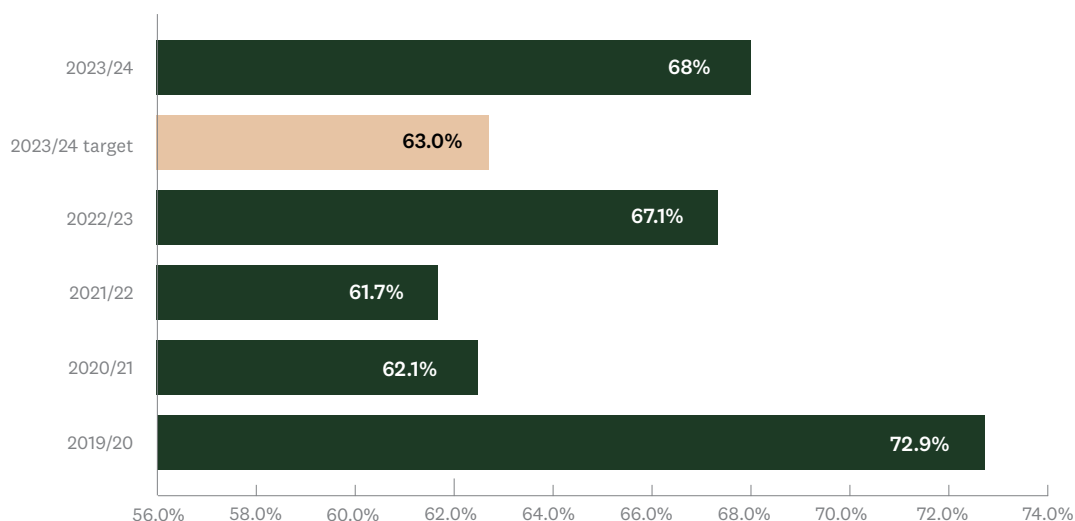


	2017/18	2020/21	2023/24
Index rating for how New Zealanders perceive the value of the arts to New Zealand (New Zealanders and the Arts 2023 survey)	53%	59%	59%

The index rating for how New Zealanders perceive the value of the arts to New Zealand (2023 *New Zealanders and the Arts—Ko Aotearoa me ōna Toi* survey) shows New Zealand arts are valued. The target for 2023 was based on the 2020 survey result of 58.7 percent. The 2023 index rating is consistent with the 2020 result and based on the average of the following three individual measures: The arts should receive public funding (2023 result: 62 percent); My community would be poorer without the arts (2023 result: 53 percent); The arts help improve New Zealand society (2023 result: 60 percent).

1.7 Performance measure: Average percentage of ‘other’ (non-Creative New Zealand) investment across Tōtara and Kahikatea organisations— Target exceeded

Figure 9: Average ‘other’ (non-Creative New Zealand) investment per organisation, 2019/20 to 2023/24



	2019/20	2020/21	2021/22	2022/23	2023/24
Average ‘other’ (non-Creative New Zealand) investment per organisation	72.9%	62.1%	61.7%	67.1%	68%

Using the Toi Tōtara Haemata and Toi Uru Kahikatea Investment Programme organisations as a proxy, we can show support for the arts sector by measuring the level of revenue arts organisations generate from sources other than Creative New Zealand. The result is calculated as a proportion of total ‘other’ (non-Creative New Zealand) revenue over the total revenue for all Investment Programme organisations. The result is based on the calendar year financial information, for example, the current year 2023/24 is based on the 2023 calendar year actual financial information (January to December 2023).

For the 2023 calendar year, the average ‘other’ (non-Creative New Zealand) investment in our investment clients increased by 10 percent to \$114.5 million (2022: \$103.6 million). The support for arts organisations has grown through revenue from sales (by \$5.8 million or 30 percent), local authority grants (by \$2 million or 12 percent), fundraising and donations (by \$1.3 million or 22 percent) and other income (by \$1.3 million or 51 percent), while a decrease was recorded in funding from other government agencies (by \$2.2 million or 26 percent).

While the total revenue of the Investment Programme organisations in 2023 has increased, when inflation is taken into consideration, it is still below the 2019 pre-COVID-19 level in real terms. Revenue from sales, at \$24.8 million, is still below the pre-COVID-19 level of \$28.4 million.

Our deliverables

Our deliverables are what we do to achieve our outcomes and support our strategic goals, as set out in our Statement of Intent 2022–2026. They are also the levers and settings we adapt each year based on the needs of the sector and our guiding strategies. We invested over \$79.417 million in the arts sector in 2023/24 through five core deliverables (table 1).

Most of Creative New Zealand’s work is delivered through Investing in the arts across eight main investment categories (table 2). In 2023/24 we transitioned to our new *For the arts* contestable grants programme to make funding more accessible and better meet the needs of the arts sector. The change reflects what we learned through engagement at workshops across Aotearoa New Zealand. Artists and arts organisations reported they wanted deeper connections to us, with relationships based on trust, respect and longevity. We heard that an intentional and significant shift was needed both in the way we fund and work with the sector.

We heard that the sector did not want us to limit the number of applications we accept. We have simplified our processes, removed application caps and are now receiving more proposals than ever. Working in this way may be more resource-intensive so, in 2024/25, we will look at how we can continue to do this effectively and efficiently. We believe, however, this relational way of working will deliver greater value for the sector and ultimately for Aotearoa New Zealand communities.

The following pages detail how we have worked across our deliverables in 2023/24. The artists, practitioners and arts organisations we support help us achieve our outcomes (pages 17–25) and provide positive change for New Zealanders.

Table 1: Creative New Zealand expenditure across deliverables, 2019/20–2023/24 (excluding operating costs)

Deliverables	2019/20		2020/21		2021/22		2022/23		2023/24	
	\$\$	%	\$\$	%	\$\$	%	\$\$	%	\$\$	%
Investing in the arts	67,125,654	96%	65,984,752	82%	66,928,840	91%	64,139,046	87%	70,271,928	88
Developing the arts	2,372,652	3%	13,708,672	17%	6,204,330	8%	7,395,553	10%	7,170,999	9
Advocating for the arts	648,129	>1%	609,331	>1%	801,107	1%	1,353,878	2%	1,504,392	2
Leadership in the arts	92,147	>1%	54,778	>1%	75,604	>1%	743,771	1%	469,690	1
Total	70,283,582		80,357,533		74,009,881		73,632,248		79,417,009	

Table 2: Creative New Zealand expenditure across investment categories, 2019/20–2023/24

Investment categories	2019/20		2020/21		2021/22		2022/23		2023/24	
	\$\$	%	\$\$	%	\$\$	%	\$\$	%	\$\$	%
Tōtara programme	16,461,999	23%	19,241,906	24%	17,634,144	24%	17,070,418	23%	16,191,767	20
Kahikatea programme	17,145,413	24%	19,782,559	24%	16,465,746	22%	19,196,074	26%	17,980,494	23
Grants and special opportunities	17,704,415	25%	24,672,154	31%	23,421,133	32%	18,122,457	25%	26,573,394	33
Creative Communities Scheme	3,944,668	6%	5,706,561	7%	4,941,500	6%	3,943,032	5%	5,131,147	7
International programme	1,851,405	3%	495,048	1%	1,947,310	3%	1,872,890	3%	2,785,958	4
Initiatives and pilots	11,778,149	17%	6,188,643	8%	7,922,918	11%	9,613,955	13%	6,227,605	8
Capability building	688,196	1%	3,661,332	5%	803,554	1%	1,794,698	2%	2,769,871	3
Advocacy	664,336	1%	609,331	1%	873,576	1%	2,018,725	3%	1,756,773	2
Total invested	70,238,581		80,357,534		74,009,881		73,632,249		79,417,009	

Highlights and achievements in 2023/24

Investing in the arts

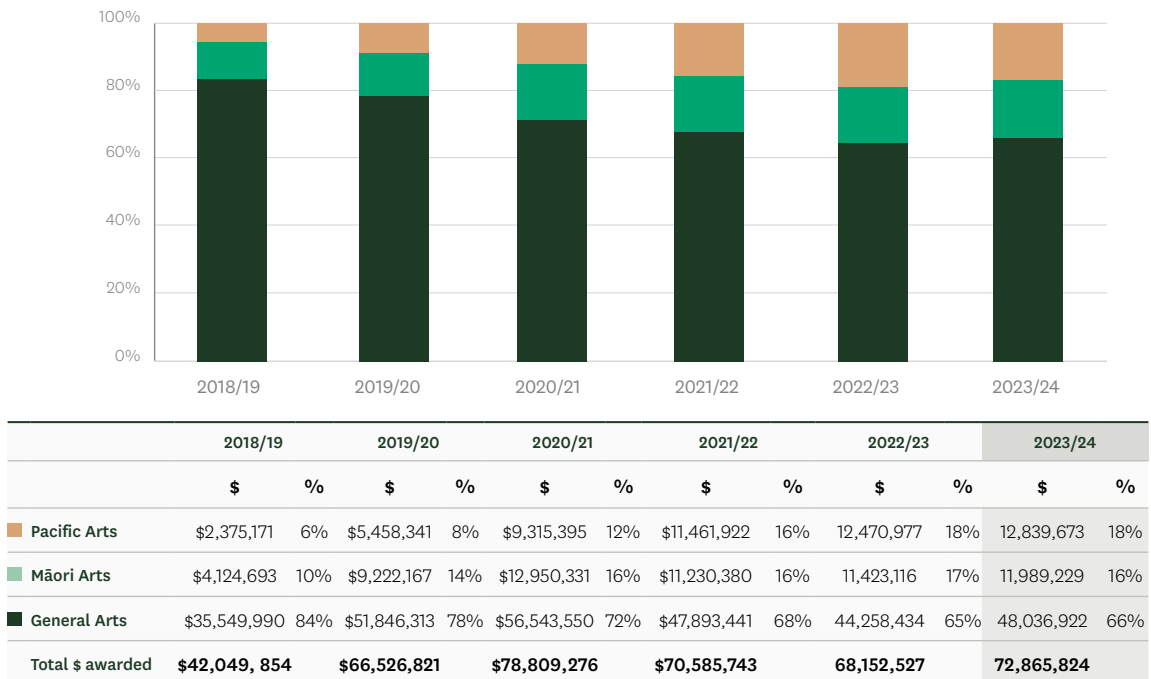
Investing in artists, art practitioners, and arts organisations and their projects in a fair, transparent, and strategic way

During the year, \$70.3 million was delivered directly to programmes and initiatives that support the sector:

- \$34.17 million was awarded to 81 organisations in the Toi Tōtara Haemata and Toi Uru Kahikatea Investment programmes. These organisations are significant employers of artists and arts practitioners⁴
- \$26.57 million was awarded through Grants and special opportunities. During the year, artists submitted 2,235 applications, with 494 projects successfully approved: 99 percent of artists' projects met or exceeded expectations in 2023/24, despite the uncertain environment
- \$5.13 million was distributed through the Creative Communities Scheme, with 1,832 grants awarded by 67 territorial authorities. The 1,230 projects completed in the period resulted in 144,756 reported participants, among other achievements.
- \$2.8 million was invested through our International programme.

Across the Toi Tōtara Haemata, Toi Uru Kahikatea and Grants programmes, we monitor the level of investment through three funding application streams (Pacific arts, Māori arts and General arts, figure 10). The increased support for Māori and Pacific arts, compared with pre-COVID-19 levels, reflects the work carried out since 2018/19 in implementing *Te Hā o ngā Toi—Māori Arts Strategy* and the *Pacific Arts Strategy*. This includes increased investment for Māori and Pacific works through the General arts funding stream.

Figure 10: Investment into the sector by funding stream (Pacific arts, Māori arts and General arts), 2018/19–2023/24⁵



⁴ We had 80 Investment Programme clients as at 30 June 2024 with one arts organisation leaving the programme in 2023.

⁵ Excludes the International, Capability building and Advocacy funding streams.

<p>Developing the Arts</p> <p>Developing the arts sector's capacity to succeed and undertaking initiatives to develop the arts</p>	<p>During the year, \$7.17 million was allocated to deliver targeted initiatives to develop the capability and capacity of individuals and arts organisations in Aotearoa New Zealand. This included:</p> <ul style="list-style-type: none"> • \$456,000 to support New Zealand artists and arts practitioners to build sector capability and networks to operate internationally • \$1.1 million to support the implementation of <i>Te Hā o ngā Toi—Māori Arts Strategy</i> • \$2.3 million to support the implementation of the <i>Pacific Arts Strategy</i>.
<p>Advocating for the Arts</p> <p>Promoting the value of the arts and empowering the arts sector to make a case for the arts</p>	<p>During the year, \$1.5 million was allocated to advocate for the benefits of the arts. This included:</p> <ul style="list-style-type: none"> • undertaking arts advocacy campaigns and engagement work • 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.
<p>Leadership in the arts</p> <p>Providing leadership to ensure the arts sector is well positioned collectively to respond to change</p>	<p>During the year, \$470,000 was 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:</p> <ul style="list-style-type: none"> • communicating the results of our triennial <i>New Zealanders and the Arts—Ko Aotearoa me ōna Toi 2023</i> research, which looks at attitudes, attendance and participation in the arts, including the market for the arts in New Zealand • leading engagement with artists, communities, the sector and stakeholders to identify significant impacts, issues and opportunities.
<p>Partnering for the arts</p> <p>Developing reciprocal relationships and partnerships that increase the impact of our collective work for the arts</p>	<p>Over 2023/24, we continued to develop an approach to partnering in the arts, including identifying priority areas for partnership development. These are mainly through our <i>Te Hā o ngā Toi—Māori Arts Strategy</i> and <i>Pacific Arts Strategy</i>.</p> <p>Through these areas, we have developed several new partnerships, including co-investment opportunities.</p> <p>Partnerships at home and abroad in 2023/24 included:</p> <ul style="list-style-type: none"> • the Arts Foundation of New Zealand Te Tumu Toi: on the Boosted Ōtautahi 2023 initiative, to provide additional support to the Christchurch arts community • Foundation North: a collaboration through the Asian Artists' Fund to support initiatives that are by, with and for Asian arts communities • Creative Australia: delivering the Digital Fellowship Programme for arts practitioners, to explore and co-develop their digital practice • the British Council: a collaboration to support the Edinburgh Festivals Intensive Programme 2024, in Edinburgh, Scotland.

