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FRONT COVER:

*Movement of the human, Tōrua in Cuba Dupa -
Credit Photographer - Andi Crown*

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In accordance with section 150(3) of the Crown Entities Act 2004, the Annual Report for 2022/23 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 2022/23 financial year—1 July 2022 to 30 June 2023—and reports against Creative New Zealand’s one output class: Promotion and support of the arts.

A handwritten signature in black ink, consisting of a stylized, cursive 'C' followed by a long horizontal line extending to the right.

Caren Rangi ONZM
Manukura—Chair
24 October 2023

A handwritten signature in black ink, featuring a large, stylized 'M' and 'P' intertwined.

Michael Prentice
Manukura Tuarua—Deputy Chair
24 October 2023

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FOREWORD

KUPU WHAKATAKI

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

The long-term outcomes we are seeking to achieve through our work are **Greater public engagement in the arts**, **Stronger arts**, and a **Stronger arts sector**. The 2022/23 year was the first focusing on our three new strategic focus areas – **Resilience**; **Access, Inclusion and Equity**; and **Wellbeing** – as set out in our Statement of Intent 2022–2026. We believe that focusing on these areas will help us better achieve our outcomes, including by building the resilience of the arts sector and the value New Zealanders place on the arts.

In 2022/23, we invested nearly **\$74 million** in the arts, supporting the arts community through our funding, capability building, advocacy, leadership and partnership initiatives.

Of our total revenue, \$54.6 million came from the New Zealand Lottery Grants Board Te Puna Tahua (NZLGB), 63 percent of all revenue for the year. The Board’s ongoing support has been critical in enabling us to invest in the arts sector as it recovers from the COVID-19 pandemic and weathers challenging financial conditions, including historically high inflation.

We’re also grateful for additional Crown investment of \$22 million received in 2022/23, which has helped mitigate strong demand for funding. Delivering new programmes to distribute this funding has been a priority this year and will continue in 2023/24.

Under our focus areas this year, we have:

- advanced *Te Kaupapa o Toi Aotearoa*, a programme aimed at ensuring we have the organisational culture, competencies and practices to meet our aspirations under te Tiriti o Waitangi (the Treaty of Waitangi) and deliver public value for all New Zealanders
- delivered the Digital Arts Commissioning Service aimed at supporting the arts sector to maximise the opportunities associated with digital technologies
- worked to improve the sustainability of the arts sector and arts sector careers through the implementation of our Remuneration Policy for Artists and Arts Practitioners
- advanced the development of new grants programmes under our *future of arts development* review, with the aim of making funding more responsive to the needs of artists and the wider sector and shifting towards a more practitioner- or artist-centric approach
- prioritised partnerships with other arts investors and supporters, including working with New Zealand On Air, to deliver funding to the arts community as part of the Dawn Raids Apology through the Pacific Wellbeing Budget
- advanced the development of an accessibility policy, which will guide our future work with and for Deaf and disabled artists and arts practitioners, tāngata turi, tāngata whaikaha Māori and disability communities and ensure we are accessible to all New Zealanders.

We’ve continued to build our support for ngā toi Māori through our *Te Hā o ngā Toi—Māori Arts Strategy*. In June 2023, we convened the ngā toi Māori sector at Toi Ora, a Crown–Māori relations engagement aimed at developing national priorities for ngā toi Māori.

Over the year, we refreshed our *Pacific Arts Strategy*, with a new five-year strategy taking effect from 1 July 2023. We also brought together over 250 Pacific artists and practitioners in October 2022 at the second Pacific Arts Summit.

While the arts sector largely survived through COVID-19, due to significant additional investment over successive years, the outlook for the arts sector, as for the broader economy, is challenging.

Looking ahead, after five years of elevated revenue, we are forecasting a significant reduction in funding from 2024/25 due the ending of one-off COVID-19 funding, reduced funding from NZLGB and a change to NZLGB's allocation model for funding to statutory bodies, including Creative New Zealand. In addition, affordable operating deficits we have been running as a result of variable NZLGB funding over time are no longer sustainable as our reserves have been spent down.

Our expectation is that the constrained funding environment together with difficult economic conditions, which are affecting other investors such as local authorities as well, will lead to losses in the sector. Artists and practitioners may leave in favour of more secure employment and organisations may no longer be viable.

So, while we remain confident in the value the arts deliver for New Zealanders, we're expecting tough times ahead. This will require us to make difficult decisions about where we invest our resources.

We are doing what we can by reviewing how we operate our granting programmes, identifying operational efficiencies, and through our *Towards a sustainable future* change programme, through which we're more looking fundamentally at how we operate.

We are committed to working hard over the next year to meet the challenges we're facing—with dedication, heart and manaaki. 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



Caren Rangi

Manukura—Chair
Arts Council of New Zealand Toi Aotearoa
24 October 2023



Stephen Wainwright
Tumu Whakarae—Chief Executive
Creative New Zealand
24 October 2023

PART ONE

INTRODUCTION
KUPU ARATAKI

OUR VISION

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

OUR VALUES

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

Tauīwi—we recognise New Zealand’s distinctive cultural and social diversity and work to 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 PURPOSE

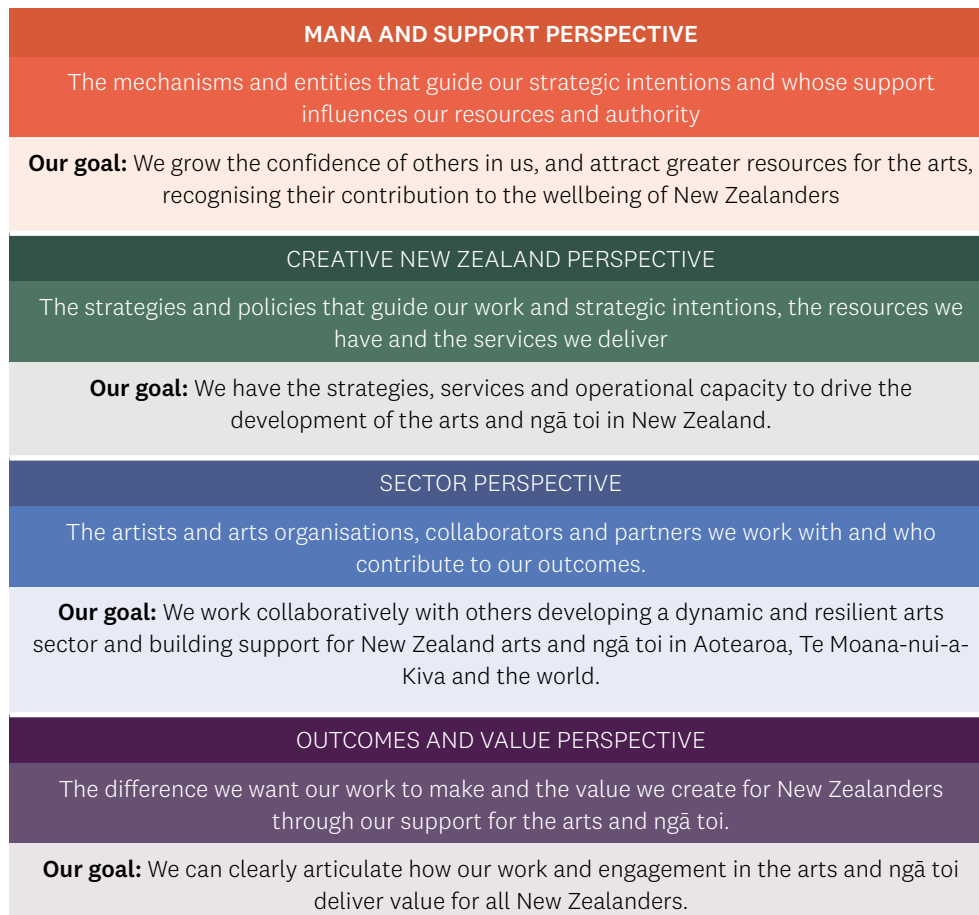
To encourage, promote and support the arts in New Zealand for the benefit of all New Zealanders.

OUR STRATEGIC DIRECTION UNDERPINNING OUR WORK IN 2022/23 TO TĀTOU MĀHERE RAUTAKI E HONO NEI O TĀTOU MAHI MŌ NGĀ 2022/23

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 toi¹

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 8) where strengthening one segment leads to the strengthening of the next and so on. Over time, this strengthening will increase the value the arts deliver 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.

We developed our workplan for 2022/23, in line with these goals, and report on our performance for the year in Part Two of this report.

When we refreshed our Statement of Intent in 2022, we further identified three focus areas we believe will 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

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



Access, inclusion and equity

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



Wellbeing

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*.

Through our annual priorities in 2022/23 (pages 29-33), we have started work on new projects and continue ongoing work that supports these areas.

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

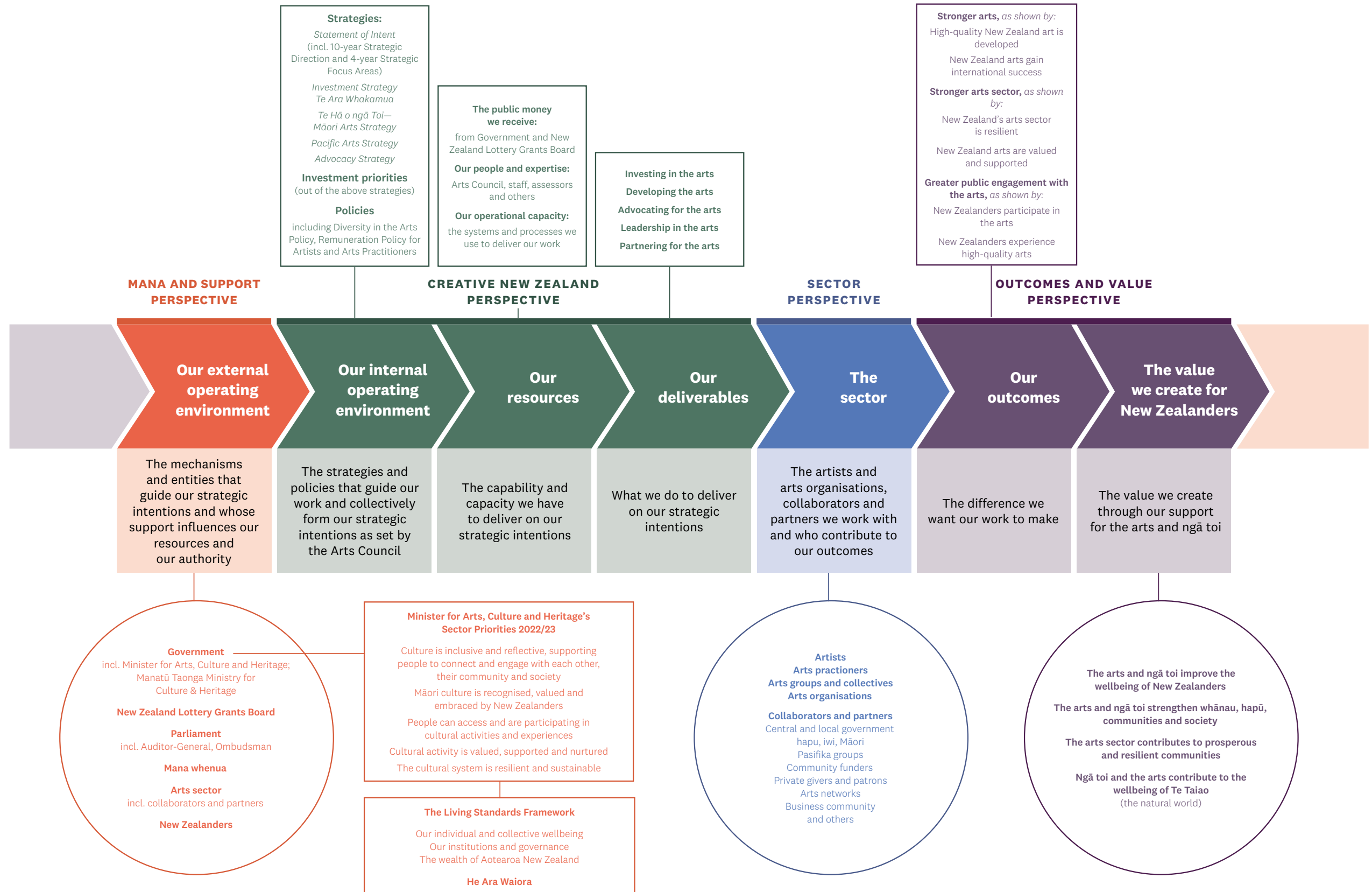
Our goal: We work collaboratively with others developing a dynamic and resilient arts sector, and building support for New Zealand arts and ngā toi in Aotearoa, Te Moana-nui-a-Kiwa and the world

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

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



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 our *Statement of Intent 2022–2026* set out what we want to achieve. *Te Kaupapa o Toi Aotearoa—the Creative New Zealand way* will help guide how and why we do this. It considers the people and communities we serve, our vision, purpose, values, *Te Waka Toi Pātaka*—our *Mātauranga Māori Framework*—and the social context of our work within Aotearoa New Zealand.

Through *Te Kaupapa o Toi Aotearoa*, 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.
- **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 to 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.

An overview of our work under the first two pou is shown on page 42.

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.

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

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 Tipuna—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.

PART TWO

STATEMENT OF PERFORMANCE

WĀHANGA TUARUA: TE TAUKI WHAKATUTUKI
I NGĀ MAHI

This section reports on how we have delivered against our output class and the four perspectives of *Te whakaputa hua ki te hunga o Aotearoa—Creating value for New Zealanders* public value model. This model is outlined in our *Statement of Intent 2022–2026 and Statement of Performance Expectations 2022/23*

Our performance framework for 2022/23 is shown on pages 14–16. 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.

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

Performance against all measures and indicators set out in the Statement of Performance Expectations 2022/23 is reported on in the following pages.