Reporting performance against deliverable measures

Table 3 lists our critical measures and achievements for 2023/24 against our five deliverables: **Investing in the arts**, **Developing the arts**, **Advocating for the arts**, **Leadership in the arts** and **Partnering for the arts**.

Table 3: Performance against core activity measures, 2023/24

Ref.	Measure	2021/22 actual	2022/23 actual	2023/24 target	2023/24 actual	Variance	Notes
Deliverables							
Investing in the arts							
2.1	Tōtara and Kahikatea investment organisations meet or exceed expectations against performance expectations as set out in individual funding agreements (overall performance of Tōtara and Kahikatea investment organisations)	100%	100%	≥96%	97.5%	1.5%	Exceeded target Of the 80 organisations in the Tōtara and Kahikatea programmes, 78 met or exceeded overall expectations during the January to June 2024 period.
2.2	Completed projects meet or exceed expectations as set out in funding agreements	97%	99%	≥99%	100%	1%	Target met This measure reports on evaluated completion reports for project-based funding: Grants and Special Opportunities and International programme. Of the 518 projects evaluated in the reporting period, 517 met or exceeded expectations. Results reported contribute to our outcome reporting for new works, participation and attendance.
2.3	Funding decisions are made within specified timeframes	100%	100%	100%	100%	–	Target met This measure shows the timeliness within our funding decision-making processes and reflects the service standards we uphold for applicants. All funding timeframes for the year are provided on our website.
2.4	Percentage of city and district councils that meet or exceed Creative Communities Scheme delivery expectations in the year	91%	94%	≥90%	97%	7%	Exceeded target Only two councils did not meet expectations this year. Three councils that did not meet expectations in 2022/23 have met expectations in 2023/24.
2.5	Overall satisfaction with Creative New Zealand's service	46%	48%	≥65%	59%	–6%	Not met While the target was not met, this year's result was a significant improvement on the previous year's and reflects the changes made in the funding application process through the new <i>For the Arts</i> contestable funding programme. The improved result is reflected in an improvement in four of the five Creative New Zealand service standards, with all five now over 60 percent (respondents who are either 'very satisfied' or 'satisfied'). It is also important to note that the percentage of survey respondents whose last application was funded has decreased from 40 percent to 34 percent. While more 2024 respondents were unsuccessful funding recipients, satisfaction with Creative New Zealand increased overall. The survey was delivered to 1,762 funding applicants, with 343 completing the overall satisfaction question, a 19.5 percent response rate (similar to last year's 19.3 percent).

Ref.	Measure	2021/22 actual	2022/23 actual	2023/24 target	2023/24 actual	Variance	Notes
Deliverables							
Developing the arts							
2.6	Capability building initiatives delivered to the sector meet or exceed expectations	97%	99%	≥97%	98%	1%	<p>Target met</p> <p>Of the 228 projects evaluated in the reporting period, 223 met or exceeded expectations.</p> <p>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.</p>
Advocating for the arts							
2.7	Annual advocacy actions that meet or exceed our expectations	75%	77%	≥75%	75%	-	<p>Target met</p> <p>The advocacy plan for 2023/24 focused on four high-level pou designed to be responsive to the evolving needs of the operating environment. Work was delivered under all pou, with 15 out of 20 actions completed.</p>
Leadership in the arts							
2.8	Number of Creative New Zealand-commissioned research projects that advance knowledge or discussion about the arts in New Zealand	2	2	1	4	3	<p>Exceeded target</p> <p><i>The triennial New Zealanders and the Arts—Ko Aotearoa me ōna Toi</i> research was published in 2024.</p> <p><i>New Mirrors—Strengthening arts and culture media for Aotearoa New Zealand</i> was published in November 2023.</p> <p><i>Value of the arts, culture and creativity, and ngā toi to New Zealanders 2023</i> was published in September 2023.</p> <p><i>Visibility Matters—Kia kitea ngā toi e te marea</i> was published in June 2023.</p>
2.9	Overall participant satisfaction with Creative New Zealand-led events	Survey not carried out	85%	≥85%	90%	17%	<p>Exceeded target</p> <p>Our main leadership event, Nui te Kōrero, was held in September 2023 in Ngāmotu—New Plymouth. Of the 300 participants, 90 percent were satisfied or very satisfied. The event was not held in 2021/22.</p>
Partnering for the arts							
2.10	Number of active relationships and partnerships (including co-investment, regular meetings, shared projects) Creative New Zealand maintains with organisations or collectives that have shared interests, including government, local government, trusts and other partners	157	192	≥175	178	3	<p>Exceeded target</p> <p>Along with relationships with our 80 investment organisations and 67 territorial authorities, we share knowledge and resources with other important partners to achieve our goals.</p>

Trends in funding distribution

Investment across location and artform

Creative New Zealand monitors the distribution of its investment annually, which helps it to evaluate change over time and influences its future decisions.

To monitor reach and understand Aotearoa New Zealand’s arts landscape, we track the geographical spread of our funding (table 4). This shows how funding is distributed across the country, internationally and online. With a few exceptions (for example, the Creative Communities Scheme), we allocate funding based on the quality of applications and location of art delivery rather than the home location of the applicant.

Figure 11 compares the distribution of our funding with that of the population from the 2023 Census. The distribution of Creative New Zealand funding reflects the disproportionate distribution of creative workers across the country, with most workers located in the main centres.⁶

In 2023/24, we increased investment in the regions through two one-off initiatives: increased support to the Creative Communities Scheme (\$1.2 million) and support for festivals (\$9.8 million).

Table 4: Distribution of funding by region, 2020/21–2023/24

	2020/21		2021/22		2022/23		2023/24	
	\$	%	\$	%	\$	%	\$	%
Auckland	22,818,994	28%	20,864,818	28.2%	21,165,201	28.7%	22,423,395	28.3
Bay of Plenty	3,129,518	4%	2,488,083	3.4%	1,390,017	1.9%	2,471,663	3.1%
Canterbury	6,100,173	8%	5,576,106	7.5%	5,076,495	6.9%	5,825,819	7.3%
Chatham Islands	112,364	<1%	19,324	0.1%	15,398	0.1%	50,524	0.1%
Gisborne	1,900,745	2%	1,507,177	2.0%	1,141,155	1.5%	823,688	1.0%
Hawkes Bay	1,406,684	2%	1,169,695	1.6%	779,637	1.1%	1,128,823	1.4%
Manawatu-Wanganui	1,831,623	2%	1,726,251	2.3%	1,608,197	2.2%	1,674,471	2.1%
Nelson-Marlborough	1,716,125	2%	1,520,299	2.0%	1,118,058	1.5%	1,879,752	2.4%
Northland	3,059,258	4%	2,197,095	3.0%	2,241,458	3%	2,192,395	2.8%
Otago	3,358,707	4%	2,951,853	4.0%	2,302,531	3.1%	2,582,811	3.3%
Southland	799,514	1%	606,698	0.8%	611,937	0.8%	671,111	0.8%
Taranaki	921,113	1%	759,526	1.0%	703,891	0.9%	958,041	1.2%
Waikato	2,541,447	3%	2,749,427	3.7%	1,918,156	2.6%	2,201,660	2.8%
Wellington	12,943,372	16%	11,707,006	15.8%	12,513,755	17%	11,455,534	14.4%
West Coast	452,287	1%	161,472	0.2%	115,814	0.2%	239,607	0.3%
International	2,452,042	3%	3,827,323	5.2%	5,273,643	7.2%	6,826,295	8.5%
National⁷	8,084,200	10%	9,084,645	12.3%	11,425,224	15.5%	12,856,346	16.2%
Online	6,729,366	8%	5,093,083	6.9%	4,231,680	5.8%	3,155,074	4.0%
	80,357,532		74,009,881		73,632,247		79,417,009	100

⁶ Source: [2023 Sector Profile – Arts](#) (Infometrics). Available on the Manatū Taonga Ministry for Culture and Heritage website.

⁷ Organisations funded to tour work are recorded as ‘national’, and grants to individuals and organisations to work internationally are recorded as ‘international’.

Figure 11: Distribution of funding by region against population, 2020/21–2023/24

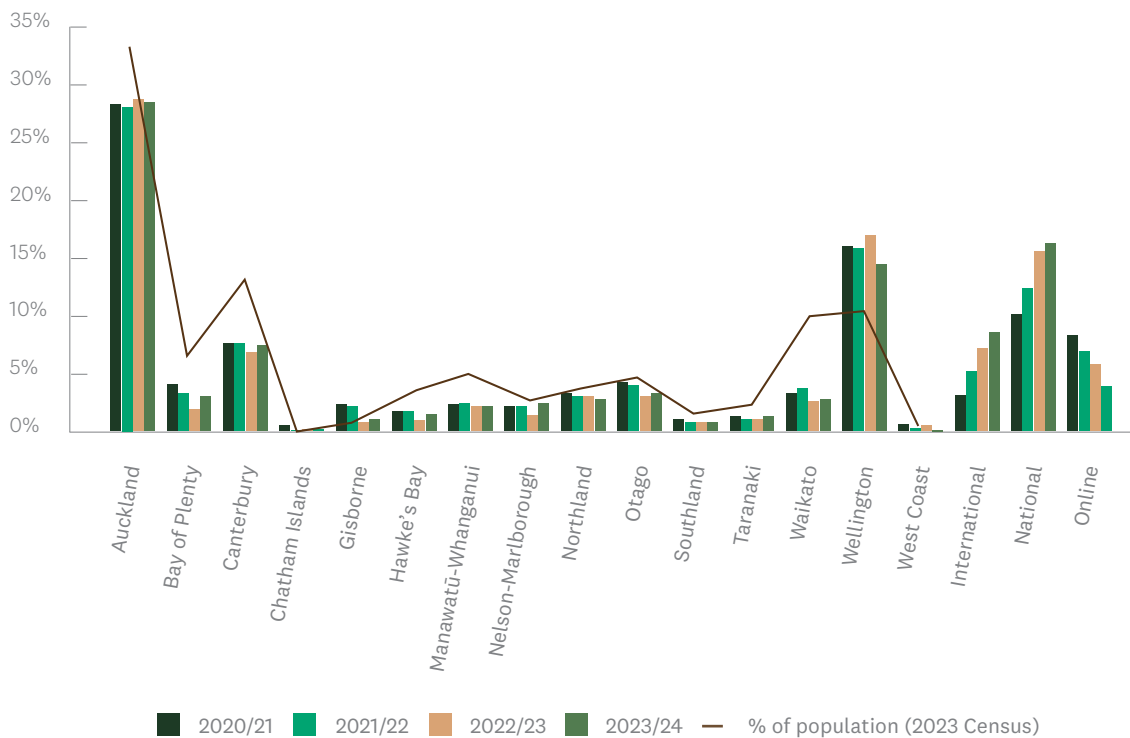


Table 5 presents Creative New Zealand’s distribution of funding across artforms for four financial years. Over the years, the proportion of funding distributed to artforms has been steady, with the largest shifts being in the Multidisciplinary and Visual arts artforms. Variances in funding distribution 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 artform, 2020/21–2023/24

	2020/21		2021/22		2022/23		2023/24	
Music	\$14,889,713	19%	\$12,694,847	17.2%	\$13,245,301	18%	\$14,176,759	18%
Theatre	\$15,146,764	19%	\$13,504,300	18.2%	\$13,116,804	18%	\$13,054,688	16%
Multi-disciplinary	\$13,671,737	17%	\$11,981,604	16.2%	\$14,493,977	20%	\$17,132,856	22%
Dance	\$6,253,747	8%	\$5,383,132	7.3%	\$5,582,323	8%	\$5,531,325	7%
Visual Arts	\$6,564,295	8%	\$6,282,339	8.5%	\$4,751,286	6%	\$5,840,134	7%
Literature	\$5,766,581	7%	\$5,306,056	7.2%	\$4,615,149	6%	\$4,584,554	6%
Craft/Object Art	\$2,308,895	3%	\$1,940,188	2.6%	\$1,923,523	3%	\$2,027,346	3%
Interarts⁸	\$1,659,736	2%	\$1,626,539	2.2%	\$1,156,840	2%	\$1,458,497	2%
Customary Māori arts	\$3,929,900	5%	\$4,395,048	5.9%	\$4,104,044	6%	\$4,844,908	6%
Pacific heritage arts	\$1,635,164	2%	\$2,432,390	3.3%	\$2,490,284	3%	\$1,831,444	2%
Community arts	\$7,866,892	10%	\$7,586,728	10.3%	\$6,205,066	8	\$7,122,920	9%
Unallocated⁹	\$664,108	1%	\$876,711	1.2%	1,947,649	2	\$1,811,578	2%
	\$80,357,532		\$74,009,882	100%	73,632,246	100%	\$79,417,009	100%

⁸ Interarts projects integrate artforms of any cultural tradition, combining them to create a new and distinct work. The result of this is a hybrid or fusion of artforms outside of Creative New Zealand’s artform categories.

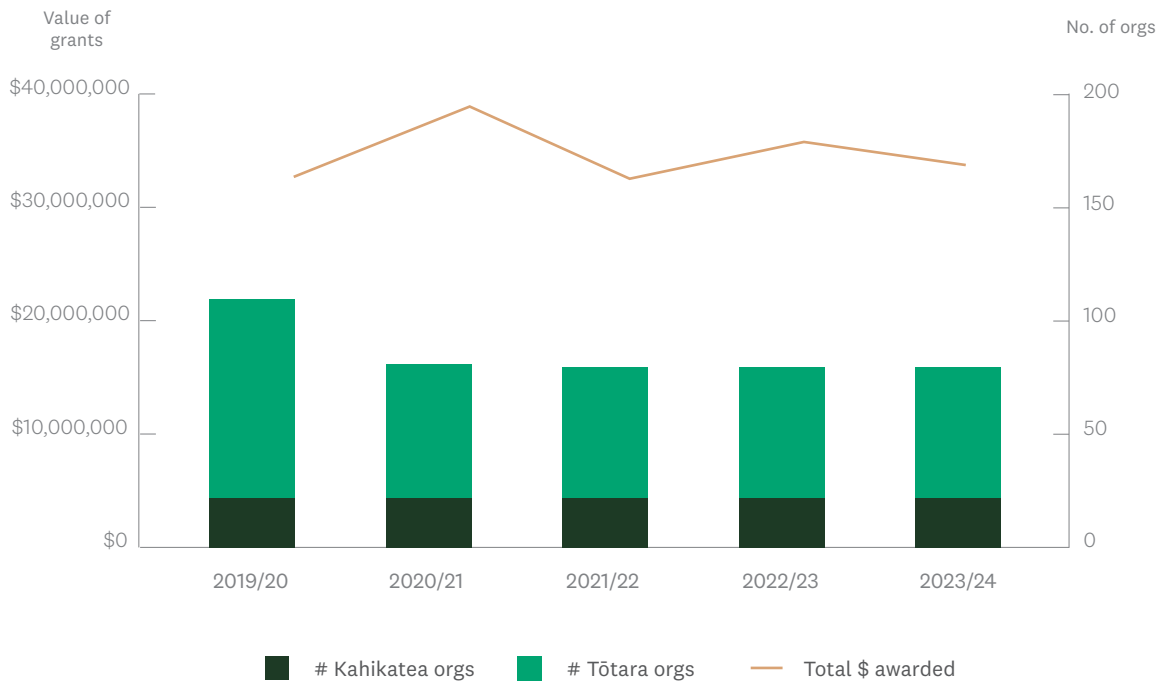
⁹ Unallocated includes investment in deliverables without a direct link to specific artform, that is, advocating, leadership and some capability building initiatives.

Investment across categories

Creative New Zealand monitors the distribution of its investment across eight main investment categories. Detailed information on these is given on pages 27.

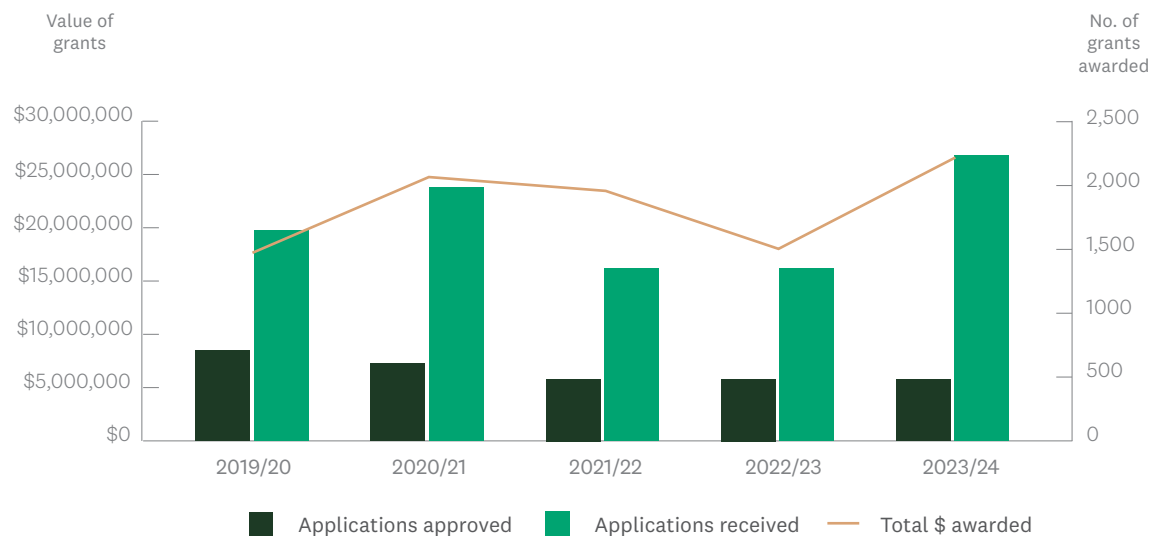
Figures 12, 13 and 14 give an overview of funding distribution through our investment programmes, Grants and Special Opportunities and the Creative Communities Scheme, for 2023/24 and the previous four years.

Figure 12: Number of organisations and total funding to Tōtara and Kahikatea Investment Programme organisations, 2019/20–2023/24



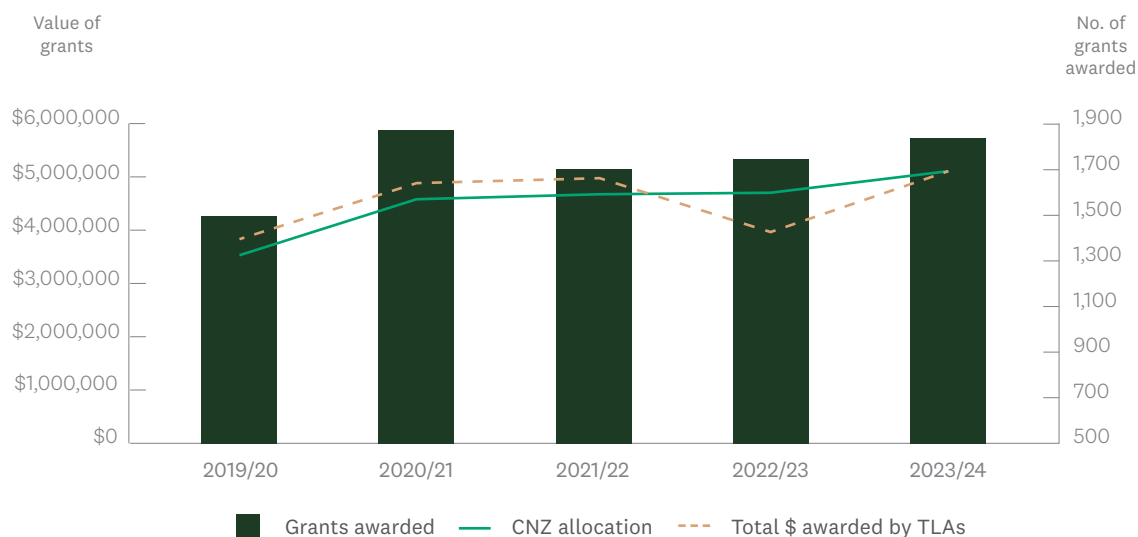
	2019/20	2020/21	2021/22	2022/23	2023/24
# Kahikatea orgs	60	59	58	58	58
# Tōtara orgs	23	23	23	23	22
Total \$ awarded	33,607,412	39,024,465	34,099,890	36,266,492	34,172,261

Figure 13: Number and value of grants through Grants and Special Opportunities, 2019/20–2023/24



	2019/20	2020/21	2021/22	2022/23	2023/24
# Applications approved	718	614	494	421	494
# Applications received	1,650	1,978	1,358	1,344	2,235
Total \$ awarded	17,629,415	24,672,154	23,421,133	18,122,457	26,573,394

Figure 14: Number and value of Creative Communities Scheme grants awarded, 2019/20–2023/24



	2019/20	2020/21	2021/22	2022/23	2023/24
# Grants awarded	1,488	1,879	1,711	1,730	1,832
CNZ \$ allocation	3,936,144	4,841,457	4,941,457	3,941,457	5,124,377
Total \$ awarded by TLAs	3,639,838	4,668,166	4,678,535	4,731,015	5,103,072

Our strategic focus areas

In our *Statement of Intent 2022–2026*, we committed to three strategic focus areas: **Resilience, Access, inclusion and equity**, and **Wellbeing**. The activities we have prioritised in 2023/24 are reported on the following pages.

We are committed to these three strategic focus areas, however, two milestones were not met in 2023/24 and delivery dates were shifted into 2024/25. The delays relate to managing competing priorities and resource constraints, including where vacant roles have not been filled. Initiatives that directly affect the arts sector, for example, implementing the new *For the arts* contestable funding programme in 2024, have been prioritised above projects that are less time sensitive.

Resilience—Manahau

Developing a resilient and sustainable arts sector, including sustainable arts sector careers

LONG-TERM OUTCOME: GREATER PUBLIC ENGAGEMENT IN THE ARTS

The COVID-19 pandemic highlighted issues of sector resilience, sustainability and the lack of viable arts sector careers. The potential exists for new models to focus on building resilience within the sector; to engage larger audiences, including through digital channels; to change how we value and support our artists and arts practitioners; and to think about how we build public support for the arts and ngā toi.

In our *Statement of Intent 2022–2026*, we said, by 2026, we want to see the following:

- Creative New Zealand’s *Remuneration Policy for Artists and Arts Practitioners* is recognised as an ‘industry

standard’ and widely adopted by the arts sector and those engaging artists and arts practitioners.

- Working with others, Creative New Zealand will have developed a roadmap for improving the sustainability of arts sector careers.
- Creative New Zealand and the arts sector are developing and trialling new models (operating, funding and monetisation) aimed at improving the resilience and sustainability of the sector.

The activities we prioritised in 2023/24 are listed below.

No.	Activity	Key milestones in 2023/24	2023/24 result
3.1	Co-design of our Grants and special opportunities programme and processes aimed at ensuring they are more responsive to the needs of the arts sector	<ul style="list-style-type: none"> • Co-design with the sector of a new Grants and special opportunities programme by 31 December 2023. • Implementation of new Grants programme by 30 June 2024. 	<p>A new approach to contestable funding, the <i>For the arts</i> programme, was co-designed in 2023 with the arts sector.</p> <p>The new programme was launched in March 2024. Eight new funding and support opportunities are tailored to three distinct groups: early career artists; artists and practitioners; and arts groups and organisations.</p>
3.2	Advancing work aimed at improving the working lives and conditions of creative professionals, including further implementation of the <i>Remuneration Policy for Artists and Arts Practitioners</i>	<ul style="list-style-type: none"> • Delivery of capability resources that support the arts sector to implement the principles and practice guidelines of the Remuneration Policy by 30 June 2024. 	<p>In partnership with Tātai Aho Rau CORE Education, Creative New Zealand developed a resource for artists and arts practitioners designed to help them have sustainable and financially resilient careers.</p>

Access, inclusion and equity —Te uru, te whakauru me te mana taurite

Ensuring our services and the arts are accessible to, inclusive of and equitable for all New Zealanders

LONG-TERM OUTCOME: GREATER PUBLIC ENGAGEMENT IN THE ARTS

We know from reporting on the main elements of our Diversity in the Arts Policy that we have more work to do to improve the accessibility of our services for Aotearoa New Zealand’s diverse communities.

We also need to gain a better understanding of what equity in the arts means and how can we achieve equitable outcomes for all New Zealanders through our support for the arts and ngā toi for Māori, Pasifika and Aotearoa New Zealand’s diverse communities.

Our discussion about equity needs to recognise the different places we start from and historic patterns of investment in the arts by the Government and us. These discussions must start with consideration of

Te Tiriti o Waitangi and our aspirations for how we will work in this context.

In our *Statement of Intent 2022–2026*, we said, by 2026, we want to see the following.

- New Zealand artists and arts practitioners from diverse communities can access Creative New Zealand’s services, and our services are enabling.
- Through our diversity reporting, we can accurately identify who is and who isn’t benefiting from our services and implement initiatives that seek to address gaps.
- Our policies reflect our aspirations under Te Tiriti o Waitangi, address equity alongside access and inclusion, and are widely reflected in the practices of those in whom we invest.
- Te Kaupapa o Toi Aotearoa is embedded across our organisational processes, policies and structures, and we have the capability and capacity to operate effectively in te ao Māori and take a multi-lensed approach to our work.

The activities we prioritised in 2023/24 are listed below.