OUR PERFORMANCE FRAMEWORK FOR 2022/23

TE TŪTUKI I A MĀTAU MAHI

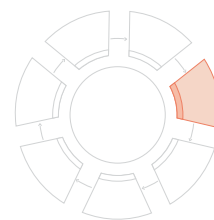
MANA AND SUPPORT PERSPECTIVE				
Our vision: Dynamic and resilient New Zealand arts, valued in Aotearoa and internationally	What we want to achieve by 2029 – Our goals	How will we achieve our goals?	How will we know we're successful?	
	<p>Goal: Mana and support perspective – We grow the confidence of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

CREATIVE NEW ZEALAND PERSPECTIVE				
Our vision: Dynamic and resilient New Zealand arts, valued in Aotearoa and internationally	What we want to achieve by 2029 – Our goals	How will we achieve our goals?	How will we know we're successful?	
	<p>Goal: Creative New Zealand perspective – We have the strategies, services and operational capacity to drive the development of the arts in New Zealand for the benefit of all New Zealanders</p>	Our deliverables	Core activity measures	Annual priorities
		<p>Investing in the arts – Investing in artists, art practitioners and arts organisations and their projects in a fair, transparent and strategic way (Page 25)</p>	<p>Percentage of Tōtara and Kahikatea organisations that meet or exceed performance expectations as set out in funding agreements</p> <p>Percentage of completed projects that meet or exceed expectations as set out in funding agreements</p>	<p>Implementing the Remuneration Policy for Artists and Arts Practitioners</p> <p>Supporting the development of digital capability in the arts, creative and cultural sectors</p>
<p>Developing the arts – Developing the arts sector's capacity to succeed and undertaking initiatives to develop the arts (Page 25)</p>		<p>Percentage of clients who agree capability building programmes align with their needs and priorities</p> <p>Percentage of clients who rank capability building initiatives as extremely or very effective, relevant, and helpful</p> <p>Percentage of completed projects for targeted initiatives to develop the arts delivered to the sector that have met or exceeded our expectations</p>	<p>Increasing our understanding of the role of the arts and ngā toi in contributing to the wellbeing of New Zealanders</p> <p>Monitoring the sustainability of arts, culture and creative sector careers</p>	

What we want to achieve by 2029 – Our goals	How will we achieve our goals?	How will we know we're successful?	
<p>Goal: Creative New Zealand perspective – We have the strategies, services and operational capacity to drive the development of the arts in New Zealand for the benefit of all New Zealanders</p>	CREATIVE NEW ZEALAND PERSPECTIVE		
	Our deliverables	Core activity measures	Annual priorities
	<p>Advocating for the arts—Promoting the value of the arts and empowering the arts sector to make the case for the arts (page 26)</p>	<p>Percentage of advocacy actions described in the annual advocacy action plan that have met or exceeded our expectations</p>	
	<p>Leadership in the arts—Providing leadership to make sure the arts sector is well positioned collectively to respond to change (page 26)</p>	<p>Overall participant satisfaction with Creative New Zealand-led events</p>	
	<p>Partnering for the arts—Developing reciprocal relationships and partnerships that increase the impact of our collective work for the arts (new)</p>	<p>Number of active relationships and partnerships Creative New Zealand maintains with organisations or collectives that have shared interests, including government, local government, trusts and other partners</p>	
	Our resources—The capability and capacity we have to deliver on our strategic intentions		
	<p>Public money (page 27)</p>	<p>Total level of investment by Creative New Zealand in the arts</p> <p>Maintain operating costs in line with policy set by the Arts Council (being between 15 percent and 16 percent of total expenditure)</p>	<p>Advancing our <i>Te Kaupapa o Toi Aotearoa</i> programme — aimed at ensuring Creative New Zealand has the organisational culture, competencies, and practices to enable it to meet its aspirations under te Tiriti o Waitangi and adopt a multi-lensed approach to how it works</p>
	<p>Our people and expertise (page 28)</p>	<p>Improve on the Workplace survey overall performance index</p>	
	<p>Our operational capacity (page 28)</p>	<p>Percentage of funding decisions made within specified timeframes</p> <p>Percentage of applications externally assessed</p>	
	Our internal operating environment—The strategies and policies that guide our work and collectively form our strategic intentions as set by the Arts Council		
<p>The strategies and policies that guide our work and collectively form our strategic intentions</p>	<p>Deliver actions set out in approved implementation plans for key kaupapa-based strategies:</p> <ul style="list-style-type: none"> • <i>Te Hā o ngā Toi—Māori Arts Strategy 2019–2024</i> • <i>Pacific Arts Strategy 2018–2023</i> 	<p>Developing our accessibility policy and implementing a programme of work aimed at ensuring our services are accessible to and reflective of different communities</p>	

SECTOR PERSPECTIVE				
Our vision: Dynamic and resilient New Zealand arts, valued in Aotearoa and internationally	What we want to achieve by 2029 – Our goals	How will we achieve our goals?	How will we know we're successful?	
	Goal: Sector perspective—We work collaboratively with others developing a dynamic and resilient arts sector, and building support for New Zealand arts in Aotearoa, Te Moana-nui-a-Kiwa, and the world	Sector perspective	Indicators of sector health and performance	
		The sector —The artists and arts organisations, collaborators and partners we work with and who contribute to our outcomes (pages 47-48)	Artistic health Percentage of Tōtara and Kahikatea organisations that meet or exceed expectations for quality of artistic programme measures	
			Financial health Percentage of Tōtara and Kahikatea organisations that meet or exceed expectations for financial health measures	
Funding Average private support (sponsorship, philanthropy and trust funding) per investment organisation				
		Our relationships Number of active relationships (including co-investment, regular meetings, shared projects) Creative New Zealand maintains with organisations or collectives that		

OUTCOMES AND VALUE PERSPECTIVE				
Our vision: Dynamic and resilient New Zealand arts, valued in Aotearoa and internationally	What we want to achieve by 2029 – Our goals	How will we achieve our goals?	How will we know we're successful?	
	Goal: Outcomes and value perspective—We can clearly articulate how our work and engagement in the arts deliver value for all New Zealanders	Our outcomes	Outcome measures	
		Stronger arts (pages 51-52)	High-quality New Zealand art is developed Number of new New Zealand works developed	
			New Zealand arts gain international success Number of artists and arts organisations funded by Creative New Zealand to engage internationally Number of international arts activities and events funded by Creative New Zealand	
Greater public engagement with the arts (pages 52-53)		New Zealanders participate in the arts Number of participants in arts activities funded by Creative New Zealand		
	New Zealanders experience high-quality arts Number of attendances at arts activities and events funded by Creative New Zealand			
Stronger arts sector (pages 54-55)	New Zealand's arts sector is resilient Percentage of Tōtara and Kahikatea organisations that meet or exceed expectations set out in their funding agreements across the three dimensions of: quality of artistic programme, financial health, organisational health			
	New Zealand arts are valued and supported Average percentage of 'other' (non-Creative New Zealand) investment across the Tōtara and Kahikatea organisations Index rating for how New Zealanders perceive the value of the arts to New Zealand (<i>New Zealanders and the Arts survey</i> data)			



Our external operating environment

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

Mana and support perspective

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.

By growing the confidence of others in us, we can secure the maximum resources we need to sustain the arts sector.

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

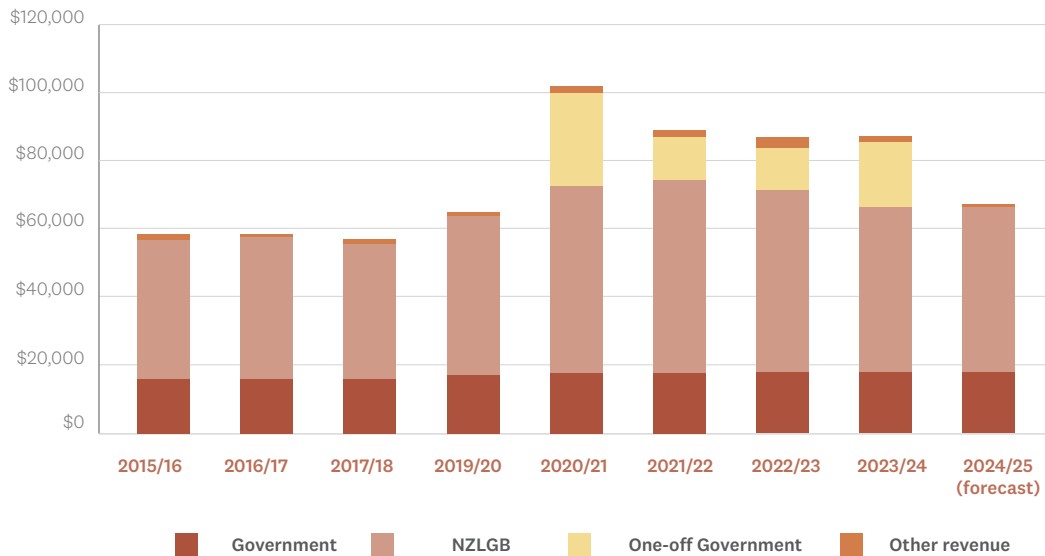
In 2022/23, we invested nearly \$74 million in the arts, supporting the arts community through our funding, capability building, advocacy, leadership and partnership initiatives. Of our total revenue, \$54.6 million came from the New Zealand Lottery Grants Board Te Puna Tahua (NZLGB), 63 percent of all revenue for the year. This increases to over 70 percent when one-off funding is excluded.

While NZLGB's ongoing support has been critical in enabling us to respond to the needs of the arts sector through the COVID-19 crisis (figure 1), increased funding demand and economic pressures have challenged our ability to create more value for New Zealanders. The cost for artists to create art goes up and creative output may decline; members of the public find it more difficult to financially support the arts; and public funders face more pressure in their financial decision-making.

From 2023/24, NZLGB has changed its approach to allocating funding to statutory bodies, including Creative New Zealand, from a percentage allocation model (under which Creative New Zealand received 15 percent of lottery profits) to a set amount. Uncertainty remains about how the new model will be implemented, however, we can no longer plan on the basis of benefitting from above-forecast lottery profits.

This, together with the ending of one-off COVID-19 funds and that Creative New Zealand has been running affordable operating deficits as a legacy of managing variable NZLGB funding over time, means we expect to have materially less funding to invest from 2024/25 than for the previous five years. This may continue to contribute to the level of confidence in areas we report on (table 1). Ahead of 2024/25, we are looking at our operating model, including where we invest our resources, as well as our operating costs.

Figure 1: Creative New Zealand revenue, 2015/16 to 2023/24



We are proud of the work we continue to do to attract greater resources for the arts. Highlights and achievements in 2022/23 include:

- championing the arts across central and local government, and other partners, including:
 - providing advice to Manatū Taonga Ministry for Culture and Heritage, including identifying needs and opportunities in relation to sector needs
 - forming connections and partnerships with other relevant central government agencies, such as Te Manatū mō ngā iwi ō to Moana-nui-ā-Kiwa Ministry of Pacific Peoples, to deliver programmes as part of the Dawn Raids Apology
 - forming connections with significant sector leaders and advocacy groups in the health and education spaces
- providing submissions to local councils and guidance to the arts sector on how to advocate for arts and culture in council submission processes, including Long-term Plans. [Our Future for Local Government review submission](#) brought together insights from local government arts and culture leaders to advocate for a future where arts, culture and creativity are positioned as essential tools to deliver across all wellbeing outcomes
- building relationships with mana whenua in Tāmaki Makaurau (Auckland) and Te Whanganui-a-Tara (Wellington) to recognise the tremendous value and importance these relationships can have for the arts. We have held noho marae at both Ōrākei Marae and Waiwhetū Marae in recent years and supported Ngāti Whātua Ōrākei in the development of its current arts strategy
- continuously improving our information request and complaints management practices, to make sure we are open and transparent and driving public trust and confidence. In 2022/23, Creative New Zealand responded to all requests within the legislated 20 working-day period.

Reporting performance against measures for the year ended 30 June 2022

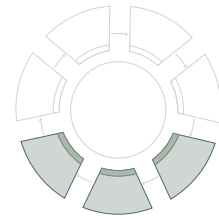
Our Mana and support perspective performance measures aim to show the level of confidence the communities we serve, and those who support us, have in us as an organisation and the work we have achieved throughout the year.

Of those surveyed through the Creative New Zealand Customer Satisfaction Survey in 2023, 48 percent were either 'very satisfied' or 'somewhat satisfied' with the service received from Creative New Zealand in the survey period (table 1, indicator 1.2). This is below the pre-COVID-19 target of 68 percent and similar to last year's result (46 percent). Creative New Zealand's reputation remains above average for the public sector, despite a 2-point drop since last year (table 1, indicator 1.3). While we have listened to the sector and are working to improve our funding opportunities, both results continue to reflect the high demand for funding, partly because of increased expectations following the significant one-off funding injections over the past three years.

Table 1: Performance against Mana and support perspective measures and indicators, 2022/23

Ref. (Goal)	Measure/indicator	Data source	2020/21 actual	2021/22 actual	2022/23 target	2022/23 actual	Variance	Notes
I1.1	Audit management ratings for: <ul style="list-style-type: none"> • management control environment • financial systems and controls • service performance information 	Audit Management Report—annual	Very good	Very good	Very good	Very good	-	This measure provides objective assurance to members of the public for them to have confidence in Creative New Zealand.
I1.2	Overall satisfaction with Creative New Zealand's service	Creative New Zealand Satisfaction Survey—annual	65%	46%	≥68%	48%	-20%	Not met. While we have listened to the sector and are working to improve our funding opportunities, this result continues to reflect the high demand for funding, partly because of increased expectations following the significant one-off funding injections over the past three years. However, it was pleasing to see increases in the responses that agreed or strongly agreed that 'services are clear and transparent' (2023: 49%; 2022: 40%) and 'services are responsive' (2023: 60%; 2022: 50%). The survey was delivered to 976 funding applicants, with 188 completing the overall satisfaction question, so a 19.3 percent response rate (similar to last year's: 18.7 percent).