No.	Activity	Key milestones in 2023/24	2023/24 result
3.3	Completing our accessibility policy on Deaf and disabled communities through a programme of work aimed at making sure our services are accessible	<ul style="list-style-type: none"> • Final policy and action plan confirmed by 31 December 2023. • Public release of policy in accessible formats by 31 January 2024. 	<p>The <i>Tapatahi Accessibility Policy and Action Plan 2023–2028</i> was approved by the Arts Council in October 2023. The policy guides our work with and for Deaf and disabled artists and arts practitioners, turi Māori, tāngata whaikaha Māori and disability communities and ensures we are accessible and inclusive of all New Zealanders.</p> <p>The policy and action plan was released in March 2024 in accessible formats. Creative New Zealand is implementing the policy and action plan.</p>
3.4	Advancing our Te Kaupapa o Toi Aotearoa programme, aimed at making sure we have the organisational culture, competencies and practices to meet our aspirations under Te Tiriti o Waitangi and adopt a multi-lensed approach to how we work	<ul style="list-style-type: none"> • Te Kaupapa o Toi Aotearoa is embedded into governance and management policies and ways of working by 30 June 2024. 	<p>Te Kaupapa principles have been central to changes we have made in the work we do and how we do it, including:</p> <ul style="list-style-type: none"> • the review, redesign and implementation of the <i>For the arts</i> contestable funding programmes developed through a collaborative consultation process with arts communities and an artist-centric approach for the new programmes that invest in people, rather than projects (Whakamana i te Tangata) • the development and delivery of our <i>Tapatahi Accessibility Policy and Action Plan 2023–2028</i> working in partnership with Deaf and disabled artists, tāngata whaikaha, turi Māori and disability rights and arts organisations (Tuku Rauemi) • the development of Creative New Zealand’s Māori Language Plan Te Mahere Reo Māori o Toi Aotearoa to support increased organisational confidence and proficiency in te reo, and greater visibility, value and support for te reo through the ngā toi Māori programmes and activities we support (Whakamana i te Tangata).
3.5	Increasing our understanding of the diversity of those who access or benefit from our services	Release of the Diversity Report 2022/23 by 30 June 2024.	The release of the Diversity Report 2022/23 was delayed by competing priorities and resource constraints in 2023/24. The final report will be released by 31 December 2024 and provide a second set of data on the diversity of arts funding recipients, to compare with the 2019/20 report’s results.

Wellbeing—Oranga

Embedding a recognition of the role of the arts and ngā toi in contributing to the wellbeing of New Zealanders

LONG-TERM OUTCOME: STRONGER ARTS SECTOR

The COVID-19 pandemic has shown us the value of the arts and ngā toi in challenging times. More people turned to the arts because of their power to inspire, delight and provoke us; their ability to help people understand, interpret and adapt to the world; and the way they let us express our identities and help build social cohesion.

In turbulent times, the arts have a crucial role. They help us cope with a less certain future and the need to re-examine our assumptions about how we live, work and interact with each other. Prolonged times of crisis also have the potential to fracture our communities and the arts help maintain social cohesion.

The arts themselves have been hard hit over recent years. This makes it more important than ever to embed a stronger recognition of their value to New Zealanders. It will also help make sure the arts, with artists at the centre, can flourish and play a vital role in our individual and collective wellbeing into the future.

In our *Statement of Intent 2022–2026*, we said, by 2026, we want to see the following.

- Working with others, we will have developed a strong evidence base for how the value of the arts and ngā toi contribute to New Zealanders and our society.
- Creative New Zealand and the arts sector will be powerful advocates for the value of the arts and ngā toi.
- Increasingly, partnerships will exist across various sectors that provide investment into the arts and increase the recognition of the value they deliver.

In addition to our Leadership in the arts and Partnering for the arts deliverables, the actions we prioritised in 2023/24 are listed below.

No.	Activity	Key milestones in 2023/24	2023/24 result
3.6	Increasing our understanding of the role of the arts and ngā toi in contributing to the wellbeing of New Zealanders	Delivery of the triennial <i>New Zealanders and the Arts</i> research by 30 June 2024.	The triennial <i>New Zealanders and the Arts—Ko Aotearoa me ōna Toi</i> research was undertaken in 2023 and published in April 2024. The research provides information on the attitudes of New Zealanders towards the arts, including the role of the arts in contributing to wellbeing.
3.7	Promote the value of the arts through public campaign work, with specific recognition of wellbeing	Development and delivery of 'always on' public campaign by 30 June 2024.	The launch of the campaign was delayed by competing priorities and resource constraints in 2023/24. The 'always on' campaign <i>Creativity Makes Us</i> was developed in 2023/24 for launch by 31 December 2024.
3.8	Support the sector to make the case for the arts, through shared tools, evidence and research	Deliver evidence tool providing access to data of wellbeing benefits by 30 June 2024.	A new advocacy tool, <i>Fact Finder</i> for Arts Advocates, was launched on Creative New Zealand's website in February 2024. The tool enables the sector to discover data and insights about the value of art, culture, creativity and ngā toi Māori, based on research from Aotearoa New Zealand and around the world.

Budget 2020-funded initiatives

Budget 2020 saw the establishment of the Arts and Culture COVID Recovery Programme. Along with baseline funding, Creative New Zealand received additional funding to deliver (or contribute to the delivery of) specific initiatives. We received \$12 million over three years to deliver the Pasifika Festivals Initiative, and in 2022/23 we delivered the final wave of the funding (table 7). We also progressed the Digital Arts Commissioning and Capability Service Initiative with funding received from the Cultural Sector Capability Fund (table 8).

Further results of Budget 2020 funding are available in our 2020/21, 2021/22 and 2022/23 annual reports and on our website.

Table 7: Reporting on Pasifika Festivals Initiative (\$12 million over three years)

Funding component	Budget 2023/24	Actual 2023/24	Actual 2022/23	Actual 2021/22	Actual 2020/21	Outcomes sought	Results as at 30 June 2024
Pasifika Festivals Initiative ¹⁰	\$886,433	\$110,000	\$4,402,893	\$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. 	Information on the allocation of funding through Tasi, Lua and Tolu Waves is available in the Creative New Zealand annual reports for 2020/21, 2021/22 and 2022/23.
<i>Fa Wave strategic initiative</i>	\$886,433	\$110,000	Not applicable	Not applicable	Not applicable	Final funding in the Pasifika Festivals Initiative was allocated to a strategic initiative that will work on strengthening the national ecosystem for Pasifika festivals.	The remaining Fa Wave budget of \$776,433 will be invested in a new national service organisation for Pasifika festivals, to be known as Pasifika Festivals Aotearoa. This move has been endorsed by Manatū Taonga Ministry for Culture and Heritage, with funding to the new body spread over three financial years from 2023/24.

Table 8: Cultural Sector Capability funding (\$2 million over two years)

Funding component	Budget 2023/24	Actual 2023/24	Actual 2022/23	Outcomes sought	Results as at 30 June 2024
Cultural Sector Capability funding	\$790,000	\$760,000	\$874,000	The arts sector has the necessary industry, technical and business capability to meet the challenges of a COVID-19 environment.	Toi Hourua, a digital arts commissioning and capability service, was awarded funding for over four years, starting in December 2022 (\$2.075 million for the initial term December 2022 to June 2024 and \$3.3075 million for the extended period July 2023 to June 2027). The budget for 2023–2025 includes the balance of the Cultural Sector Capability funding. At its meeting on 17 April 2024, the Arts Council decided not to renew the contract for Toi Hourua beyond the initial term (ie, to 30 June 2024). In addition to the establishment phase of the organisation, Toi Hourua delivered 11 capability building programmes, commissioned 5 projects, provided digital tools grants to 5 artists and arts organisations and developed an online educational platform. Further commissioning and capability activity will occur in the months following 30 June 2024.

¹⁰ Excludes \$600,000 spent on operating costs in 2020/21, 2021/22 and 2022/23 (\$200,000 per year).

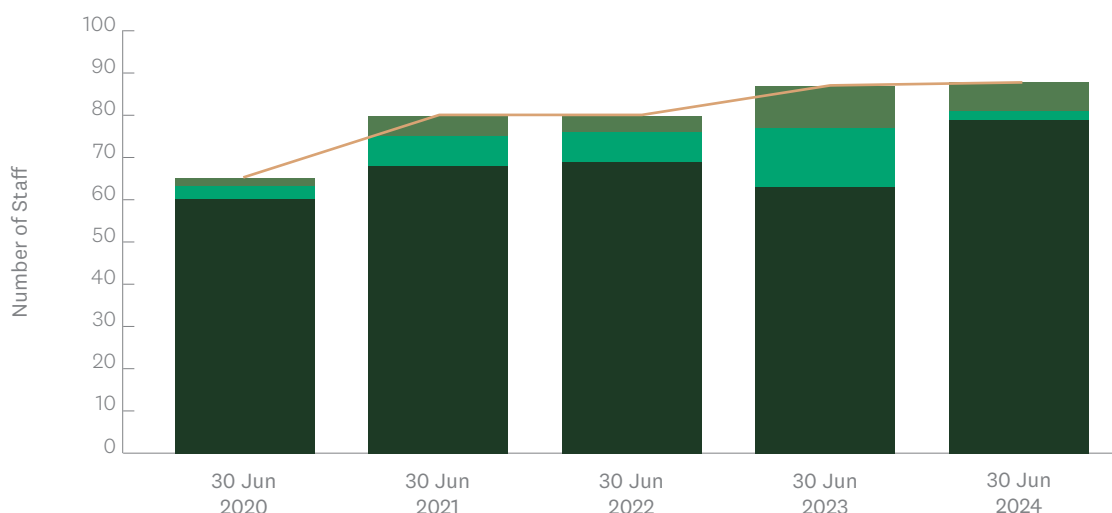
Our people and expertise A tātou kaimahi, me a tātou pūkenga

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
- Strategy and Engagement.

At the end of June 2024, we had 82 staff (80.4 full-time equivalent staff) and 7 vacant positions, based in Auckland, Wellington, Christchurch, Dunedin, and across other centres (figure 15). 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.

Figure 15: Total staff numbers and employment type, 2019/20–2023/24

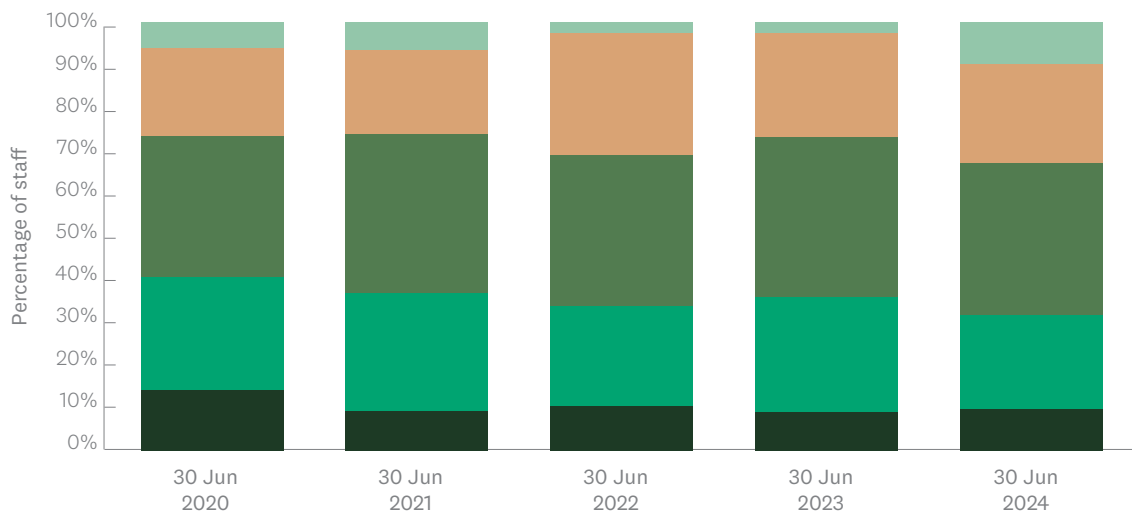


	30 Jun 2020	30 Jun 2021	30 Jun 2022	30 Jun 2023	30 Jun 2024
■ Permanent contract	61	69	70	64	80
■ Fixed Term contract	3	7	7	14	2
■ Vacant positions	2	5	4	10	7
— Total positions	66	81	81	88	89

We aim to have a workforce that broadly reflects the communities we serve. Over recent years, we have strengthened the diversity of our workforce while expanding our teams (figure 16 and figure 17).¹¹ Gender diversity is skewed towards women. While 80 percent of staff are female, women make up 43 percent of the Senior Leadership Team (at August 2024). Creative New Zealand does not have any specific goals regarding gender diversity.

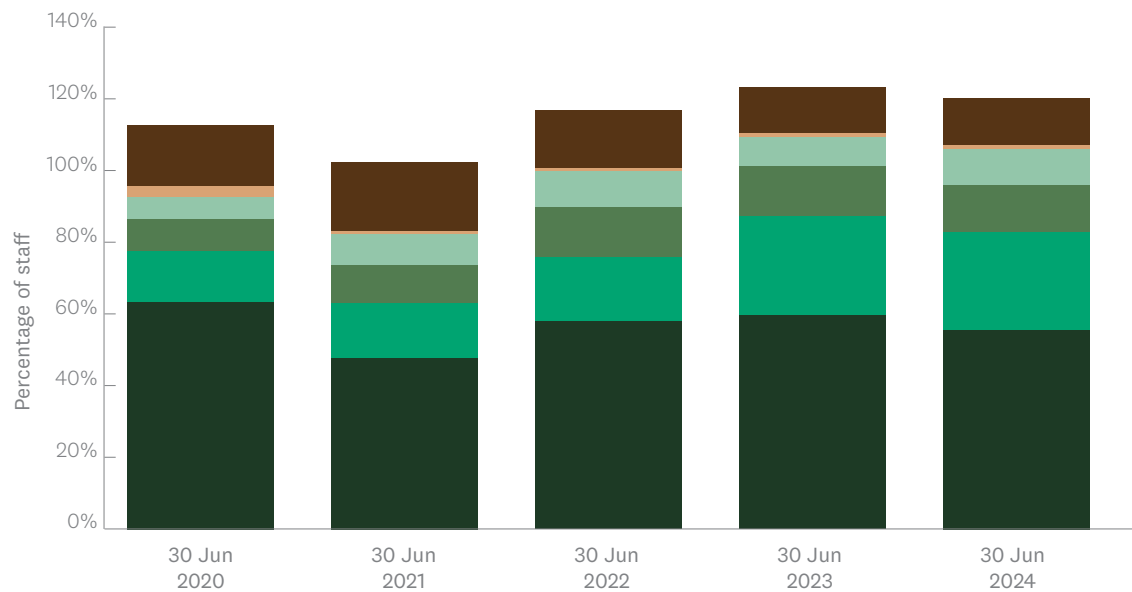
¹¹ We respect that disclosing demographic information, such as ethnicity, is a personal choice. To encourage a clear picture of workplace diversity data, staff are invited to disclose demographic information, such as ethnicity, on a voluntary basis when they join our organisation. The information is held securely in personnel files and our payroll system. Staff can update their personal details at any time. Staff may declare multiple ethnicities, so the total number of staff by ethnic group will not equal to the total number of staff. The percentage for each ethnic group is calculated based on the total number of staff; the sum of all exceeds 100% due to staff declaring multiple ethnicities.

Figure 16: Workplace diversity (age) by percentage and the number of staff, 2019/20–2023/24



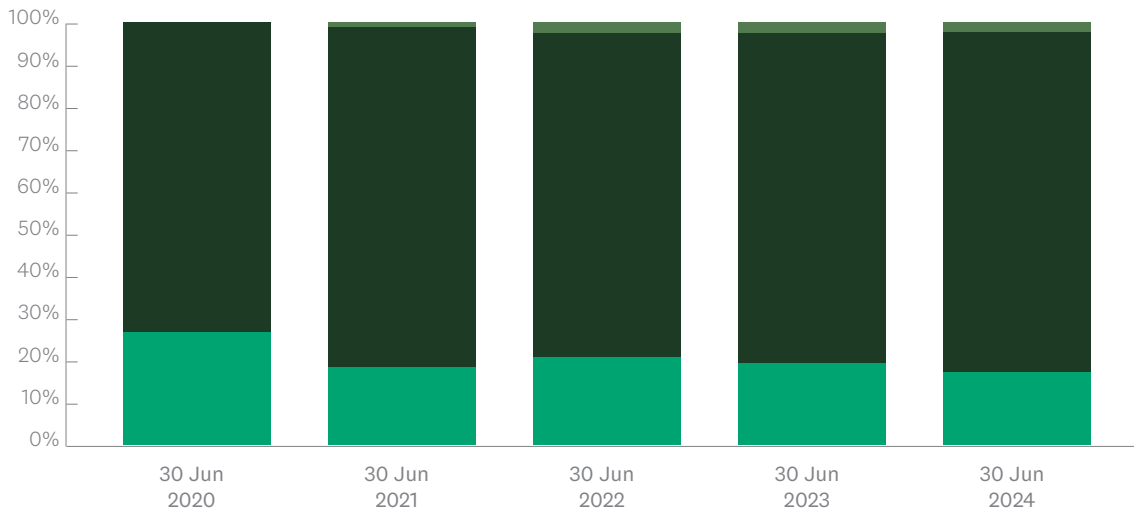
	30 Jun 2020	30 Jun 2021	30 Jun 2022	30 Jun 2023	30 Jun 2024
20-30	9	5	2	2	8
30-40	17	15	22	19	19
40-50	21	28	27	29	29
50-60	13	21	18	21	18
60+	4	7	8	7	8
Total	64	76	77	78	82

Figure 17: Workplace diversity (ethnicity) by percentage, 2019/20–2023/24



	30 Jun 2020	30 Jun 2021	30 Jun 2022	30 Jun 2023	30 Jun 2024
European	63%	50%	58%	60%	55%
Māori	14%	16%	18%	28%	27%
Pacific peoples	9%	11%	14%	14%	13%
Asian	6%	9%	10%	8%	10%
Other	3%	1%	1%	1%	1%
Not declared	17%	20%	16%	13%	13%

Figure 18: Workplace diversity (gender), 2019/20–2023/24



	30 Jun 2020		30 Jun 2021		30 Jun 2022		30 Jun 2023		30 Jun 2024	
	#	%	#	%	#	%	#	%	#	%
■ Male	17	27%	14	19%	16	21%	15	19%	14	17%
■ Female	47	73%	61	61%	59	59%	61	61%	66	66%
■ Diverse			1	1%	2	3%	2	3%	2	3%

Te Kaupapa o Toi Aotearoa

In 2023/24 we continued our Te Kaupapa o Toi Aotearoa programme. This aims to build staff knowledge, skills, experience and confidence to work well in te ao Māori and improve the way we include the voices and experiences of the diverse communities we serve in our work.

In this period, we have worked in particular on embedding Te Kaupapa principles of Mana aki i te Tangata, Tuku Rauemi and Whakamana i te Tiriti in our governance and management policies and ways of working.

Te Kaupapa principles have been central to changes we have made in how we work and the work we do, including:

- the review, redesign and implementation of our *For the arts* contestable funding programmes
- the development and delivery of our *Tapatahi Accessibility Policy and Action Plan 2023–2028* working with Deaf and disabled artists, practitioners, disability rights advocates and disability arts organisations
- the thinking we have done on how we best support arts organisations and their communities.

The principles have also helped strengthen our internal culture including developing staff cultural capability, leadership and more consistent, connected ways of working.

Te Mahere Reo Māori o Toi Aotearoa—Creative New Zealand’s Māori Language Plan was launched in 2023.

The plan is helping us to build individual and collective organisational competence in, and increase the visibility, value and support for, te reo Māori through the programmes and activities Creative New Zealand supports. We have continued to work closely with our mana whenua partners in Te Whanganui-a-Tara—Wellington and Tāmaki Makaurau—Auckland during 2023/24.

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.

Creative New Zealand acknowledges the contribution made by members who departed from the Arts Council over 2023/24, including Chair Caren Rangī and Deputy Chair Michael Prentice, and members, Janine Morrel-Gunn and Garth Gallaway.

The Council steers our organisation, guided by the charter on the next page that describes where it focuses its time and how it carries out its roles and responsibilities.

Determining future focus and direction	Building culture	Holding to account
<p>As a board, we are focused on the future, guided by the mahi and legacy of those who have 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.</p>	<p>As a board, we strive to set an effective and future-oriented governance culture for Creative New Zealand; one that upholds <i>Te Kaupapa o Toi Aotearoa</i>. This contributes to our roles of: Determining future focus and direction and Holding to account.</p>	<p>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.</p>
<ul style="list-style-type: none"> • We acknowledge our organisational whakapapa and ensure we're delivering to our statutory purpose to encourage, promote and support the arts in Aotearoa 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 Aotearoa; 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 affect 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. 	<ul style="list-style-type: none"> • 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 diverse views are welcomed and supported. • We organise and structure ourselves, through committees and other means as needed (eg, working groups), so the Council's work is carried out to best effect. • We have a decision-making framework 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 that 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. 	<ul style="list-style-type: none"> • 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.

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 Pacific peoples of Aotearoa New Zealand, in consultation with the Minister for Pacific Peoples.

The Arts Council has three 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.
- Audit and Risk Committee—the Committee advises the Council on audit, risk and finance matters.
- People and Culture Committee—the Committee provides advice on the Council's people and culture responsibilities.

Table 6: Membership of the Arts Council as at 30 June 2024

Arts Council members and office holders as at 30 June 2024*#	First appointed	Current term expires	Other Arts Council office held	Meeting days per member 1 July 2023 to 30 June 2024* (Number)	Meeting attendance per member 1 July 2023 to 30 June 2024 (Percentage)
Kent Gardner Manukura—Chair	1 June 2024	21 May 2027	Member, People and Culture Committee	1	100
Hilary Poole	1 November 2021	31 October 2024	Member, Audit and Risk Committee	17	100
Kura Moeahu (Māori representative)	25 February 2020	31 January 2026	Co-Chair, Komiti Māori Member, People and Culture Committee	20	60
Puamiria Parata-Goodall (Māori representative)	24 October 2022	30 September 2025	Member, Komiti Māori	12	71
Ane Tonga (Pasifika representative)	1 November 2021	31 October 2024	Interim Chair, Audit and Risk Committee	13	100
John Ong	9 December 2019	30 September 2025	Member, Audit and Risk Committee Interim Chair, People and Culture Committee	19	95
Robyn Hunt	25 February 2020	31 January 2026	Member, People and Culture Committee	11	85
Whetū Fala (Māori representative)	18 July 2022	30 June 2025	Member, Komiti Māori	16	90
Bonita Bigham (Māori representative)	8 August 2022	31 July 2025	Co-Chair, Komiti Māori	19	100
Helen Klisser During	24 October 2022	30 September 2025		10	80
Shane Te Ruki (Māori representative)	13 July 2023	30 June 2026	Member, Komiti Māori	15	100
Jannita Pilisi (Pasifika representative)	29 April 2024	31 March 2027		1	100

Note: For the Chair and Deputy Chair, these offices are held in addition to their membership of the Arts Council. Member positions denoted as Māori or Pasifika relate to the appointment provisions of section 10(4) and section 10(5) of the Arts Council of New Zealand Toi Aotearoa Act 2014 as described above.

* These figures represent days attended at Arts Council meetings and meetings of committees that members sit on (excluding the Chairs' Committee).

Note 22 to the financial statements includes remuneration paid to all members that served on the Arts Council over 2023/24 with comparisons to the prior year as well as committee memberships.

Part three

Statement of Financial performance 2023/24

Ngā whakaritenga pūtea 2023/24

Financial performance 2023/24

Ngā whakaritenga pūtea 2023/24 a tātou pūkenga

This section details the 2023/24 financial performance and the financial planning context for 2024/25.

Creative New Zealand ended the 2023/24 year with a net deficit of \$5.9 million, against the \$10.0 million budgeted net deficit published in the *Statement of Performance Expectations 2023/24*, a positive variance of \$4.1 million.

Total revenue for the year was close to that budgeted, with a positive variance of \$0.4 million. Total expenses for the year were lower than budgeted by \$3.7 million, mostly due to the changes in spending pattern of the one-off Crown funding, the review of contestable grant programmes, and reprioritised initiatives within the *Te Hā o ngā Toi—Māori Arts Strategy, Pacific Arts Strategy and Advocacy Strategy*, due to external and internal capacity (see note 2 for details).

Total investment in the arts sector for 2023/24 was higher than in 2022/23 by \$5.8 million (\$79.4 million compared with \$73.6 million), as shown in figure 19. This investment includes the significant one-off Crown investment in Creative New Zealand of \$18.8 million in 2023/24 (\$12.5 million in 2022/23) related to the COVID-19 recovery response and other one-off funding, as shown in figure 20. The breakdowns of the one-off funding received and expensed are detailed in the notes to the financial statements (note 3 and note 9).

Of the total expenses, 15.3 percent was spent on Creative New Zealand's operations, within the minimum range of its operating cost practice of 15 percent to 16 percent (figure 19). Our operating costs have increased in relative terms in the past five years (from \$8.9 million in 2018/19 to \$14.3 million in 2023/24). This increase is attributable to the following.

- Due to increased investment in the sector in the past five years, we brought in additional resources to deliver the COVID-19 recovery response funding, respond to the new context and address the continuity of Creative New Zealand's core work.
- Along with addressing capacity and capability needs, we established an Advocacy team, strengthened the Māori Strategy and Partnerships team, created a new Pacific Arts team, and gave specific mana and focus to a role driving our organisational culture change programme, Te Kaupapa o Toi Aotearoa.
- In 2021/22, we also started developing a new public-facing digital customer experience (CX) platform (\$1.1 million over two financial years).

- Over 2022/23, we started a review titled the Future of arts development. The initial focus was on reviewing contestable grant programmes in response to sector feedback, resulting in a funding and Arts Development Services restructure to support human-centred arts investment in 2023/24.

Creative New Zealand's accumulated funds decreased to \$13.2 million at the end of 2023/24, as shown in figure 21.

Financial planning context for 2024/25

The 2024/25 budgeting process has been run in the context of significant challenges and opportunities, as outlined on pages 22–25 of the *Statement of Performance Expectations 2024/25*. The plan and budget for 2024/25 were developed considering the following:

- the change to the New Zealand Lottery Grants Board Te Puna Tahua (NZLGB) funding allocation model and confirmation of fixed revenue for the four financial years from 2024/25, at \$52.789 million
- no change in the baseline revenue through Vote: Arts, Culture and Heritage, at \$16.689 million
- the end of one-off COVID-19 and other funding in 2023/24 resulting in a significant decrease in investment in the arts sector, after five years of elevated funding
- budgeting close to a break-even net operating result because of the change in the NZLGB allocation model to a fixed funding amount. Creative New Zealand is not expecting to receive any additional profit wash-up payments from 2024/25 meaning we need to operate with break-even budgets
- maintaining the minimum equity level of \$6 million at the end of the budgeting period
- the contracted budget of around \$39 million, or 64 percent, in 2024/25 that includes the Toi Tōtara Haemata and Toi Uru Kahikatea Investment programmes and Creative Communities Scheme budget
- a temporary increase in the operating costs range to under 18 percent for the 2024/25 financial year and review of the range ahead of planning for 2025/26
- ongoing high inflation that continues to affect our operational costs, including personnel costs, and will continue affecting those we fund.