I1.3	Rating on the Colmar Brunton Public Sector Reputation Index	Colmar Brunton Public Sector Reputation Index—annual	106	104	≥104	102	-1.3%	<p>Not met. This index score shows our reputation with the New Zealand public across 16 attributes, under four pillars (trust, social responsibility, leadership and fairness), which are combined into a single reputation score. While Creative New Zealand’s reputation has declined, this is reflective of the public sector as a whole, where ratings have returned to pre-COVID-19 levels (Creative New Zealand 2019/20: 104). The survey is conducted annually in April and May, with results being published in July. The score represents Creative New Zealand’s performance, relative to the New Zealand public, where the average score is 100.</p>
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Our deliverables	Our resources	Our internal operating environment
What we do to deliver on our strategic intentions	The capability and capacity we have to deliver on our strategic intentions	The strategies and policies that guide our work and collectively form our strategic intentions as set by the Arts Council

Creative New Zealand perspective

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

Why this goal?

We want to make sure that what we do (our deliverables) continues to meet the needs of the arts sector and our outcomes for the wider New Zealand public. This work is guided by the strategies and policies that collectively form our strategic intentions and set out how we manage our resources, deliver programmes and initiatives and collaborate with others. Our resources include the public money we receive, our people and expertise and our operational capacity.

Eighty-seven percent of our total investment is delivered through Investing in the arts across eight main investment categories (table 3). The following pages detail how we have worked across all of these deliverables in 2022/23. The artists, arts organisations and arts practitioners we support help us achieve our outcomes (pages 51-55) and provide positive change for New Zealanders (page 56).

We often work in partnership with others across all our deliverables, to benefit from pooled expertise and resources (for further information, see our Sector perspective work on page 46).

Our deliverables in 2022/23

We invested over \$73.632 million in the arts sector in 2022/23 through four core deliverables: Investing in the arts, Developing the arts, Advocating for the arts and Leadership in the arts (table 2). In the *Statement of Performance Expectations 2022/23*, we introduced a new deliverable, Partnering for the arts. While we do not allocate budget directly through this deliverable, it supports the ongoing need to collaborate more intentionally with others, to help grow resources and increase the impact of our collective work for the arts.

Table 2: Creative New Zealand expenditure across deliverables, 2019/20–2022/23 (excluding operating costs)

Deliverables	2019/20		2020/21		2021/22		2022/23	
	\$\$	%	\$\$	%	\$\$	%	\$\$	%
Investing in the arts	67,125,654	96%	65,984,752	82%	66,928,840	91%	64,139,046	87%
Developing the arts	2,372,652	3%	13,708,672	17%	6,204,330	8%	7,395,553	10%
Advocating for the arts	648,129	>1%	609,331	>1%	801,107	1%	1,353,878	2%
Leadership in the arts	92,147	>1%	54,778	>1%	75,604	0%	743,771	1%
Total	70,283,582		80,357,533		74,009,881		73,632,248	

Table 3: Creative New Zealand expenditure across investment categories, 2019/20–2022/23

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

Highlights and achievements in 2022/23

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, **\$64.139** million was delivered directly to programmes and initiatives that support the sector:

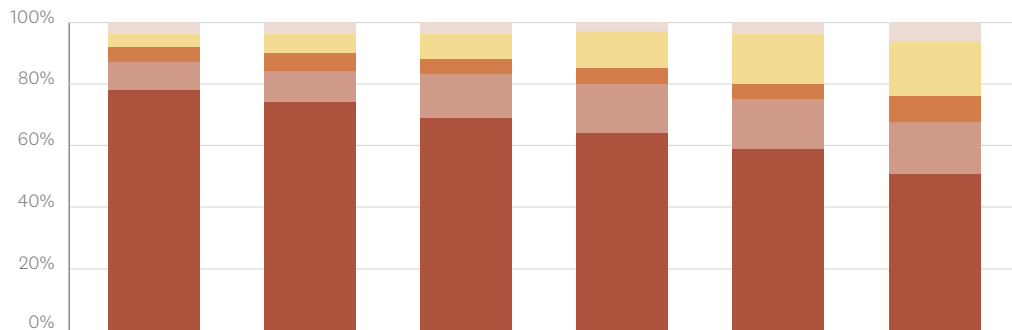
- \$36.266 million was awarded to 81 organisations in the Tōtara and Kahikatea programmes. These organisations are significant employers of artists and arts practitioners
- \$18.122 million awarded through Grants and special opportunities. During the year, artists submitted 1,344 applications, with 421 projects successfully approved: 99 percent of artists' projects met or exceeded expectations in 2022/23, despite the uncertain environment.

Across the Tōtara, Kahikatea and Grants programmes, we monitor the level of investment through three funding application streams (Pacific arts, Māori arts and General arts (figure 2)). The increased support for Māori and Pacific arts, compared with pre-COVID-19 levels, reflects the work carried out implementing *Te Hā o ngā Toi—Māori Arts Strategy 2019–2024* and the *Pacific Arts Strategy 2018–2023*. This includes increased investment for Māori and Pacific works through the General arts funding stream.

During the year:

- \$3.9 million was distributed through the Creative Communities Scheme, with 1,744 grants awarded by 67 territorial authorities. The 1,293 projects completed in the period resulted in 113,737 reported participants among other achievements
- \$4.402 million was invested in the Pasifika Festivals Fund Initiative, to continue to support Pasifika festivals experiencing financial hardships due to the direct effect of COVID-19
- \$1.872 million was invested through our International Programme.

Figure 2: Investment into the sector by funding stream (Pacific arts, Māori arts and General arts (GA)), 2017/18–2022/23³



³ Excludes the International, Capability building and Advocacy funding streams.

Developing the Arts

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

During the year, \$7.395 million was allocated to deliver targeted initiatives to develop the capability and capacity of individuals and arts organisations in New Zealand. This included:

- \$538,500 to support New Zealand artists and practitioners to build sector capability and networks to operate internationally in the 2022/23 context
- \$1.519 million to support the implementation of *Te Hā o ngā Toi—Māori Arts Strategy 2019–2024*
- \$2.799 million to support the implementation of the *Pacific Arts Strategy 2018–2023*

Advocating for the Arts

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

During the year, \$1.353 million was allocated to advocate for the benefits of the arts. This included:

- ongoing 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.

Leadership in the arts

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

During the year, \$0.743 million 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:

- communicating the results of our triennial *New Zealanders and the Arts—Ko Aotearoa me ōna Toi 2020* and *Audience Atlas Aotearoa 2020* research, which look at attitudes, attendance and participation in the arts, including the market for the arts in New Zealand. For example, online question and answer sessions that focused on how Asian New Zealand audiences engage in the arts, and the market for Asian New Zealand arts, were completed in 2022/23. Our research reports and recordings of the webinars are important resources to help increase discussion, backed by data, about these communities, which make up sizeable proportions of the population but often lack visibility and representation
- leading engagement with artists, communities, the sector and stakeholders to identify significant impacts, issues and opportunities.

Partnering for the arts

Developing reciprocal relationships and partnerships that increase the impact of our collective work for the arts

In the *Statement of Performance Expectations 2022/23*, we introduced a new deliverable, Partnering for the arts. This deliverable supports the ongoing need to collaborate more intentionally with others, to help grow resources and increase the impact of our collective work for the arts.

Over 2022/23, we developed an approach to partnering in the arts, including identifying priority areas for partnership development. These are mainly through our *Te Hā o ngā Toi—Māori Arts Strategy 2019–2024* and the *Pacific Arts Strategy 2018–2023*.

Through these areas, we have developed several new partnerships with others, including co-investment opportunities.

Partnerships at home and abroad in 2022/23 included:

- the Arts Foundation of New Zealand: working together, through 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: working together to deliver 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 2023, in Edinburgh, Scotland.

Reporting performance against measures for the year ended 30 June 2023

Core activity measures

Our core activities are those we carry out under our five deliverables: **Investing in the arts**, **Developing the arts**, **Advocating for the arts**, **Leadership in the arts** and **Partnering for the arts**. We also include additional measures to monitor how well we manage our money, people and operating environment. Table 4 lists the critical measures that show our achievements for the 2022/23 year.

Table 4: Performance against core activity measures, 2022/23

Ref.	Name	2020/21 actual	2021/22 actual	2022/23 target	2022/23 actual	Variance	Notes
Deliverables							
Investing in the arts							
D2.1	Tōtara and Kahikatea organisations meet or exceed expectations against performance expectations as set out in individual funding agreements (overall performance of Tōtara and Kahikatea organisations)	91.5%	100%	≥96%	100%	4%	Target exceeded. All 81 organisations in the Tōtara and Kahikatea programmes met overall expectations during January to June 2023. In the previous three years, due to the significant impact of COVID-19 on investment organisations, the expectations were adjusted to new circumstances. Organisations in general managed themselves well during the difficulties of the COVID-19 period.
D2.2	Completed projects meet or exceed expectations as set out in funding agreements	98.2%	97%	≥99%	99%	0%	Target met. This measure reports on evaluated completion reports for project-based funding: Grants and special opportunities; International and project-funded Kahikatea clients. Of the 476 projects evaluated in the reporting period, 472 met or exceeded expectations. Results reported contribute to our outcome reporting for new works, participation and attendance.
Developing the arts							
D2.3	Clients agree the capability ⁴ building programme aligns with their needs and priorities	91%	NA	N/A	N/A	N/A	We did not offer a tailored programme of initiatives to Tōtara and Kahikatea organisations this year. The focus of the capability building and initiatives programme in 2022/23 is to support individual artists and arts practitioners through funding, including the Building Business Capability for Individual Practitioners Fund.
D2.4	Clients rank capability building initiatives ⁵ as extremely or very effective, relevant and helpful	79%	79%	N/A	N/A	N/A	

⁴ Refers to the annual capability building programme for Tōtara and Kahikatea Investment Programme organisations.

⁵ When delivered, the capability building programme delivers various initiatives aimed at building the capability and capacity of investment organisations.

Ref.	Name	2020/21 actual	2021/22 actual	2022/23 target	2022/23 actual	Variance	Notes
Deliverables							
Developing the arts							
D2.5	Capability building initiatives ⁶ delivered to the sector that met or exceeded our expectations	89.4%	97%	97%	99%	2%	Target exceeded. This measure focuses on Creative New Zealand's assessment of the immediate results of individual capability building initiatives. Of the 77 projects evaluated in the reporting period, 76 met or exceeded expectations. The results for this measure include evaluation of the capability building initiatives and grants through initiatives and pilots completed in the relevant financial year (that may have been approved in the previous financial years).
Advocating for the arts							
D2.6	Annual advocacy actions that met or exceed our expectations	83%	75%	≥75%	77%	2%	Target exceeded. This measure focuses on Creative New Zealand's assessment of the immediate results of individual advocacy actions, as set out in the Advocacy Action Plan 2022/23. During the period, 20 of the 26 actions in the plan were advanced under four advocacy pou. We had expected to advance more work under our Wellbeing pou but reprioritised to ensure delivery of significant campaigns and engagement mahi, local government advocacy, and significant work with Te Rōpū Mana Toi, Creative New Zealand's Arts Advocacy Advisory Group. Some new work progressed at a slower pace than anticipated, due to the COVID-19 lag and shifting priorities of partners and allies. Additional work, for example, submissions, was advanced across the year on a responsive basis. The Advocacy Strategy refresh was deferred to 2023/24.
Leadership in the arts							
D2.7	Overall participant satisfaction with Creative New Zealand-led events	85%	Survey not carried out.	≥73%	85%	12%	Target exceeded. This result is based on participant feedback from the Pacific Arts Summit held in October 2022. Around 300 people attended the event, with 85 percent of those surveyed finding the summit relevant and useful.

⁶ Does not include the annual capability building programme for Tōtara and Kahikatea Investment Programme organisations. This measure focuses on additional capability building initiatives to individuals or arts organisations. It includes contestable funds that aim to develop the capability and capacity of artists and arts organisations and any development initiatives and pilots that Creative New Zealand has delivered in the financial year.

⁷ The 2021/22 result is based on Nui te Kōrero. This is Creative New Zealand's arts leadership conference where managers, leaders, producers, practitioners, marketers and governors working in the arts gather for a national conversation about the big issues of the day. The Pacific Arts Summit was the main leadership event held in 2022/23.