With NZLGB funding now set for the next four years, we can plan over a longer timeframe with greater certainty. While this is good news, we are facing a period with significantly less to invest in the arts sector than we have for the past five years. We are also facing record demand for funding through contestable grants and it is evident this will outstrip the resources we have.

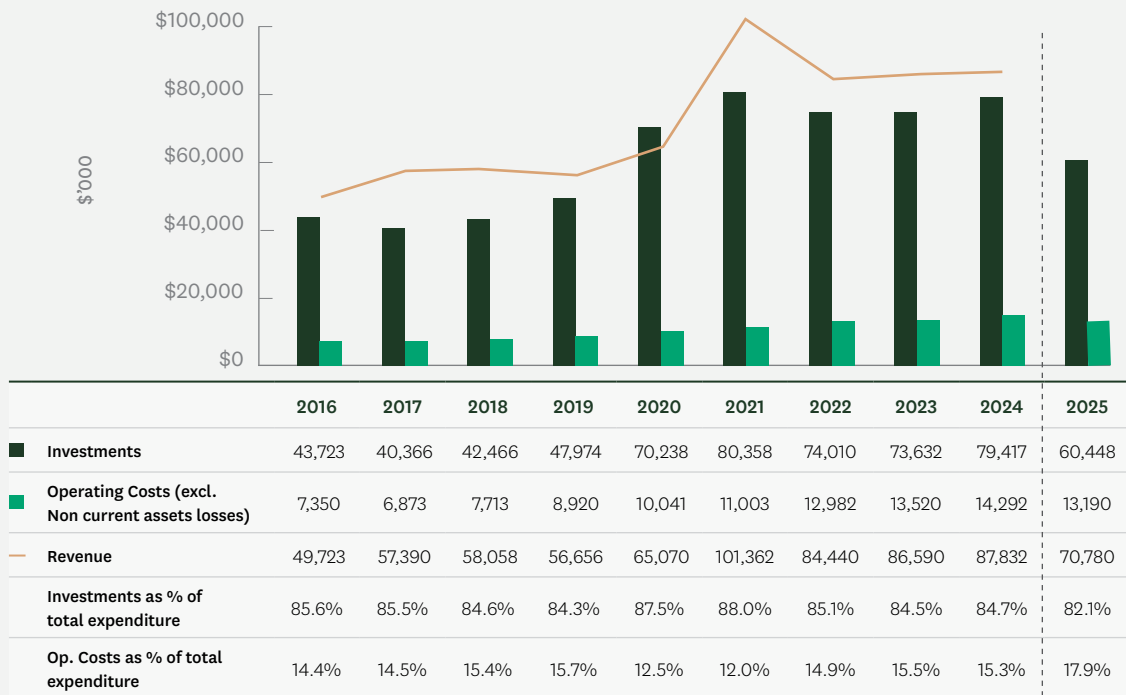
The budget for 2024/25 reflects an intention to spread the upside across the four-year period, to ensure we arrive at a sustainable level of investment in the sector. As a result, total investment in the arts sector for 2024/25 is budgeted at \$60.5 million. This is \$19.7 million below the 2023/24 level (figure 19), as the significant one-off Crown investment deferred from prior years ends (figure 20).

Creative New Zealand’s accumulated funds are budgeted to decrease to \$10.4 million as at 30 June 2025 (figure 21).

Operating costs are budgeted at 17.9 percent of the total expenditure range. The presented budget reflects a \$1.0 million, or 7.2 percent, reduction in operating costs (from 2023/24 levels) consistent with the imperative to reflect our new financial context and the expectations of the Government.

For further information, see the *Statement of Performance Expectations 2024/25* available on our website.

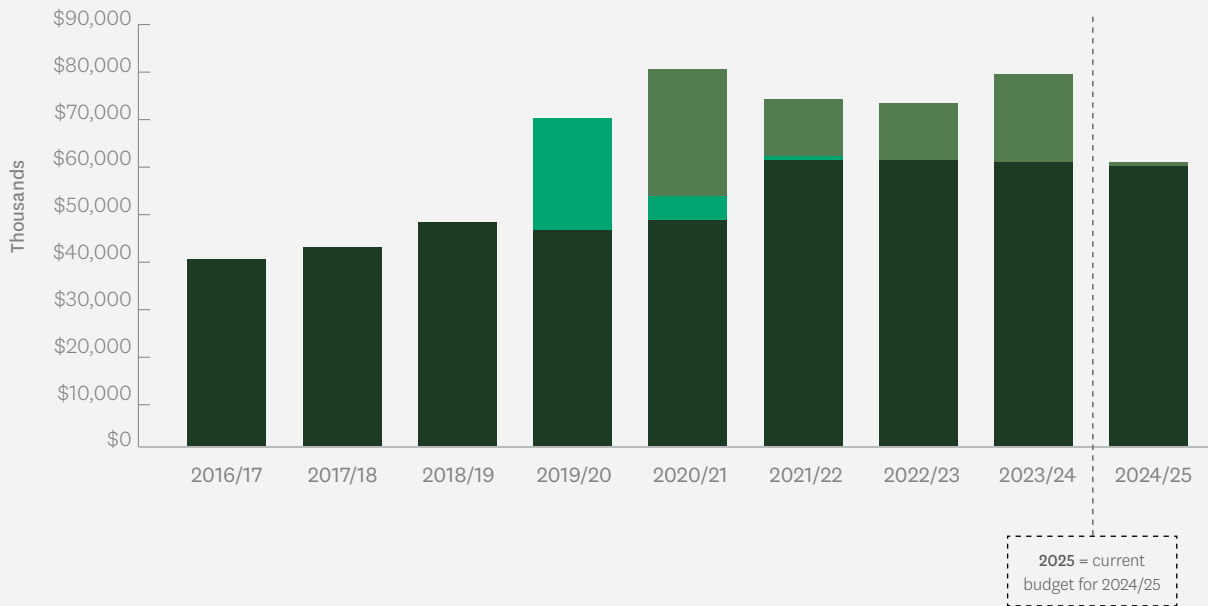
Figure 19: Revenue and expense trends 2015/16 to 2024/25



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.

2025 = current budget for 2024/25

Figure 20: Investment into the arts sector 2016/17 to 2024/25—baseline versus one-off



	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
■ Creative NZ investment (baseline)	\$40,367	\$42,466	\$47,973	\$46,563	\$48,904	\$61,323	\$61,090	\$60,598	\$60,124
■ Creative NZ investment (one-off)				\$23,676	\$4,400	\$716			
■ Crown one-off investment					\$27,054	\$11,971	\$12,542	\$18,819	\$554

Figure 21: Surplus/(deficit), minimum equity and accumulated funds 2015/16–2024/25



Statement of financial performance

For the year ended 30 June

	NOTE	ACTUAL 2024 \$000	BUDGET unaudited 2024 \$000	ACTUAL 2023 \$000
REVENUE				
Revenue from the Crown	3	35,507	36,485	29,434
Revenue from the New Zealand Lottery Grants Board	4	49,500	49,500	54,649
Interest revenue		2,317	1,250	1,864
Other revenue	5	508	214	643
TOTAL REVENUE		87,832	87,449	86,590
EXPENSES				
Investing in the arts	9	70,272	72,201	64,139
Developing the arts	9	7,171	8,607	7,395
Advocating for the arts	9	1,504	1,997	1,354
Leadership in the arts	9	470	710	744
		79,417	83,515	73,632
Operating Costs				
Personnel expenses	6	10,379	10,103	9,728
Depreciation and amortisation	7	413	399	440
Other expenses	8	3,500	3,445	3,352
		14,292	13,947	13,520
TOTAL EXPENSES		93,709	97,462	87,152
SURPLUS / (DEFICIT)		(5,877)	(10,013)	(562)

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

Budget is derived from the *Statement of Performance Expectations 2023/24* published in June 2023.

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

	NOTE	ACTUAL 2024 \$000	BUDGET unaudited 2024 \$000	ACTUAL 2023 \$000
Surplus/(deficit) for the year		(5,877)	(10,013)	(562)
Other comprehensive revenue and expense				
Gain/(Loss) on revaluation of works of art	14	-	-	279
Total other comprehensive revenue and expense		-	-	279
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		(5,877)	(10,013)	(283)

Statement of changes in equity

For the year ended 30 June

	NOTE	ACTUAL 2024 \$000	BUDGET unaudited 2024 \$000	ACTUAL 2023 \$000
Total equity as at 1 July		22,196	19,221	22,479
Net operating surplus/(deficit) for the year		(5,877)	(10,013)	(562)
Other comprehensive revenue and expense		-	-	279
Total comprehensive revenue and expense		(5,877)	(10,013)	(283)
TOTAL EQUITY AS AT 30 JUNE	18	16,319	9,208	22,196

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

Budget is derived from the *Statement of Performance Expectations 2023/24* published in June 2023.

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

Statement of financial position

As at 30 June

	NOTE	ACTUAL 2024 \$000	BUDGET unaudited 2024 \$000	ACTUAL 2023 \$000
ASSETS				
Current assets				
Cash and cash equivalents	10	7,308	1,999	12,220
Investments in term deposits	11	14,000	15,000	39,000
Receivables	12	13,251	12,675	14,970
Prepayments		255	200	317
Total current assets		34,814	29,874	66,507
Non-current assets				
Property, plant and equipment	13	502	595	606
Works of art	14	2,262	1,983	2,262
Intangible assets	15	172	406	424
Total non-current assets		2,936	2,984	3,292
TOTAL ASSETS		37,750	32,858	69,799
LIABILITIES				
Current liabilities				
Grants payable	9	18,843	22,400	23,598
Payables and deferred revenue	16	1,727	556	23,228
Employee entitlements	17	757	600	679
Total current liabilities		21,327	23,556	47,505
Non-current liabilities				
Lease incentive	19.2	13	13	19
Employee entitlements	17	91	81	79
Total non-current liabilities		104	94	98
TOTAL LIABILITIES		21,431	23,650	47,603
NET ASSETS		16,319	9,208	22,196
EQUITY				
Accumulated funds	18	13,245	6,425	19,127
Revaluation reserves	18	2,262	1,983	2,262
Restricted reserves – special purpose funds	18	812	800	807
TOTAL EQUITY		16,319	9,208	22,196

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

Budget is derived from the *Statement of Performance Expectations 2023/24* published in June 2023.

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

Statement of cash flows

For the year ended 30 June

	ACTUAL 2024 \$000	BUDGET unaudited 2024 \$000	ACTUAL 2023 \$000
CASH FLOW FROM OPERATING ACTIVITIES			
Cash was provided from:			
Revenue from the Crown	16,947	16,689	45,689
Revenue from the New Zealand Lottery Grants Board	51,352	49,875	56,050
Interest received	2,726	1,848	1,269
Grant retirements and gains	87	150	106
Other revenue	116	14	311
Net goods and services tax	-	-	3,323
Cash was applied to:			
Payments of grants	(83,922)	(85,065)	(72,111)
Payments to employees	(10,289)	(10,153)	(9,717)
Payments of operating expenses	(3,504)	(3,374)	(3,327)
Net goods and services tax	(3,368)	(2,969)	-
NET CASH FLOW FROM OPERATING ACTIVITIES	(29,855)	(32,985)	21,593
CASH FLOW FROM INVESTING ACTIVITIES			
Cash was provided from:			
Term deposits maturing (with maturities over three months)	39,000	39,000	22,000
Cash was applied to:			
Purchase of property, plant, equipment and intangible assets	(57)	(300)	(40)
Investment in term deposits (with maturities over three months)	(14,000)	(15,000)	(39,000)
NET CASH FLOW FROM INVESTING ACTIVITIES	24,943	23,700	(17,040)
NET INCREASE (DECREASE) IN CASH HELD	(4,912)	(9,285)	4,553
Cash and cash equivalents at the beginning of the year	12,220	11,284	7,667
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	7,308	1,999	12,220

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

Budget is derived from the *Statement of Performance Expectations 2023/24* published in June 2023.

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

Statement of cash flows (continued)

For the year ended 30 June

RECONCILIATION OF SURPLUS/(DEFICIT) TO NET CASH FLOW FROM OPERATING ACTIVITIES	ACTUAL 2024 \$000	ACTUAL 2023 \$000
Net surplus/(deficit) from operations	(5,877)	(562)
Add/(less) non-cash items:		
Depreciation and amortisation	413	440
Retirement of grants	(250)	(197)
Total non-cash items	163	243
Add/(less) movements in working capital items:		
Decrease (increase) in receivables	1,607	1,372
Decrease (increase) in prepayments	62	9
Decrease (increase) in interest receivable	409	(595)
Decrease (increase) in net goods and services tax receivable/payable	(3,368)	3,323
Increase (decrease) in payables and deferred revenue	(18,417)	16,290
Increase (decrease) in employee entitlements	90	11
Increase (decrease) in lease incentive	(19)	(19)
Increase (decrease) in grants payable	(4,505)	1,521
Net movements in working capital items	(24,141)	21,912
NET CASH FLOW FROM OPERATING ACTIVITIES	(29,855)	21,593

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

No changes in liabilities occurred arising from financing activity. Creative New Zealand has no long-term liabilities and loans. The movements in equity are disclosed in note 18.

Notes to the financial statements

1. Statement of accounting policies

For the year ended 30 June 2024.

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 2024 and were approved for issue by the Board (the Arts Council) on 25 October 2024.

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 that have not been early adopted and that are relevant to Creative New Zealand are as follows.

Disclosure of fees for audit firms' services

An amendment to PBE IPSAS 1 requires entities to disclose the fees incurred for services received from audit or review firms, and a description of each service, using the specified categories. The amendment is effective for the year ending 30 June 2025 with early adoption permitted. This amendment will not result in additional disclosures because Creative New Zealand has been voluntarily disclosing audit or review fees in note 8.

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 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 2023/24* published in June 2023, based on the budget approved by the Arts Council at its June 2023 meeting. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies consistent with those adopted by the Arts Council in preparing these financial statements.

Explanations for specific major variances are outlined on the next page.

Statement of financial performance

A net operating deficit of \$5.9 million for the year ended 30 June 2024 is reported against the budgeted net operating deficit of \$10.0 million, a variance of \$4.1 million.

Total revenue for the year was close to budgeted, with a positive variance of \$0.4 million, with higher interest revenue of \$1.1 million, resulting from the higher term deposits and the increase in interest rates during the year, and lower revenue from the Crown of \$1.0 million, resulting from the changes in the spending pattern of deferred revenue related to the one-off Crown funding (detailed in note 3).

Total expenses for the year were lower than budgeted by \$3.7 million, attributable to lower investment into the arts sector (detailed in note 9) through:

- lower investment in the Toi Tōtara Haemata investment programme of \$0.5 million due to Capital E, The National Theatre for Children, stopping its funded activity
- lower Grants and Special Opportunities (Arts Grants and Festivals Grants) of \$1.1 million due to changes in the spending pattern of the one-off Reprioritised Cultural Recovery Package (see note 3) and review of contestable grant programmes.
- lower spend in initiatives and pilots of \$1.4 million mostly related to reprioritised initiatives within *Te Hā o ngā Toi—Māori Arts Strategy* (\$0.9 million) and the *Pacific Arts Strategy* (\$0.4 million), due to external and internal capacity
- lower spend within the Pasifika Festivals Initiative by \$0.8 million, with the balance carried over as deferred revenue into 2024/25
- lower spend within Advocacy initiatives by \$0.7 million
- offsets from minor overspends within various initiatives totalling \$0.5 million, and slightly higher operating costs of \$0.3 million because of the For the arts contestable funding programme.

Statement of financial position

The budget variances in the Statement of Financial Position reflect:

- the effect of the positive variance in the operating result for the year of \$4.1 million
- the end of the one-off COVID-19 recovery response and other funding in 2023/24 (detailed in note 3).

These have caused a higher cash and term deposits balance of \$4.3 million, a lower grants payable balance of \$3.6 million and higher payables and deferred revenue of \$1.2 million.

Statement of cash flows

The Statement of Cash Flows reflects the movements in the Statement of Financial Performance and Statement of Financial Position. The budget variances are driven by the variances outlined above. Investing activity is dependent on the timing and amount of funding received and cash outflow needs. Due to the uncertain timing of the outflows associated with the additional Crown funding, more cash was held on call than budgeted.

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 and it is recognised as revenue at the point of entitlement (a condition refers to an enforceable legal right of return of the transferred asset if it is not used for the specific intended purpose). 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 and other one-off funding 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 Crown	ACTUAL 2024 \$000	BUDGET unaudited 2024 \$000	ACTUAL 2023 \$000
Vote: Arts Culture and Heritage—core funding	16,689	16,689	16,689
COVID-19 recovery response funding*			
Cultural Sector Capability Fund	760	790	874
Pasifika Festivals Initiative	110	886	4,603
Mātauranga Māori Te Awe Kōtuku Initiative	–	20	1,002
Reprioritised Cultural Recovery Package	15,734	16,100	6,266
One-off other funding			
Niu Dawn Raids	1,956	2,000	–
Cultural Diplomacy International Programme—South by Southwest Sydney	258	–	–
	35,507	36,485	29,434

Apart from the general restrictions, no unfulfilled conditions or contingencies are attached to government funding (2023: \$nil).

Creative New Zealand received significant one-off investment from the Crown in 2021, 2022 and 2023 related to the COVID-19 recovery response. This one-off investment is recorded as grants received in advance (deferred revenue) in the Statement of Financial Position and recognised as revenue when conditions of the grant are satisfied, because of an obligation in substance to return the funds if conditions of the grant are not met.

The remaining COVID-19 recovery response funding affecting these financial statements is restricted in its use towards achieving the following outcomes:

- deliver to the objectives of 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 year in 2021 and 2022)
- 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 pandemic, as well as develop their capability so they can operate in a COVID-19 environment (\$4 million per year in 2021, 2022 and 2023)

- deliver 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
 - boost the existing Toi Ake contestable fund to support the retention of mātauranga and heritage ngā toi Māori artforms
 - develop regional partnerships to support mātauranga Māori artform practitioners (\$1.073 million in 2021, \$2.255 million in 2022 and \$1 million in 2023)
- enable the continued recovery of the arts, culture and heritage sector from the ongoing effects of COVID-19 (\$22 million reprioritised in 2023 from the Government’s Arts and Culture COVID Recovery Programme):
 - **additional support for festivals:** \$10 million to support established festivals that celebrate the life experiences, stories, cultures and regional identities of New Zealanders and that continue to be affected by COVID-19 in 2023
 - **additional support for artists,** arts practitioners and arts organisations: \$12 million to support artists, arts practitioners and arts organisations, including through Grants or other existing programmes that help the arts, culture and heritage sector to adapt and thrive in an ongoing COVID-19 environment.

The additional one-off funding of \$2 million was allocated through Budget 2022 for the Niu Dawn Raids Initiative, a contestable funding for Pacific artists and historians to capture and reflect community experiences of the Dawn Raids.

One-off project funding of \$0.258 million was received from the Cultural Diplomacy International Programme to deliver a cross-sector Aotearoa New Zealand activation in October 2023 as part of South by Southwest, in partnership with Te Māngai Pāho and the New Zealand Music Commission.

The reconciliation of COVID-19 recovery response funding and other one-off funding received and deferred is detailed as follows.

Breakdown of revenue from the Crown	NOTES	ACTUAL 2024 \$000	BUDGET unaudited 2024 \$000	ACTUAL 2023 \$000
Vote: Arts Culture and Heritage—core funding		16,689	16,689	16,689
One-off COVID-19 recovery response funding				
Cultural Sector Capability Fund		–	–	4,000
Pasifika Festivals Initiative		–	–	1,000
Mātauranga Māori Te Awe Kōtuku Initiative		–	–	22,000
Reprioritised Cultural Recovery Package				
One-off other funding		–	–	2,000
Niu Dawn Raids		258	–	–
Cultural Diplomacy International Programme—South by Southwest Sydney		16,947	16,689	45,689
		35,507	36,485	29,434
Plus deferred revenue used from prior years				
One-off COVID-19 response funding				
Cultural Sector Capability Fund		760	790	1,634
Pasifika Festivals Initiative		886	886	1,490
Mātauranga Māori Te Awe Kōtuku Initiative		20	20	21
Reprioritised Cultural Recovery Package		15,734	16,100	–
Other one-off funding				
Niu Dawn Raids Initiative		2,000	2,000	–
		19,400	19,796	3,145
Less revenue deferred (recognised in the Statement of Financial Position)				
One-off COVID-19 response funding				
Cultural Sector Capability Fund		–	–	760
Pasifika Festivals Initiative		776	–	887
Mātauranga Māori Te Awe Kōtuku Initiative		20	–	19
Reprioritised Cultural Recovery Package		–	–	15,734
Other one-off funding				
Niu Dawn Raids Initiative	16	44	–	2,000
		840	–	19,400
TOTAL REVENUE FROM THE CROWN		35,507	36,485	29,434

4. Revenue from the New Zealand Lottery Grants Board Te Puna Tahua

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 annual funding allocation until 30 June 2023 was based on 15 percent of Lotto New Zealand's profit for the financial year. In 2023/24, NZLGB shifted from providing Creative New Zealand with a percentage of Lotto New Zealand profits to a fixed funding amount.

Creative New Zealand uses the funding for the purpose of meeting its objectives, as specified in the governing legislation. Creative New Zealand considers no conditions are 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

	2024 \$000	2023 \$000
Funding allocation for the year (based on budgeted profit)	49,500	53,895
Additional profit allocation (wash-up from current year's profit)	-	754
	49,500	54,649

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

	2024 \$000	2023 \$000
Retirement of grants	337	303
Revenue from project partners	113	202
Donations	-	110
Todd Corporation (Todd New Writer's Bursary)	10	10
Revenue from ticket sales	33	2
Rental revenue	-	2
Other	15	14
	508	643

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

	2024	2023
	\$000	\$000
Salaries and wages	8,818	8,405
Other staff-related costs	1,233	1,098
Employer contributions to defined contribution plans	256	248
Increase/(decrease) in employee entitlements	72	(23)
	10,379	9,728

During the year ended 30 June 2024, no employee received compensation relating to the cessation of their employment with Creative New Zealand (2023: \$nil).

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

Total remuneration paid or payable	2024	2023
\$100,000 – \$109,999	17	15
\$110,000 – \$119,999	4	3
\$120,000 – \$129,999	5	3
\$130,000 – \$139,999	9	7
\$140,000 – \$149,999	2	Nil
\$150,000 – \$159,999	1	1
\$160,000 – \$169,999	1	1
\$180,000 – \$189,999	4	4
\$190,000 – \$199,999	1	Nil
\$200,000 – \$209,999	Nil	1
\$210,000 – \$219,999	1	Nil
\$320,000 – \$329,999	1	1

The Chief Executive's remuneration and benefits are in the \$320,000 to \$329,999 band.

7. Depreciation and amortisation

	2024	2023
	\$000	\$000
Depreciation		
Leasehold improvements	76	76
Computer equipment	50	52
Furniture, equipment and fittings	35	44
Amortisation		
Computer software	252	268
	413	440

8. Other expenses

	2024	2023
	\$000	\$000
Fees to auditor—for audit of financial statements	95	88
Board member remuneration (note 22)	203	206
Operating lease payments	451	427
Bad debt written off	4	-
Other expenses	2,747	2,631
	3,500	3,352

9. Expenses by investment category

Accounting policy

Grant expenses

Discretionary grants are those 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 25).

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

Breakdown of expenses by investment category

	ACTUAL 2024 \$000	BUDGET unaudited 2024 \$000	ACTUAL 2023 \$000
INVESTING IN THE ARTS			
Toi Tōtara Haemata Investment programme	16,192	16,742	16,413
Toi Uru Kahikatea Investment programme	17,981	17,981	18,467
Grants and special opportunities	12,022	12,781	12,743
Creative Communities Scheme	3,948	3,956	3,943
International programme	2,071	1,755	1,334
Initiatives and pilots	–	–	70
COVID-19 emergency response*			
Toi Tōtara Haemata—one-off cost pressure top up	–	–	657
Toi Uru Kahikatea—one-off cost pressure top up	–	–	729
Creative Communities Scheme	1,183	1,200	–
Grants and special opportunities—Arts Grants	4,758	6,100	4,500
Grants and special opportunities—Festival Grants	9,793	8,800	380
Grants and special opportunities—Mātauranga Māori Te Awe Kōtuku Initiative (Toi Ake Fund)	–	–	500
Initiatives and pilots—Pasifika Festivals Initiative	110	886	4,403
Other one-off funding*			
Initiatives and pilots—Niu Dawn Raids Initiative	1,956	2,000	–
Cultural Diplomacy International Programme—South by Southwest Sydney	258	–	–
	70,272	72,201	64,139

* A reconciliation of COVID-19 recovery response funding and other one-off funding received and deferred is detailed in note 3.

	ACTUAL 2024 \$000	BUDGET unaudited 2024 \$000	ACTUAL 2023 \$000
DEVELOPING THE ARTS			
Capability building—national programme	1,792	1,440	842
Capability building—international programme	457	755	538
Initiatives and pilots	4,162	5,622	4,641
COVID-19 recovery response*			
Capability building—Cultural Sector Capability Fund	760	790	874
Initiatives and pilots—Mātauranga Māori Te Awe Kōtuku Initiative (Tārai Waka and Taonga Pūoro)	–	–	500
	7,171	8,607	7,395
ADVOCATING FOR THE ARTS			
Advocacy	1,504	1,997	1,354
	1,504	1,997	1,354
LEADERSHIP IN THE ARTS			
Capability building—national programme	217	210	79
Advocacy	253	500	665
	470	710	744

* 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

	2024 \$000	2023 \$000
Toi Tōtara Haemata Investment Programme	6,643	7,715
Toi Uru Kahikatea Investment Programme	7,961	8,565
Grants and other investment categories	4,239	7,318
	18,843	23,598

10. Cash and cash equivalents

Accounting policy

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

Breakdown of cash and cash equivalents

	2024 \$000	2023 \$000
Cash at bank and on hand	386	249
Term deposits with maturities less than three months	6,922	11,971
Total cash and cash equivalents	7,308	12,220

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

	2024 \$000	2023 \$000
Term deposits	14,000	39,000
Total investments in term deposits	14,000	39,000

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.