Ref.	Name	2020/21 actual	2021/22 actual	2022/23 target	2022/23 actual	Variance	Notes
Our resources							
Public money							
D2.8	Total level of investment by Creative New Zealand in the arts	\$80,358,000	\$74,010,000	\$69,419,000 (budget)	\$73,632,000	6%	<p>Target exceeded. Creative New Zealand invests in the arts sector through its four deliverables: Investing in the arts, Developing the arts, Advocating for the arts and Leadership in the arts. The positive variance in the total investment into the arts sector was mainly caused by higher revenue being distributed to the sector.</p> <p>The target of \$69.419 million was based on the budget approved by the Arts Council at its June 2022 meeting. Explanations of major variances against budget are provided in note 2 of the financial statements.</p>
D2.9	Maintain operating costs in line with policy set by the Arts Council	12%	14.9%	≤16%	15.5%	0.5%	<p>Target met. The Arts Council sets the operating costs between 15 percent and 16 percent of total expenditure. Operating costs for the year ending 30 June 2023 are within the range at 15.5 percent (2022: 14.9 percent).</p>
Our people and expertise							
D2.10	Improve on Workplace survey overall performance index	74.8%	Survey not carried out in the period	≥75%	Survey not carried out in the period.	N/A	<p>Not measured. The survey was not carried out in the period.</p> <p>While a single annual workplace survey was not carried out in 2022/23, staff engagement was measured through quarterly engagement surveys. The questions asked in the quarterly engagement surveys are based on several engagement drivers; purpose, autonomy, collegiality, the opportunity to grow and how we are managed. The average positivity rating (all answers that agree or strongly agree), across all the questions asked in the September 2023 quarterly engagement surveys was 62%, an increase on the May 2023 result (58%). Quarterly engagement surveys provide the ability to measure staff satisfaction and engagement more consistently across the organisation and allows us to be more responsive. We will report on a full year of survey results in our 2023/24 management reporting.</p>

Ref.	Name	2020/21 actual	2021/22 actual	2022/23 target	2022/23 actual	Variance	Notes
Our resources							
Our people and expertise							
							Following an incident that occurred on 27/28 January 2023 when staff were stranded at Auckland Airport as a result of the flooding, an independent review was carried out. Due to the emergency nature of the Auckland floods and concern about staff's experiences, the Arts Council sought the review to ensure there was an objective account of the facts and to clearly identify all lessons that could be learned. The recommendations of the final report will be implemented in 2023/24.
Our operational capacity							
D2.11	Funding decisions made within specified timeframes	100%	100%	100%	100%	0%	Target met. Fairness and transparency are critical to our funding decision-making processes and reflect the service standards we uphold for our applicants. All funding decisions were made within timeframes as set out in the Creative New Zealand funding calendar on the website.
D2.12	Percentage of applications externally assessed	100%	100%	100%	100%	0%	Target met. The Delegations Schedule sets out when external assessments must be completed for funding rounds in which we are required to use external assessment, this was completed to 100 percent. External peer assessors provide assessment for funding applications across the full range of Creative New Zealand's funding programmes and initiatives. They are people with an in-depth understanding of the art sector and current artform practice, including international trends and markets, or specialist knowledge of an area of arts development. Their expert input is an indicator of robust, high-quality decision-making processes for applicants.

Reporting performance against measures for the year ended 30 June 2023

Annual priorities 2022/23

Alongside the work delivered through our deliverables, our annual priorities are a mix of new projects and ongoing work that support our three strategic focus areas: Resilience, Access, inclusion and equity, and Wellbeing.

Ref.	Annual priority	Link to strategic focus area	Main actions 2022/23	Desired achievement result 2022/23	Progress 2022/23
Deliverables					
Investing in the arts					
AP.1	Implementing the Remuneration Policy for Artists and Arts Practitioners	Resilience	<ul style="list-style-type: none"> Review remuneration guidance for Arts Grants Develop clear expectations of organisations in our investment programmes (Toi Tōtara Haemata and Toi Uru Kahikatea) Review the policies for the payment of assessors under the Creative Communities Scheme 	<ul style="list-style-type: none"> The arts sector has a clear understanding of the remuneration policy and relevant guidelines 	<ul style="list-style-type: none"> The remuneration minimum guidance rate has been reviewed and increased from \$25 per hour to \$30 per hour. All organisations funded through the Toi Uru Kahikatea Investment Programme 2022 funding round are required to give effect to the guidelines during their three-year contract 2023–25. We have considered the payment of Creative Communities Scheme assessors, including surveying territorial authorities, and implementing changes to the remuneration of assessors is expected to occur as part of the upcoming changes to Arts Development Services' programmes. As a measure of sector understanding, in the 2022 Toi Uru Kahikatea Investment Programme funding round, over 30 percent of organisations that responded to the Request for Proposals (62 organisations of which 58 received funding) included with their proposal a remuneration policy or strategy. These organisations represent some of the main employers in the sector.

Ref.	Annual priority	Link to strategic focus area	Main actions 2022/23	Desired achievement result 2022/23	Progress 2022/23
Deliverables					
Developing the arts					
AP.2	Supporting the development of digital capability in the arts, creative and cultural sectors	Resilience	<ul style="list-style-type: none"> • Advance the digital commissioning and capability initiative, subject to funding targets being achieved • Continue support for individual practitioners through the Building Business Capability for Individual Practitioners Fund 	<ul style="list-style-type: none"> • A digital capability initiative is implemented by 30 June 2023, subject to securing funding • Investment is delivered through the Building Business Capability for Individual Practitioners Fund in 2022/23 	<ul style="list-style-type: none"> • Toi Hourua, a digital arts commissioning and capability service, was awarded funding for four years starting November 2022. During its establishment phase until the end of July 2023, it appointed a board and a small team, developed core policies, launched its brand and engaged with artists and arts organisations across the motu. In April 2023, Toi Hourua launched a commissioning fund of digital artwork to align with Matariki. • Sixty-nine grants, totalling \$613,662, were offered to New Zealand artists and practitioners in the Building Business Capability for Individual Practitioners Fund 2022. This fund was designed to develop skills that increase career sustainability and future-proof business practice. A large number of these projects included increasing digital capability to grow income streams and increase audience engagement.
Advocating for the arts					
AP.3	Increasing our understanding of the role of the arts and ngā toi in contributing to the wellbeing of New Zealanders	Wellbeing	<ul style="list-style-type: none"> • Develop a research approach to understanding the value of the arts and ngā toi to New Zealanders 	<ul style="list-style-type: none"> • Research approach developed and research is started 	<ul style="list-style-type: none"> • Qualitative research by Kantar Public was advanced over 2022/23 and completed in July 2023 looking at ‘why and how’ New Zealanders value the arts. This research will inform refreshed attitudinal questions in the next edition of New Zealanders and the Arts—Ko Aotearoa me ōna Toi (to be published in 2023/24).

Ref.	Annual priority	Link to strategic focus area	Main actions 2022/23	Desired achievement result 2022/23	Progress 2022/23
Deliverables					
Leadership in the arts					
AP.4	Monitoring the sustainability of arts, culture and creative sector careers	Resilience	<ul style="list-style-type: none"> • Communicate summary findings of the Arts Sector Remuneration Report • Start a repeat of <i>A Profile of Creative Professionals</i> research into the working lives of creative professionals 	<ul style="list-style-type: none"> • Research insights produced are useful to the sector and stakeholders and serve to advance discussion about the arts in Aotearoa 	<ul style="list-style-type: none"> • The <i>Arts Sector Summary Remuneration Report 2021</i> was published in July 2022 and provides a practical overview of remuneration packages, employment policies and practices for artists, arts practitioners and administrators working as employees and contractors in Aotearoa New Zealand's arts sector. • <i>A Profile of Creative Professionals 2023</i> was published in May 2023 for the sector, arts funders and advocates to better understand career sustainability in the arts and creative industries. A partnership research initiative with New Zealand on Air and supported by agencies including Te Māngai Pāho, Te Matatini and Arts Access Aotearoa, the second edition of the research included updated methodology to enable Deaf and disabled creative professionals to participate in the research. Research findings have been used in several media reports on the sector and included in the <i>Art Work</i> series of stories produced by The Spinoff with Creative New Zealand exploring the practical working lives of eight Aotearoa artists.

Ref.	Annual priority	Link to strategic focus area	Main actions 2022/23	Desired achievement result 2022/23	Progress 2022/23
Our resources					
Our people and expertise					
AP.5	Advancing <i>Te Kaupapa o Toi Aotearoa</i> , aimed at ensuring we have the organisational culture, competencies and practices to enable us to meet our aspirations under te Tiriti o Waitangi and adopt a multi-lensed approach to how we work	Access, inclusion and equity	<ul style="list-style-type: none"> • Completing Pou 2 of <i>Te Kaupapa o Toi Aotearoa</i> programme: Building organisational baseline capacity to be multi-lensed • Starting Pou 3: Embedding <i>Te Kaupapa</i> into key governance and management policies and behaviour • Implementing the <i>Toi Tipu Toi Rea Emerging Māori Artist pilot</i> – trialling new ways of working with the sector in the context of <i>Te Kaupapa o Toi Aotearoa</i> 	<ul style="list-style-type: none"> • Feedback from staff through the engagement surveys shows a commitment to, and greater understanding of, the main elements of <i>Te Kaupapa o Toi Aotearoa</i> • A review of the main governance and management policies has started • Positive feedback from the sector on pilot principles and processes 	<ul style="list-style-type: none"> • In 2022/23, Creative New Zealand developed and launched the following organisational guidance to build staff skills, capability and practices: the Tukutuku capability and Poutama Māori cultural capability frameworks, the Tōku Ao staff development toolkit and Te Mahere Reo Māori o Toi Aotearoa—our Māori Language Plan. Staff also took part in training on te Tiriti o Waitangi and unconscious bias. • Creative New Zealand developed the <i>Te Kaupapa</i> principles of Mana aki I te Tangata, Tuku Rauemi and Whakamana I te Tiriti to guide its work. These principles are used to support our approach for significant initiatives, such as the development of the Accessibility Policy and review of the Arts Development Services. Staff feedback via a pulse survey in May 2023 found 83 percent of respondents agreed that Creative New Zealand encouraged them to extend their knowledge and skills in te reo Māori, tikanga and te Tiriti o Waitangi. • <i>The Toi Tipu Toi Rea Emerging Māori Artist</i> pilot delivered during 2022/23 was designed from a te ao Māori perspective providing capability building alongside a funding opportunity for emerging ngā toi Māori artists. Mātauranga Māori, such as the maramataka, were fundamental in the design and delivery of the pilot. The programme had high engagement from the sector, with 72 registered participants for the year-long capability building programme. Many of the new ways of working to better support artists trialled through the programme will be continued across a broader range of our funding and capability building programmes in 2023/24.

Ref.	Annual priority	Link to strategic focus area	Main actions 2022/23	Desired achievement result 2022/23	Progress 2022/23
Our resources					
Our deliverables					
AP.6	Implementing a programme of work aimed at ensuring our services are accessible to and reflective of different communities	Access, inclusion and equity	<ul style="list-style-type: none"> Developing an accessibility policy aimed at ensuring our services are accessible to and inclusive of Deaf and disabled artists and practitioners and communities Implementing a new application portal that meets accessibility standards 	<ul style="list-style-type: none"> Positive feedback from stakeholders and the sector on accessibility policy principles and guidelines The Creative New Zealand application portal meets accessibility standards and receives positive feedback from applicants 	<ul style="list-style-type: none"> Creative New Zealand's first Accessibility Policy and Action Plan 2023–2028 has been developed in collaboration with Deaf and disabled artists, tāngata turi, tāngata whaikaha Māori, disability organisations and Creative New Zealand staff to ensure we are accessible, inclusive and our work benefits all New Zealanders. The policy and action plan will be approved by the Arts Council in October 2023 for public release, with accessible alternative formats of the documents, in early 2024. While no public feedback has been received in the period, feedback from participants in our policy development process has been positive. Work to improve our digital systems, including our website and portal, has started and will continue in 2023/24 and 2024/25.

Trends in funding distribution

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

To monitor reach and understand New Zealand's arts landscape, we track the geographical spread of our funding (table 5). 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 the location of art delivery rather than the home location of the applicant.

Figure 3 compares the distribution of our funding with that of the population from the 2018 Census. The distribution of Creative New Zealand funding reflects the disproportionate distribution of creative workers across the country, with most workers located in the centres.⁸

In 2023/24, we are increasing investment to the regions through two one-off initiatives: increased support to the Creative Communities Scheme (\$1.2 million) and support for festivals (\$8.4 million).

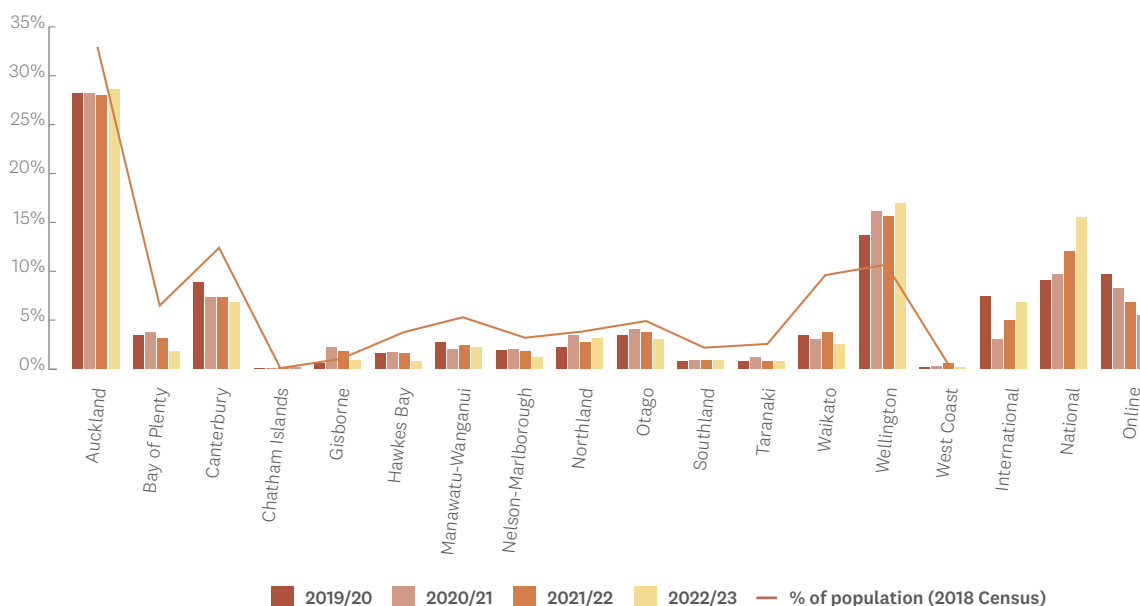
Table 5: Distribution of funding by region, 2019/20-2022/23

	2019/20		2020/21		2021/22		2022/23	
	\$	%	\$	%	\$	%	\$	%
Auckland	19,812,328	28	22,818,994	28	20,864,818	28.19	21,165,201	28.74
Bay of Plenty	2,411,188	3	3,129,518	4	2,488,083	3.36	1,390,017	1.89
Canterbury	6,357,028	9	6,100,173	8	5,576,106	7.53	5,076,495	6.89
Chatham Islands	93,396	<1	112,364	<1	19,324	<1	15,398	0.02
Gisborne	573,751	1	1,900,745	2	1,507,177	2.04	1,141,155	1.55
Hawkes Bay	1,154,040	2	1,406,684	2	1,169,695	1.58	779,637	1.06
Manawatu-Wanganui	2,047,645	3	1,831,623	2	1,726,251	2.33	1,608,197	2.18
Nelson-Marlborough	1,387,898	2	1,716,125	2	1,520,299	2.05	1,118,058	1.52
Northland	1,663,055	2	3,059,258	4	2,197,095	2.97	2,241,458	3.04
Otago	2,532,543	4	3,358,707	4	2,951,853	3.99	2,302,531	3.13
Southland	547,700	1	799,514	1	606,698	<1	611,937	0.83
Taranaki	748,149	1	921,113	1	759,526	1.03	703,891	0.96
Waikato	2,351,464	3	2,541,447	3	2,749,427	3.71	1,918,156	2.61
Wellington	9,740,735	14	12,943,372	16	11,707,006	15.82	12,513,755	16.99
West Coast	181,777	0	452,287	1	161,472	<1	115,814	0.16
International	5,304,838	8	2,452,042	3	3,827,323	5.17	5,273,643	7.16
National⁹	6,501,016	9	8,084,200	10	9,084,645	12.27	11,425,224	15.52
Online	6,830,030	10	6,729,366	8	5,093,083	6.88	4,231,680	5.75
	70,238,581	100	80,357,532	100	74,009,881	100	73,632,249	100

⁸ Source: Arts Sector Profile 2022 report. Available on the Manatū Taonga Ministry for Culture and Heritage website.

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

Figure 3: Distribution of funding by region against population, 2019/20–2022/23



We are the only arts development agency in New Zealand to fund nationally across all artforms (excluding film). Table 6 presents Creative New Zealand’s distribution of funding across four financial years. Over the years the proportion of funding distributed to artforms has been relatively steady with the largest shifts being in the multi-disciplinary 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 6: Distribution of funding by artform, 2019/20–2022/23

	2019/20		2020/21		2021/22		2022/23	
Music	\$15,502,696	22%	\$14,889,713	19%	\$12,694,847	17.2%	\$13,245,301	18%
Theatre	\$14,345,900	20%	\$15,146,764	19%	\$13,504,300	18.2%	\$13,116,804	18%
Multi-disciplinary	\$8,735,614	12%	\$13,671,737	17%	\$11,981,604	16.2%	\$14,493,977	20%
Dance	\$5,373,108	8%	\$6,253,747	8%	\$5,383,132	7.3%	\$5,582,323	8%
Visual Arts	\$8,374,174	12%	\$6,564,295	8%	\$6,282,339	8.5%	\$4,751,286	6%
Literature	\$4,397,139	6%	\$5,766,581	7%	\$5,306,056	7.2%	\$4,615,149	6%
Craft/Object Art	\$2,535,937	4%	\$2,308,895	3%	\$1,940,188	2.6%	\$1,923,523	3%
Interarts	\$1,171,716	2%	\$1,659,736	2%	\$1,626,539	2.2%	\$1,156,840	2%
Customary Māori arts	\$2,692,836	4%	\$3,929,900	5%	\$4,395,048	5.9%	\$4,104,044	6%
Pacific heritage arts	\$809,044	1%	\$1,635,164	2%	\$2,432,390	3.3%	\$2,490,284	3%
Community arts	\$5,560,141	8%	\$7,866,892	10%	\$7,586,728	10.3%	\$6,205,066	8
Unallocated¹⁰	\$740,276	1%	\$664,108	1%	\$876,711	1.2%	1,947,649	2
	\$70,238,581	100%	\$80,357,532	100%	\$74,009,882	100%	73, 632,246	100%

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

Boost for Asian artists through the Asian Artists' Fund

Asian artists in Tāmaki Makaurau and Northland received over \$Insert through the Asian Artists' Fund in 2022/23 to support initiatives by, with, and for Asian arts communities.

The Asian Artists' Fund, a collaboration between Foundation North and Creative New Zealand, is a step towards addressing funding inequities for Asian artists through targeted project grants.

Opening in December 2022 and closing in March 2023, the fund attracted over 60 applications from emerging, mid-career, and established artists for projects and initiatives across many art forms. There were many applications from emerging artists and artists keen to expand their artistic practice in the context of Aotearoa today. Assessors noted this

opportunity gave artists confidence to bring the whole of their artistic direction rather than work based only on their migration story.

To ensure wide accessibility for Asian arts communities, this Fund had a participatory, community-led element. A co-design hui was held to further understand and shift the power back to the Asian arts community, leading to the Asian Artists' Fund 2.0. Community-based Outreach Advisors worked through established Auckland and Northland networks to connect, advise, and assist artists and arts practitioners in developing their funding requests.

Each application was assessed by Asian artists representing various art forms and career stages, after which a panel composed of selected assessors provided the final recommendations to Foundation North. The increased pool of funding meant almost half of those requesting funds were successful.

Photo by Benjamin Anabelle for Street Talk Ltd. Street Talk Ltd received a grant to support production of a publication telling the story of past to present generations of visual artists, musicians, dancers & groups in Hip-hop and street sub-cultures in Aotearoa. Image supplied.





Matariki Black speaks at All in for Arts at Māoriland Hub in Ōtaki



Pacific Arts Summit 2022. Photo: Mark Tantrum

Stories from regional Aotearoa celebrate the power of creativity

Creative New Zealand Toi Aotearoa and the Arts Foundation Te Tumu Toi completed a ten-stop tour of regional Aotearoa in March 2023, spotlighting local stories about the power of creativity.

The third iteration of *All in for Arts: He waka toi e eke noa nei tātou* invited people for breakfast gatherings to hear personal stories from artists, rangatahi, businesspeople, and community leaders. All the talks were filmed and can be watched on the Arts Foundation website.

All in for Arts is part of Creative New Zealand’s advocacy work programme, which promotes the value of arts and culture in the lives of New Zealanders. The tour exemplifies a collective approach to advocating for the arts by bringing people together.

The stories shared at All in for Arts are a powerful reminder of the social good created through support for arts, culture, and creativity.

In Wānaka, Arts Laureate and playwright Ahilan Karunaharan talked about creativity as a secret tonic to survival. Heretaunga Hastings-based visual storyteller Te Aho Jordan spoke about inheriting creative strengths from their ancestors and how stories connect us, saying “Creativity is like kai, like aroha, and joy. It is best shared.”

Pacific Arts Summit 2022

The second Pacific Arts Summit was held in Wellington in October 2022. The event brought together over 250 Pasifika artists, practitioners and organisations to talanoa about the future of Pacific arts.

Held at Te Papa Tongarewa over three days, the event included panels and discussions and the opportunity for the Pacific Arts community to connect in person after an incredibly difficult few years for the sector.

A key focus of the summit was a review of Creative New Zealand’s *Pacific Arts Strategy 2018-2023* and its implementation over the previous five years, as well as getting input into the next five-year strategy which was launched in July 2023.

Rangatahi artists soar at indigenous arts gathering

Emerging ngā toi Māori artists were given the opportunity to represent Aotearoa at a major indigenous arts gathering in Canada as part of the newly established 'Ka Rere: Rangatahi Indigenous Exchange' fund.

Developed under Creative New Zealand's national *Māori arts strategy 'Te Hā o Ngā Toi Māori'*, the fund enables emerging artists to experience international opportunities to develop their practice while being mentored by senior arts leaders.

Māori artists Bridy Lundon (Tainui, Ngā Puhī) and Tai Sadler (Taranaki) were awarded funding support to attend the MeyMey'em Indigenous Artists Gathering at Emily Carr University, Vancouver, Canada, alongside senior Ngā Toi Māori artists and mentors Sir Derek Lardelli and Rangi Skipper.

"I was absolutely fortunate to be given an opportunity where I was able to represent my culture internationally. I was fortunate to have my tutors pave the way, to lay down a foundation and create a space where I am able to be myself and keep doing what I love doing," said Bridy.

"I learned a lot from everyone there; I learned different ways to express art and lots of different techniques to help me expand and diversify my skill base and knowledge. One of the highlights of this trip was going to Whistler, as it opened my eyes to the amount of creativity and freedom we have as artists looking at all the different carvings, paintings, and sculptures. I also talked to a few of the Canadian guys one on one and learned more about the indigenous history and culture and got to know them better," said Tai.

Rangi Kipa, Tawera Tahuri, Bridy Lundon, Ngaire Tūhua, Tai Sadler, Erena Koopu, Sir Derek & Lady Rose Lardelli, Tangimoe Clay (absent Lyonel Grant, June Grant, Matekino Lawless, Tina Wirihana, Glenda Hape) Photo Tia Taurere-Clearsky

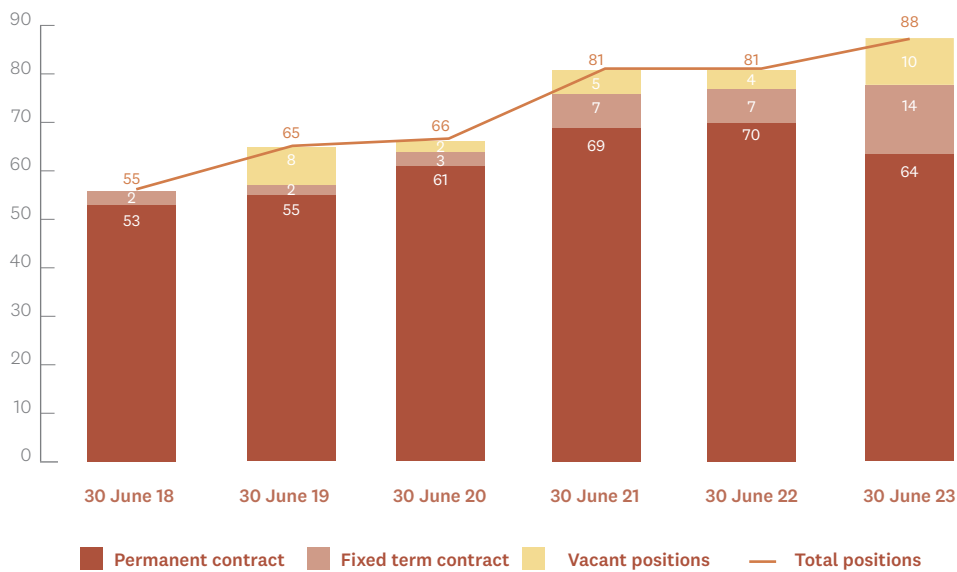


Our resources—People and expertise

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

At the end of June 2023, we had 78 staff and ten vacant positions (75.75 full-time equivalent staff), based in Auckland, Wellington, Christchurch, Dunedin, and across other centres. While we have dedicated office spaces in Auckland, Wellington and Dunedin, remote working has become increasingly feasible for all staff and has provided the flexibility to work outside of the main centres. Ten positions were vacant at year end (figure 4).

Figure 4: Total staff numbers and employment type, 2018/19–2022/23



We aim to have a workforce that reflects the communities we serve. While we know we still have some way to go, we have made a commitment to focus on diversity and inclusion and strengthened the diversity of our workforce while expanding our teams (figure 5, figure 6, figure 7).¹¹