12. Receivables

Accounting policy

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

In measuring expected credit losses, short-term receivables have been assessed on a collective basis 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

	2024 \$000	2023 \$000
Receivables from non-exchange transactions		
New Zealand Lottery Grants Board	12,375	14,227
Goods and services tax receivable	297	-
Sundry receivables	334	89
Receivables from exchange transactions		
Interest receivable	245	654
Total receivables	13,251	14,970

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 below.

	2024 \$000	2023 \$000
Not past due	13,238	14,970
Past due 1-30 days	-	-
Past due 31-60 days	13	-
Past due 61-90 days	-	-
Past due over 90 days	-	-
	13,251	14,970

13. Property, plant and equipment

Accounting policy

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

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

Additions

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

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

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

Costs incurred 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, 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.

	Leasehold improvements \$000	Furniture, equipment & fittings \$000	Computer equipment \$000	Total \$000
Cost				
Balance at 1 July 2023	630	507	563	1,700
Additions	–	9	48	57
Disposals	–	–	(23)	(23)
Reclassification	–	–	–	–
Balance at 30 June 2024	630	516	588	1,734
Accumulated depreciation				
Balance at 1 July 2023	265	358	471	1,094
Depreciation expense	76	35	50	161
Eliminated on disposal	–	–	(23)	(23)
Balance at 30 June 2024	341	393	498	1,232
Carrying amount at 30 June 2024	289	123	90	502
Cost				
Balance at 1 July 2022	627	497	542	1,666
Additions	3	10	26	39
Disposals	–	–	(5)	(5)
Reclassification	–	–	–	–
Balance at 30 June 2023	630	507	563	1,700
Accumulated depreciation				
Balance at 1 July 2022	189	314	424	927
Depreciation expense	76	44	52	172
Eliminated on disposal	–	–	(5)	(5)
Balance at 30 June 2023	265	358	471	1,094
Carrying amount at 30 June 2023	365	149	92	606

No restrictions are in place 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.

14. Works of art

Accounting policy

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

Works of art are revalued with sufficient regularity to make sure 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 value of the works of art was determined by Ben Plumbly, Director of Art at Art+Object auction house. The works of art collection was revalued in June 2023.

	2024	2023
	\$000	\$000
Valuation		
Balance at 1 July	2,262	1,983
Revaluation increase/(decrease)	-	279
Carrying amount at 30 June	2,262	2,262

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:

	2024	2023
	\$000	\$000
Cost		
Balance at 1 July	2,232	2,231
Additions	-	1
Disposals	-	-
Balance at 30 June	2,232	2,232
Accumulated amortisation		
Balance at 1 July	1,808	1,540
Amortisation expense	252	268
Eliminated on disposal	-	-
Balance at 30 June	2,060	1,808
Carrying amount at 30 June	172	424

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

16. Payables and deferred revenue

Accounting policy

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

Breakdown of payables and deferred revenue

	2024 \$000	2023 \$000
Payables and deferred revenue under exchange transactions		
Trade payables	344	446
Accrued expenses	211	156
Goods and services tax payable	–	287
Revenue in advance (the Todd Trust)	–	10
Lease incentive—current portion (note 19.2)	6	19
	561	918
Payables and deferred revenue under exchange transactions		
Deferred revenue from the Crown (note 3)	840	19,400
Deferred revenue other	200	–
Deferred goods and services tax payable	126	2,910
	1,166	22,310
Total payables and deferred revenue	1,727	23,228

Creative New Zealand has a bank credit card facility of up to \$200,000 (2023: \$200,000). At 30 June 2024, \$84,195 of the total facility was used (2023: \$23,946).

17. Employee entitlements

Accounting policy

Short-term employee entitlements

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

Long-term employee entitlements

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

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

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

	2024 \$000	2023 \$000
Current portion		
Accrued/(prepaid) salaries and wages	180	163
Annual leave	502	453
Long service leave	62	57
Time in lieu	13	6
Total current portion	757	679
Non-current portion		
Long service leave	91	79
Total non-current portion	91	79
Total employee entitlements	848	758

18. Equity

Accounting policy

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

- accumulated funds
- revaluation reserve
- restricted reserve.

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

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

Capital management

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

Creative New Zealand is independent in deciding how to best use its capital to achieve 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

	2024 \$000	2023 \$000
Accumulated funds		
Balance at 1 July	19,127	19,696
Net operating surplus/(deficit) for the year	(5,877)	(562)
Transfer of special purpose funds from restricted reserves	(5)	(7)
Balance at 30 June	13,245	19,127
Revaluation reserves (works of art)		
Balance at 1 July	2,262	1,983
Revaluation of works of art (note 14)	-	279
Balance at 30 June	2,262	2,262
Restricted reserves (special purpose funds)		
Balance at 1 July	807	800
Transfer of special purpose funds to accumulated funds	5	7
Balance at 30 June	812	807
Total equity	16,319	22,196

Restricted reserves (special purpose funds)

2024	Opening balance \$000	Revenue \$000	Expenses \$000	Closing balance \$000
Edwin Carr Foundation	590	36	35	591
Tup Lang scholarship fund	75	4	-	79
Louis Johnson fund	54	3	-	57
Butland Music Foundation	45	2	8	39
New Zealand/Aotearoa Music Scholarship	43	3	-	46
Total restricted reserves (special purpose funds)	807	48	43	812

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.

19. Capital commitments and operating leases

19.1. Capital commitments

	2024	2023
	\$000	\$000
Capital commitments		
Property, plant and equipment	-	-
Total capital commitments	-	-

19.2. 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.

	2024	2023
	\$000	\$000
Operating leases as lessee, payable:		
Not later than one year	418	419
Later than one year and not later than five years	717	1,043
Later than five years	-	21
Total non-cancellable operating leases payable	1,135	1,483

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

	2024	2023
	\$000	\$000
Current portion (note 16)	6	19
Non-current portion	13	19
Total non-cancellable operating leases payable	19	38

20. Contingencies

20.1. Contingent assets

	2024 \$000	2023 \$000
Invoiced to grantees in a default position	-	71

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.

21. 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 conditions 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 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

	2024 \$000	2023 \$000
Council members		
Remuneration (note 22)	\$203,308	\$205,835
Full-time equivalent members	1.50	1.55
Leadership team		
Remuneration	\$1,542,524	\$1,432,763
Full-time equivalent members	7.00	7.00

22. Board member remuneration

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

Member	Position on Arts Council	Committee memberships	Current term end date	2024	2023
Caren Rangi	Chair; Member (Pasifika)	Member, People & Culture Committee	16 April 2024	26,217	33,000
Michael Prentice	Deputy Chair; Acting Chair (Apr 2024)	Chair, People & Culture Committee	30 April 2024	15,875	17,500
Hilary Poole	Member; Acting Chair (May & Jun 2024)	Chair, Audit & Risk Committee (to 30 Apr 2024); Member, Audit & Risk Committee (May & Jun 2024)	31 October 2024	18,333	15,400
Kent Gardner	Chair; Member (appointed 10 June 2024)	—	31 May 2027	1,833	—
Kura Moehau	Member (Māori)	Co-Chair, Komiti Māori	31 January 2026	15,400	15,400
Bonita Bigham	Member (Māori)	Co-Chair, Komiti Māori (to 15 Apr 2024); Member, Komiti Māori (from 15 Apr 2024)	31 July 2025	15,108	14,117
Puamiria Parata-Goodall	Member (Māori)	Member, Komiti Māori; Co-Chair, Komiti Māori (from 15 Apr 2024)	30 September 2025	14,292	8,167
John Ong	Member	Member, Audit & Risk Committee; Acting Chair, People & Culture Committee (from 1 May 2024)	30 September 2025	14,233	14,000
Ane Tonga	Member (Pasifika); leave of absence from 31 Jan to 1 June 2024	Member, Audit & Risk Committee; Acting Chair, Audit & Risk Committee (from 1 May 2024)	31 October 2024	9,450	14,000
Whetū Fala	Member (Māori)	Member, Komiti Māori	30 June 2025	14,000	13,360
Robyn Hunt	Member	—	31 January 2026	14,000	14,000
Helen Klisser During	Member	—	30 September 2025	14,000	8,167
Janine Morrell-Gunn	Member	Member, Komiti Māori	30 May 2024	12,833	14,000
Shane Te Ruki	Member (Māori)	Member, Komiti Māori	30 June 2026	13,548	—
Jannita Pilisi	Member (Pasifika) (appointed 29 April 2024)	—	31 March 2027	2,334	—
Angela Abernethy	—	Independent Member, Audit & Risk Committee	—	1,400	2,557
Garth Gallaway	Member	Member, Audit & Risk Committee	12 July 2023	452	14,000
Roger King	ex-Member	ex-Member, Audit & Risk Committee	31 October 2022	—	4,667
Riria Hotere-Barnes	ex-Member (Māori)	ex-Member, Komiti Māori	30 September 2022	—	3,500
				203,308	205,835

23. 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.

23.1. Financial instrument categories

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

	2024 \$000	2023 \$000
Financial assets measured at amortised cost:		
Cash and cash equivalents	7,308	12,220
Receivables	12,954	14,970
Investments in term deposits	14,000	39,000
Total financial assets	34,262	66,190
Financial liabilities measured at amortised cost:		
Grants payable	18,843	23,598
Payables	561	631
Total financial liabilities	19,404	24,229

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

23.2. 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 2024 were ranging between 5.45 percent and 6.30 percent (2023: between 2.04 percent and 5.80 percent). Call deposits were invested at the official cash rate (OCR) of 5.50 percent at 30 June 2024 (2023: 5.50 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

	2024 \$000	2023 \$000
Counterparties with credit ratings*		
Cash and cash equivalents		
A1/A+	7,308	12,220
Investments in term deposits		
A1/A+	14,000	39,000
Total cash and term deposits	21,308	51,220
Counterparties without credit ratings		
Debtors and other receivables		
Existing counterparty with no defaults in the past	13,251	14,970
Existing counterparty with defaults in the past	-	-
Total debtors and other receivables	13,251	14,970

* Credit rating refers to the counterparties' Moody's and Fitch credit ratings, which is 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.

2024 (in \$000)	Carrying amount	Contractual cash flows	Less than 6 months	Between 6-12 months	Over 1 year
Grants payable	18,843	18,843	18,843	-	-
Payables and deferred revenue	1,727	1,727	1,727	-	-
2023 (in \$000)					
Grants payable	23,598	23,598	23,598	-	-
Payables and deferred revenue	23,228	23,228	23,228	-	-

24. Events subsequent to balance date

No events have occurred after 30 June 2023 that materially affect these financial statements.

25. 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.

	2024	2023
	\$000	\$000
Conditional funding, payable in out-years:		
Not later than one year	35,003	34,723
Later than one year and not later than two years	–	35,565
Total funding commitments as at 30 June	35,003	70,288

The variance in the amount between 2024 and 2023 is caused by the timing of the multi-year funding contracts and the timing of funding decisions.

In July 2022, the Arts Council approved \$105.204 million of funding over the three financial years (2022/23: \$34.916 million, 2023/24: \$34.723 million and 2024/25: \$35.565 million) for its investment programmes (23 organisations in the Toi Tōtara Haemata Investment Programme and 58 organisations in the Toi Uru Kahikatea Investment Programme). The investment programmes represent about 50 percent of our investment in the arts sector.

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 2023.



The Auditor-General is the auditor of Arts Council of New Zealand Toi Aotearoa (Creative New Zealand). The Auditor-General has appointed me, Sonia Isaac, 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 50 to 75, that comprise the statement of financial position as at 30 June 2024, 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 which reports against Creative New Zealand's *Statement of Performance Expectations* for the year ended 30 June 2024 on pages 17 to 31 and 40.

In our opinion:

- the financial statements of Creative New Zealand:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2024; 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
- Creative New Zealand's performance information for the year ended 30 June 2024:
 - presents fairly, in all material respects, 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;

- complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 25 October 2024. 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 they determine is necessary to enable them to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Arts Council is responsible on behalf of Creative New Zealand for assessing Creative New Zealand's ability to continue as a going concern. The Arts Council is also responsible for disclosing, as applicable, matters related to going concern and using the going

concern basis of accounting, unless there is an intention to merge or to terminate the activities of Creative New Zealand, or there is no realistic alternative but to do so.

The Arts Council's responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

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 performance information which reports against Creative New Zealand's statement of 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 17, 33 to 41 and 44 to 54, 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 (including International Independence Standards) (New Zealand) (PES 1) 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.



Sonia Isaac

KPMG

On behalf of the Auditor-General
Wellington, New Zealand

Statement of responsibility

For the year ended 30 June 2024

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 2024 fairly reflect the financial position and operations of Creative New Zealand.

Signed on behalf of the Arts Council



Kent Gardner
Manukura—Chair, Arts Council of New Zealand Toi
Aotearoa
25 October 2024



Hilary Poole
Mema o Te Kaunihera Toi Aotearoa
—Member, Arts Council of New Zealand Toi Aotearoa
25 October 2024



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