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

Figure 5: Workplace diversity (age), 2018/19–2022/23

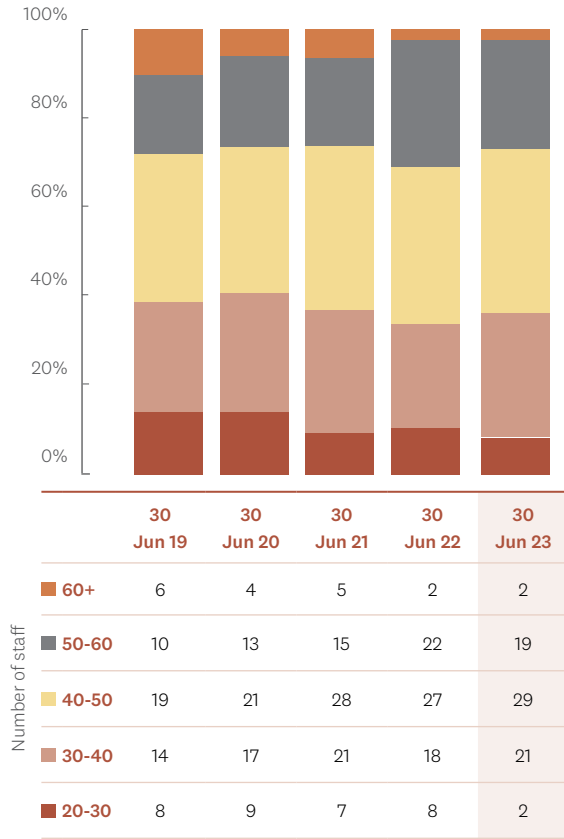


Figure 6: Workplace diversity (ethnicity)¹¹, 2018/19–2022/23

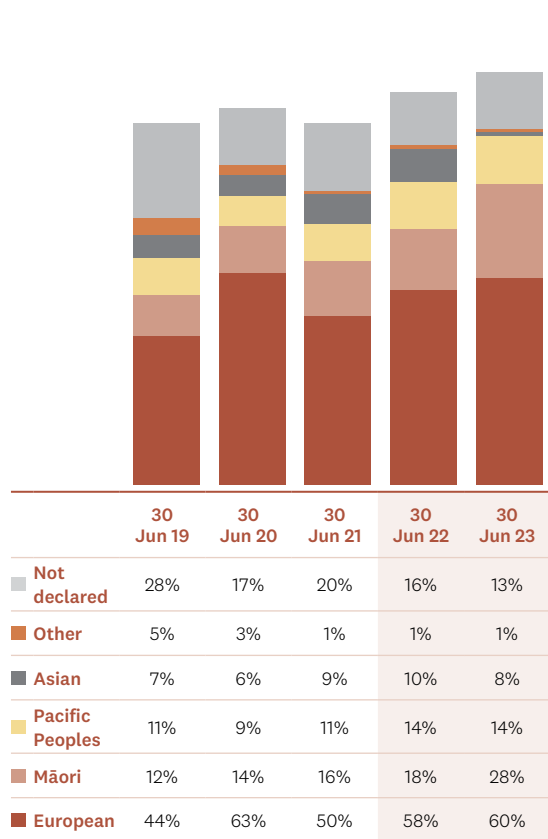
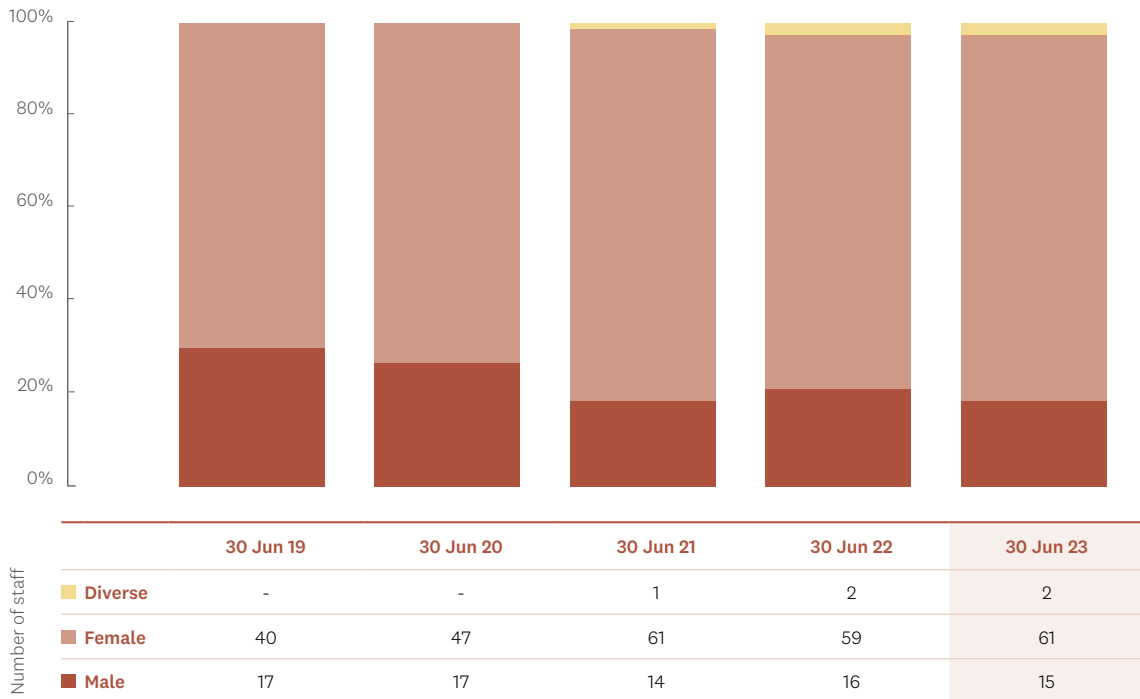


Figure 7: Workplace diversity (gender), 2018/19–2022/23



In 2022/23 we have continued our *Te Kaupapa o Toi Aotearoa* programme to build staff knowledge, skills and confidence in te Ao Māori and be more responsive to other world views and perspectives from the communities we serve to inform how we work and to deliver to our statutory purpose to support the arts for the benefit of all New

Zealanders. An overview of how *Te Kaupapa o Toi Aotearoa* aligns with our strategic direction is explained on page 10. Under Pou Tuarua of *Te Kaupapa o Toi Aotearoa*: Building our organisational baseline capacity to be multi-lensed, we progressed and delivered the following programmes of work (figure 8).

Figure 8: Te Kaupapa o Toi Aotearoa progress 2020/21 – 2022/23

<p style="text-align: center;">Style</p>	<p style="text-align: center;">System</p>
<ul style="list-style-type: none"> • New staff and Council members are welcomed into Creative New Zealand with pōwhiri and mihi whakatau that incorporates the languages and cultures of new staff, to acknowledge their whakapapa and whānau. • Tikanga guides events and the way Creative New Zealand works with communities and artists. • Visibility of te ao Māori in Creative New Zealand spaces is increased, with the tomokanga (a carved entrance) installed to welcome manuhiri into Wellington offices. 	<ul style="list-style-type: none"> • <i>Te Kaupapa o Toi Aotearoa</i> principles embedded in our systems and processes (people-centric to support hauora, resilience and wellbeing) to guide work, the review of our Arts Development Services, and development of our accessibility policy. • Piloting new ways of working built on Māori approaches and mātauranga Māori, to better support artists and practitioners through the Toi Tipu Toi Rea Emerging Māori Artist pilot that changed the way we assessed applications, built artist capability and confidence and funded artists.
<p style="text-align: center;">Staff</p>	<p style="text-align: center;">Structure</p>
<ul style="list-style-type: none"> • Changing our approach to staff induction, development and performance management to reflect the <i>Te Kaupapa o Toi Aotearoa</i> principles: <ul style="list-style-type: none"> – Tukutuku: A capability framework for staff completed. – Tōku Ao: Growth and development plans for staff linked to planning and reporting. 	<ul style="list-style-type: none"> • Establishment of the Senior Manager, Te Kaupapa and Co-Manager, Māori Policy and Performance roles.
<p style="text-align: center;">Skills</p>	<p style="text-align: center;">Strategy</p>
<ul style="list-style-type: none"> • Our Poutama cultural competency framework acknowledges mātauranga Māori and the skills needed to operate well in te ao Māori. • Unconscious bias and te Tiriti o Waitangi staff training offered. • Āhei, an online resource, created for easy access to karakia, waiata and whakataukī. 	<ul style="list-style-type: none"> • <i>Te Kaupapa o Toi Aotearoa</i> principles to guide our work finalised: Mana aki i te Tangata, Tuku Rauemi, Whakamana i te Tiriti. • Arts Council Governance Charter finalised. • Articulation of <i>Te Kaupapa o Toi Aotearoa</i> in the <i>Statement of Intent 2022–2026</i> and <i>Statement of Performance Expectations 2022/23</i>.

Governance

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

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

Arts Council committees

Komiti Māori—Under the Arts Council of New Zealand Toi Aotearoa Act 2014, Komiti Māori members advise the Council on matters relevant to Māori, and any other functions the Council delegates to the committee. In 2022/23, the work of the Komiti included:

- advice on the development of *Te Mahere Reo Māori o Toi Aotearoa—Creative New Zealand’s Māori Language Plan 2023–2026*
- guidance for the 13th Festival of Pacific Arts 2024 planning
- reviewing *Te Hā o ngā Toi—Māori Arts Strategy 2019–2024*
- providing advice on the role Creative New Zealand plays to support specific-sector initiatives for ngā toi Māori.

Audit and Risk Committee—the Committee advises the Council on audit, risk and finance matters. In 2022/23, the work of the Committee included:

- advice to the Arts Council on matters relating to the Council’s audit, risk and finance functions
- reviewing financial and performance reports before their consideration by the Council
- reviewing and endorsing corporate policies before their agreement by the Council
- reviewing and recommending to the Council updates to the Council’s Governance Manual.

People and Culture Committee—the Committee provides advice on the Council’s people and culture responsibilities. The Committee was established in mid-2022 and is responsible for:

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

Determining future focus and direction

As a board, we are focused on the future, guided by the mahi 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.

- 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.

Building culture

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

- We set the tone for the culture of the organisation, including acting in accordance with the expectations of conduct set out in our governance manual; and managing any conflicts of interest openly and transparently.
- We are active champions of Creative New Zealand's culture and values, including working as a team to achieve our mahi and creating an environment where 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.

Holding to account

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

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

Membership of the Arts Council as at 30 June 2023 is provided below.

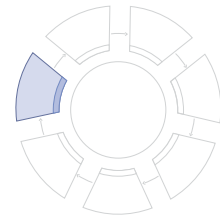
Arts Council members and office holders as at 30 June 2023*	First appointed	Current term expires	Other Arts Council office held	Meeting attendance per member for the period 1 July 2022 to 30 June 2023**
Caren Rangi Manukura—Chair (Member, Pasifika)	1 May 2014	21 March 2024	Member, People and Culture Committee (ex officio)	92%
Michael Prentice Manukura Tuarua—Deputy Chair	1 May 2014	31 Oct 2024	Chair, People and Culture Committee	100%
Garth Galloway	1 May 2017	30 April 2023	Member, Audit and Risk Committee	86%
Janine Morell-Gunn (Member, Māori)	9 Dec 2019	30 Sep 2025	Member, Komiti Māori	86%
John Ong	9 Dec 2019	30 Sep 2025	Member, Audit and Risk Committee	100%
Robyn Hunt	25 Feb 2020	31 Jan 2026		89%
Kura Moeahu (Member, Māori)	25 Feb 2020	31 Jan 2026	Co-Chair, Komiti Māori	79%
Hilary Poole	1 Nov 2021	31 Oct 2024	Chair, Audit and Risk Committee	100%
Ane Tonga (Member, Pasifika)	1 Nov 2021	31 Oct 2024	Member, Audit and Risk Committee	100%
Whetū Fala (Member, Māori)	18 Jul 2022	30 Jun 2025	Member, Komiti Māori	73%
Bonita Bigham (Member, Māori)	8 Aug 2022	31 Jul 2025	Co-Chair, Komiti Māori	78%
Helen Klisser During	24 Oct 2022	30 Sep 2025	Member, Komiti Māori	100%
Puamiria Parata-Goodall (Member Māori)	24 Oct 2022	30 Sep 2025	Member, Komiti Māori	89%

Note: For the Chair and Deputy Chair, these offices are held in addition to their underlying membership of the Council.

Member positions denoted as Māori or Pasifika relate to the appointment provisions of the Arts Council of New Zealand Toi Aotearoa Act 2014, which require the Council to have at least four Māori members and at least two Pasifika members.

* Garth Galloway continued to serve on the Council beyond the expiry of his term through to early July 2023 when Shane Te Ruki was appointed to the Arts Council. A list of all board members in 2022/23 and total remuneration paid is available on page 86.

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



The sector

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

Sector perspective

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

Why this goal?

The Sector perspective describes who we work with, those who help achieve our outcomes and help us deliver value for New Zealanders. When we talk about ‘the sector’, we mean the artists, arts organisations, collaborators and partners we work with. This includes central government agencies, local government, community and philanthropic trusts, iwi and Māori, Pasifika groups, patrons, the private sector, volunteers and the wider creative sector.

Creative New Zealand’s two investment programmes, Toi Tōtara Haemata and Toi Uru Kahikatea, supported 81 arts organisations to provide a sustainable infrastructure for the arts sector in 2022/23. The organisations are the backbone of the arts sector, and their performance is used as a proxy for the artistic and financial health of the wider arts sector.

This year, we continued to champion the role that artists and the arts play in uplifting communities in Aotearoa. While we realise our collaborators and partners have experienced their own challenges over recent years, their support is valued and has an impact. Through placing greater importance on our relationships and partnerships, we hope to

better achieve our outcomes and increase the value we create for New Zealanders.

Shared achievements and highlights in 2022/23 included the following:

- More than 250 attendees took part in the Pacific Arts Summit 2022 held at Te Papa Tongarewa in early October 2022, with 85 percent of those surveyed finding the summit relevant and useful. Main themes from the summit informed the development of the new *Pacific Arts Strategy 2023–2028*.
- Creative New Zealand supported the [Placemaking Now session at the Taituarā Conference](#) in December 2022. The session focused on practical ways local government and other government agencies, business and the creative sector can work together to shape the places we live, work and play.
- We welcomed the opportunity to make a submission to the Future for Local Government Review Panel. [A summary of our submission is available on our website](#)
- We are progressing priorities under the Pacific Regional Cultural Strategy in liaison with Manatū Taonga Ministry for Culture and Heritage. This includes advancing the Youth Ambassador programme and attending the 36th Council of Pacific Arts and Culture meeting.
- We partnered with The Arts Foundation *Te Tumu Toi to deliver All in for Arts—He waka toi e eke noa nei tātou*, a series of free breakfast events across the country highlighting creativity. Five speakers at 10 locations shared their stories about the value of arts, culture and creativity, supported by an online campaign, content capture and news media.

Reporting performance against measures for the year ended 30 June 2023

Table 7: Performance against Sector perspective measures and indicators, 2022/23

Ref.	Measure/indicator	2020/21 Actual	2021/22 Actual	2022/23 Target	2022/23 Actual	Variance	Notes
Artistic health							
3.1	Tōtara and Kahikatea organisations meet or exceed expectations for quality of artistic programme	100%	100%	100%	99%	-1%	Did not meet target. The quality of our investment organisations' artistic programmes is a proxy measure of the artistic health in Aotearoa. Maintaining excellence in this area has a material impact on the health of the sector. One organisation in the portfolio of 81 did not meet expectations for the quality of artistic programme.
Financial health							
3.2	Tōtara and Kahikatea organisations meet or exceed expectations for financial health	96%	96%	≥96%	93%	-3%	Did not meet target. Investment organisations received around 47 percent of Creative New Zealand's investment in the arts in 2022/23. Their financial health is a proxy measure of the financial health of the arts sector. Of 81 organisations, 75 met or exceeded expectations for financial health measures. Organisations in general managed well during COVID-19 and so received higher scores in 'organisational health' and 'financial health'.
Funding							
3.3	Average private support (sponsorship, philanthropy and trust funding) per investment organisation	62.1%	61.7%	≥63%	67.1%	4.1%	Exceeded target. Using our investment clients as a proxy, we can show the support for the sector by measuring the level of revenue organisations generate from sources other than Creative New Zealand.

Our relationships							
3.4	Number of active relationships (including co-investment, regular meetings, shared projects) Creative New Zealand maintains with organisations that have shared interests	159	157	≥175	192	9%	Exceeded target. Along with relationships with our 81 investment organisations and 67 territorial authorities, we share knowledge and resources with other important partners to achieve our goals. Through placing greater importance on our relationships and partnerships, we hope to better achieve our outcomes and increase the value we create for New Zealanders.

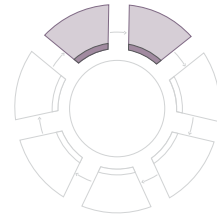
Monitoring the state of the sector over time

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

Table 8: Snapshot of trends in performance measures

Indicator	Data source and frequency	Result as at 30 June 2022	Result as at 30 June 2023	Notes
Median chief executive salary in a small (arts) organisation compared with the not-for-profit median	Arts Sector Remuneration Report—Arts organisation remuneration survey 2021—biennial	95%	N/A	The Arts Sector Remuneration survey was not carried out in the period. This indicator shows pay rates within surveyed arts organisations versus the not-for-profit sector. Arts organisations chief executive salaries have increased at a faster rate than comparable not-for-profit chief executive salaries.
Median total income for creative professionals versus median total income for New Zealanders earning a salary or wage	<i>Profile of Creative Professionals survey</i> —triennial	N/A	\$37,000	While an increase has occurred in the median income for artists, it remains well below the median total income for New Zealanders earning a salary or wage (\$51,800). While Creative New Zealand does not have a direct effect on salaries, its work in arts policy and advocacy, often in collaboration, aims to contribute to growth in the sector in these areas. The data collected for the most recent survey was for the financial year ended 31 March 2022.
Annual level of local authority investment in 'culture'	Stats NZ local authority statistics—annual	\$490 million	\$510 million	Local authority investment in 'culture' in the 2022 year remained consistent overall across the 67 local authorities.

Indicator	Data source and frequency	Result as at 30 June 2022	Result as at 30 June 2023	Notes
Average annual government per person expenditure on arts	Creative New Zealand desk research—annual	N/A	\$216	The positive trend continues to reflect the COVID 19 Cultural Sector Response and Recovery funding however does not reflect a decrease in Vote: Arts, Culture and Heritage funding for the period.
Percentage of New Zealanders in the market for culture	<i>Audience Atlas survey 2020—triennial</i>	N/A	N/A	No change. The <i>Audience Atlas Aotearoa</i> survey was not carried out in the reporting period. This measure tracks New Zealanders' appetite for the arts in Aotearoa. The 2020 result was 96% with the next survey to be carried out in 2023/24.
Percentage of New Zealanders engaged in the arts	<i>New Zealanders and the Arts survey 2020—triennial</i>	N/A	N/A	No change. The New Zealanders and the Arts—Ko Aotearoa me ōna Toi survey was not carried out in the reporting period. This measure tracks New Zealanders engagement with the arts. The 2020 result was 75% with the next survey to be carried out in 2023/24.



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

Outcomes and value perspective

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

Why this goal?

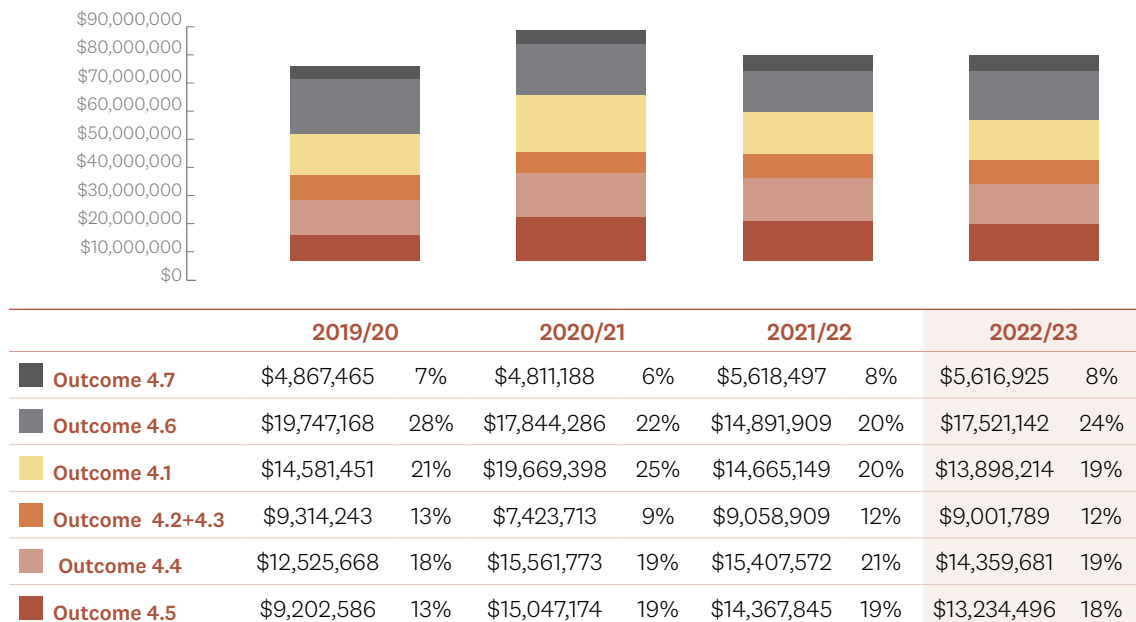
Our outcomes describe the difference we want our work to make and are an important element of how we achieve our vision for ‘Dynamic and resilient New Zealand arts, valued in Aotearoa and internationally’. Investment across outcomes shifts from year to year, in line with our priorities (figure 9) including how we assess applications to our funding programmes and deliver our development and advocacy initiatives.

Highlights and achievements in 2022/23

Despite the ongoing challenges in 2022/23, we are proud of the art and artists we have helped this year and the audiences that have supported them. This includes:

- more than 5,200 high-quality New Zealand artworks developed
- over 100 artists presenting internationally
- over 2,000 opportunities (exhibition days or activities) for audiences to experience Creative New Zealand-funded works on the international stage
- over 250,000 participants in projects or events funded by Creative New Zealand
- more than 2,550,000 million attendances reported at arts experiences across the country.

Figure 9: Investment in our outcomes, 2019/20–2022/23



Reporting performance against measures for the year ended 30 June 2023

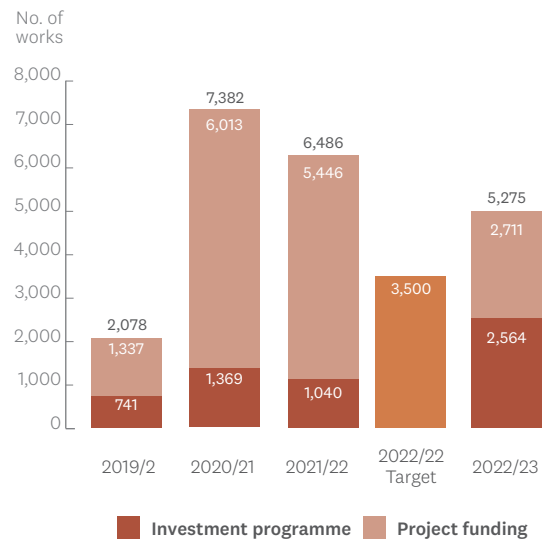
Outcome: Stronger arts as shown by High-quality New Zealand art is developed

4.1 Performance measure: Number of new New Zealand works developed—Target exceeded

The significant increase within the Investment Programme on the previous year is attributable to one online music project (1,381 new works) (figure 10).

In the reporting period, 553 projects were completed and evaluated (2022: 482 projects). The decrease within the project funding is attributable to community arts (down by 1,729, which mostly relates to one project completed in 2021 resulting in 1,681 new works), and in Pacific heritage arts (down by 1,270, which mostly relates to the outcome of one annual Arts Grant).

Figure 10: Number of new New Zealand works developed by programme, 2019/20–2022/23

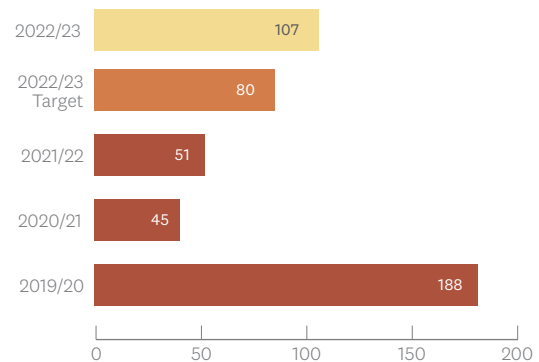


Outcome: Stronger arts as shown by New Zealand arts gain international success

4.2 Performance measure: Number of individuals and organisations funded by Creative New Zealand to engage internationally—Target exceeded

The number of individual artist and arts organisations provided with an opportunity to engage internationally has increased significantly since the end of COVID-19 restrictions (figure 11). This increase can be linked mainly to festivals in Australia, like the Brisbane Writers Festival in May 2023 and the Biennale of Sydney, held in 2022.

Figure 11: Number of individuals and organisations funded by Creative New Zealand to engage internationally, 2019/20–2022/23



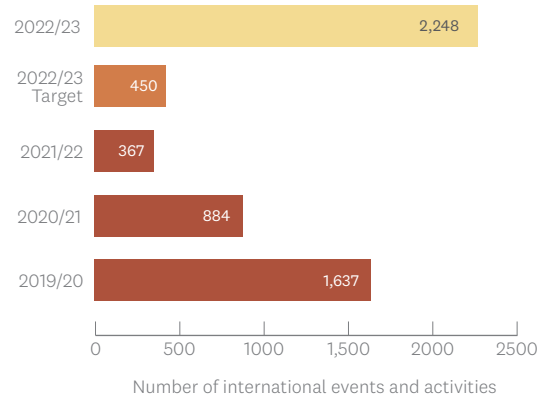
Outcome: Stronger arts as shown by New Zealand arts gain international success

4.3 Performance measure: Number of international arts activities and events funded –Target exceeded

International activities and events supported by Creative New Zealand have increased significantly since COVID-19 restrictions ended (figure 12). Sixty four projects by artists and arts organisations resulted in 2,155 events or opportunities audiences had to experience arts activities (2022: 40 projects with 209 events). The increase is mainly attributable to project-funded visual arts exhibitions in Australia (Queensland Art Gallery, Art Gallery of New South Wales and Biennale of Sydney), resulting in 1,250 exhibition days, and the Venice Biennale 2022 exhibition, which was open for 218 days from April to November 2022.

While investment client activities have decreased (2023: 93; 2022: 158), the previous year's higher result was attributable to one investment client, Makers 101 Limited, exhibiting New Zealand jewellery at gallery Marzee in the Netherlands over 114 exhibition days.

Figure 12: Number of international arts activities and events funded, 2019/20–2022/23



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

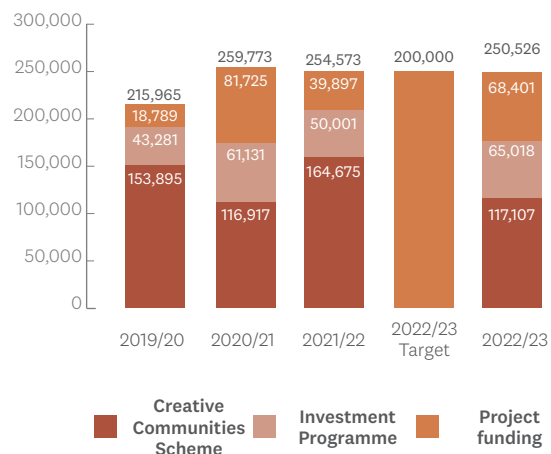
4.4 Performance measure: Number of participants in arts activities funded by Creative New Zealand—Target met

Participation reported across all programmes was close to the previous year's level and the target level (figure 13).

projects), a decrease of 41 percent in participation numbers. The most significant decreases in participant numbers were recorded in Wellington (down by 23,658 or 91 percent) and Napier (down by 15,049 or 96 percent). Adverse weather events have negatively affected some regions in 2022/23. The increased participation in the previous year was attributable to the increase in investment through the COVID-19 Cultural Recovery Package.

Territorial authorities approved 1,744 applications in 2022/23 to a value of \$4,781,850 (2022: 1,730 approved applications amounting to \$4,731,015).

Figure 13: Number of participants in arts activities funded by Creative New Zealand, by programme, 2019/20 –2022/23



- Investment organisations reported higher participation numbers, an increase by 15,017 or 23 percent. The increase is reported in the music and dance artforms, in Auckland, Canterbury and nationally (and is expected, given the end of COVID-19 restrictions).
- Project-funded artists and arts organisations reported higher participation in 553 projects (2022: 482 projects). A significant increase occurred in participation in community arts (up by 20,980) and Pacific heritage arts (up by 6,621). Projects that contributed to the increase include a dance challenge, youth performing arts projects, ASB Polyfest 2022 and the inaugural Melanesian Festival of Auckland held in 2022.
- Territorial authorities reported lower participation through the Creative Communities Scheme in 2022/23 from the 1,293 completed community projects (2022: 1,202 completed

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

4.5 Performance measure: Number of attendances at arts activities and events funded by Creative New Zealand—**Did not meet target**

This measure refers to audience numbers, including paid audiences, readers, viewers, and attendances at free events. Attendance reported across all programmes is below the target of 3 million, but at an increase of 0.613 million, or 31 percent, compared with the previous year's number (figure 14).

- Investment clients reported higher attendances in 2022/23, an increase of \$0.671 million, or 64 percent, compared with 2021/22. This result consists of 1,126,875 live attendances (2022: 994,204) and 592,116 online attendances (2022: 53,516). The increase in live attendances has been reported across literature, music, dance

and theatre (up by 327,609), partly offset by a decrease in visual arts (down by 223,649). These movements can be attributed to the biennial nature of festival activities. The increase in online attendances has been recorded in multi-disciplinary arts and music, with the most significant increase coming from audience visits to The Big Idea platform (377,372 visits).

- Project-funded artists and arts organisations reported lower attendance numbers, a decrease by 58,102, or 6 percent, from 502 completed projects with national activities in the reporting period (2022: 454 national projects). The decrease this year is attributable to a drop in online attendances (2023: 31,388; 2022: 267,658). While most regions have seen increases in attendances, this is offset by a significant decrease in Wellington (by 142,155, or 57 percent), mostly related to Cuba Dupa 2022 being cancelled.

Overall, both live and online attendances have increased in 2022/23 (figure 15).

Figure 14: Number of attendances at arts activities and events funded by Creative New Zealand, by programme, 2019/20–2022/23

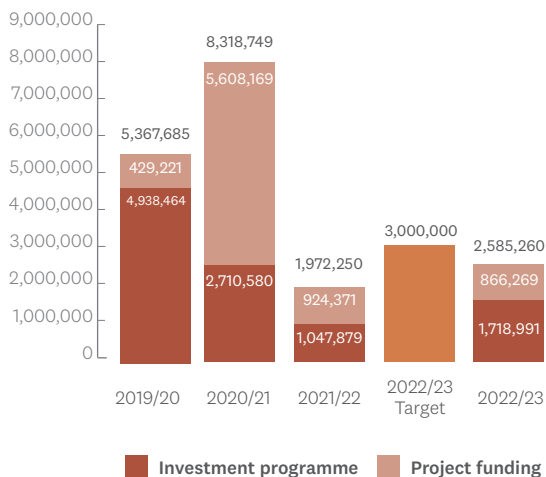
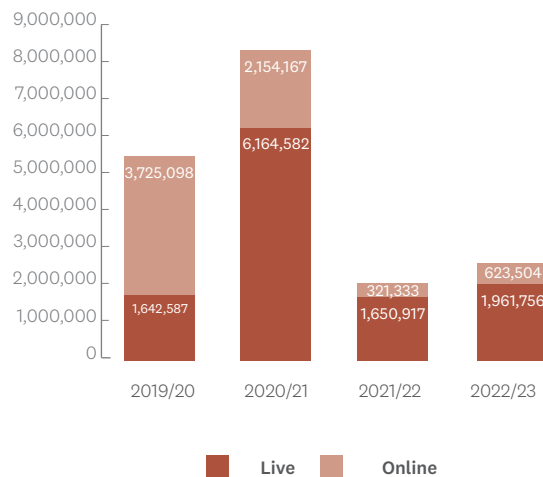


Figure 15: Number of attendances at arts activities and events funded by Creative New Zealand, across all programmes, online versus live, 2019/20–2022/23

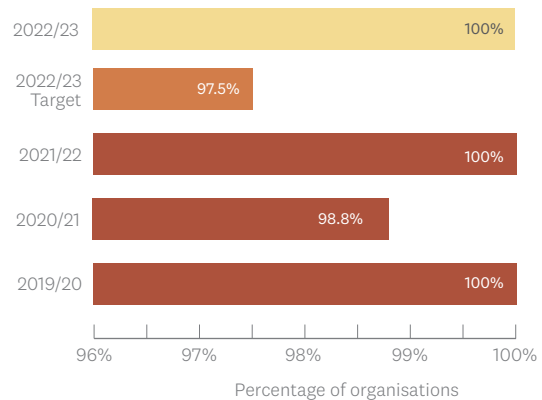


Outcome: Stronger arts sector as shown by New Zealand’s arts sector is resilient

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

All 81 organisations in the Investment Programme met expectations for the June 2023 reporting period (2022: 100 percent). Six organisations in the portfolio did not meet expectations for financial health and one organisation did not meet expectations for the quality of artistic programme. In the previous three years, due to the significant impact of the COVID-19 pandemic on the arts sector, Investment Programme expectations were adjusted to new circumstances. Organisations in general managed well during COVID-19.

Figure 16: Percentage of investment organisations that meet or exceed expectations set in their funding agreements, 2019/20–2022/23

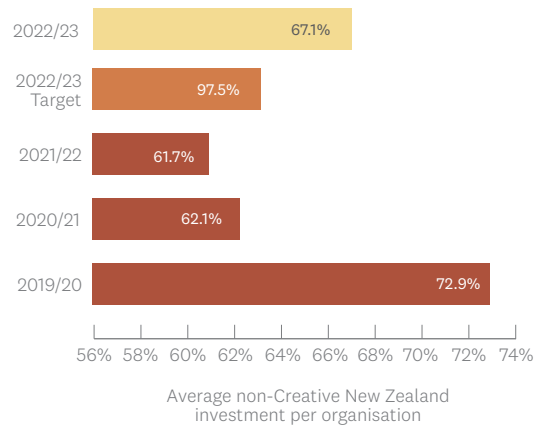


Outcome: Stronger arts sector as shown by New Zealand arts are valued and supported

4.7 Performance measure: Maintain or increase average ‘other’ (non-Creative New Zealand) investment per organisation—Target exceeded

For the calendar year 2022, average ‘other’ (non-Creative New Zealand) investment in the Investment Programme organisations (figure 17) was at 67.1 percent, an increase compared with the previous year by 10 percent to \$69.5 million, but still below the 2019 level by 8 percent or \$6.0 million. The support for arts organisations has grown through funding from other government agencies (by \$3.7 million, or 80 percent) and local authorities (by \$1.8 million, or 12 percent), as well as fundraising and donations (by \$1 million, or 20 percent). While the total revenue of Investment Programme organisations in 2022 (\$103.5 million) was at the pre-COVID-19 level, adjusted for the Cost Price Index (Quarter 4 2022 to Quarter 4 2019), this is a drop in purchasing power of 15.2 percent or \$13.7 million (source: RBNZ inflation calculator). Revenue from sales, at \$19.1 million is still significantly below the pre-COVID-19 2019 level of \$28.4 million.

Figure 17: Average ‘other’ (non-Creative New Zealand) investment per organisation, 2019/20–2022/23



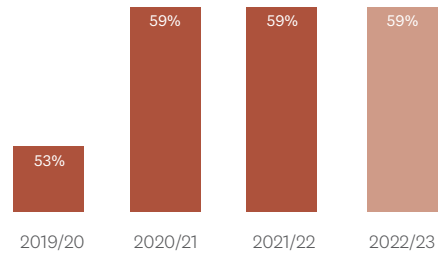
Outcome: Stronger arts sector as shown by **New Zealand arts are valued and supported**

4.8 Index rating for how New Zealanders perceive the value of the arts to New Zealand (New Zealanders and the Arts 2020 survey)

—No change

The index rating for how New Zealanders perceive the value of the arts to New Zealand remains at 59 percent (2017 survey: 53 percent) (figure 18). This rating is based on the results of three measures in the New Zealanders and the Arts 2020 survey: The arts should receive public funding; My community would be poorer without the arts; and The arts help improve New Zealand society. The next survey results will be published in 2023/24.

Figure 18: Index rating for how New Zealanders perceive the value of the arts to New Zealand (New Zealanders and the Arts 2020 survey), 2019/20–2022/23

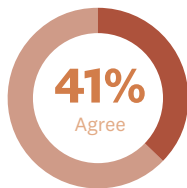


Monitoring the value the arts create for New Zealanders

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

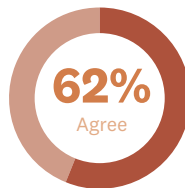
The Statement of Intent 2022–2026 includes the full set of public value statements and indicators we monitor. Many of the results are sourced from the *New Zealanders and the Arts—Ko Aotearoa me ōna Toi* triennial research and highlight the ways the arts create value and add to the wellbeing of New Zealanders. While we know areas still need work to improve, highlights in the 2020 research are included below and show a positive overall attitude to the arts. The next survey will be carried out in 2023/24.

Engagement in the arts improves the lives of New Zealanders



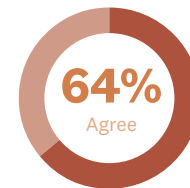
The arts are important to my personal wellbeing

Engagement in the arts strengthens whānau, communities, and society



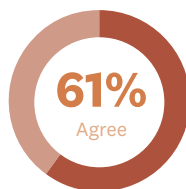
Index rating for how engagement in the arts strengthens communities, society, and our identity.

The arts sector contributes to prosperous and resilient communities

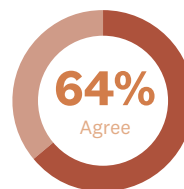


The arts contribute positively to the economy.

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



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



The arts help define who we are as New Zealanders.

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

Reporting on the delivery of Budget 2020-funded initiatives—2022/23 performance

The Government’s 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 9). We also progressed a digital commissioning and capability initiative with funding received from the Cultural Sector Capability Fund (table 10).

Further results of Budget 2020 funding is available in our 2020/21 and 2021/22 annual reports and on our website at: Results | Creative New Zealand (creativenz.govt.nz).

Table 9: Reporting on Pasifika Festivals Initiative (\$12 million over three years)

Funding component	Budget 2022/23	Actual 2023	Actual 2022	Outcomes sought	Performance measure and target	Results as at 30 June 2022/23
Pasifika Festivals Initiative	\$5,289,000 ¹³	\$4,402,893	\$3,516,020	<ul style="list-style-type: none"> Pasifika festivals experiencing financial hardships due to the direct effect of the COVID-19 pandemic remain viable. Pasifika festivals have the technical ability and management capability to operate in a COVID-19 environment. Key stakeholders that form part of the Pasifika festival ecosystem are considered in any funding considerations. 	Along with the existing Statement of Performance Expectations 2022/23 performance measure, a post-completion survey will be designed in collaboration with partners	
Tolu Wave	Budget was not allocated for this demand-driven initiative	\$3,292,893	\$3,421,020	The Tolu Wave fund provided up to two years of funding for eligible Pasifika festivals across Aotearoa to help them continue operating through the ongoing disruptions due to COVID-19.	Of completed projects, 99 percent meet or exceed expectations, as set out in funding agreements.	Thirty– six grants were awarded to festivals through the Tolu Wave fund in 2022/23. All projects will be completed and evaluated within 2023/24.

¹³ Includes \$200,000 operating expenditure. Information on the allocation of the Tasi and Lua Waves in 2020/21 is available in the Creative New Zealand Annual Report 2020/21.

Funding component	Budget 2022/23	Actual 2023	Actual 2022	Outcomes sought	Performance measure and target	Results as at 30 June 2022/23
Fa Wave	Budget was not allocated for this demand-driven initiative	\$1,110,000	\$95,000	A strategic Fa Wave initiative will focus on strengthening the national ecosystem for Pasifika festivals.	Of completed projects, 99 percent meet or exceed expectations, as set out in funding agreements.	Twenty projects were funded through the Fa Wave in 2022/23. All projects will be completed and evaluated within 2023/24.

Table 10: Cultural Sector Capability funding (\$2 million over two years)

Funding component	2022/23 budget	2022/23 actual	Outcomes sought	2022/23 result
Cultural Sector Capability funding	\$1,699,000	\$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 four years starting November 2022. During its establishment phase until the end of July 2023, it appointed a board and a small team, developed core policies, launched its brand and engaged with artists and arts organisations across the motu. In April 2023, Toi Hourua launched a commissioning fund of digital artwork to align with Matariki.

PART 3

STATEMENT OF FINANCIAL PERFORMANCE 2022/23

WĀHANGA TUATORU: NGĀ WHAKARITENGA PŪTEA 2022/23

Financial Planning and Performance

The following section details the 2022/23 financial performance and the financial planning context for 2023/24.

Financial performance 2022/23

Creative New Zealand ended the 2022/23 year with a net deficit of \$0.5 million, against the \$4.3 million budgeted net deficit published in the Statement of Performance Expectations 2022/23. However, both revenue and expenses exceeded those budgeted by \$8.2 million and \$4.4 million respectively (as detailed in note 2 on pages 68–69).

These variances are mainly caused by higher revenue, namely from the Crown by \$5.6 million (as detailed in note 3 on page 69), from the New Zealand Lottery Grants Board Te Puna Tahua (NZLGB) by \$0.8 million and from interest by \$1.4 million. The higher revenue was partly distributed to the arts sector through increased levels of funding, and off-set by minor underspends in some initiatives (as detailed in note 9 on pages 72–74).

Total investment in the arts sector for 2022/23 is at the same level as in 2021/22 (\$74 million as shown in figure 19). This investment includes the significant one-off Crown investment related to the COVID-19 recovery response of \$12.5 million in 2022/23 (\$12.0 million in 2021/22), as shown in figure 20. The breakdowns of the one-off funding received and expensed are detailed in note 10 on pages 75–77).

Of the total expenses, 15.5 percent was spent on Creative New Zealand's operations, within the minimum range of its operating cost practice of 15 percent to 16 percent.

The Statement of Financial Position shows significantly higher assets and liabilities than budgeted. This is mostly related to the \$22 million received in February 2023 from the Crown's reprioritised Arts and Culture COVID-19 Recovery Fund, and \$2.0 million received in June 2023 for the Niu Dawn Raids Initiative. This has resulted in higher cash, term deposits and deferred revenue balances.

Creative New Zealand's accumulated funds are at \$19.1 million at the end of 2022/23.

Financial planning context for 2023/24

The 2023/24 budgeting process has been run in the context of a significant change in our funding situation along with the combination of several factors that are contributing to a challenging financial outlook. The plan and budget for 2023/24 were developed considering the following:

- no additional baseline revenue through Vote: Arts, Culture and Heritage above what has already been received for specific initiatives under the Manatū Taonga-led Arts and Culture COVID Recovery Programme.
- the end of the one-off COVID-19 funding in 2023/24, which has seen significant additional funding to Creative New Zealand over the past four years, as shown in figure 20.
- the change in the lottery profit allocation model and uncertainty about how this will be implemented over coming years.
- a decrease in NZLGB revenue resulting from a lower Lotto New Zealand profit forecast.
- the ongoing high inflation that continues to affect our own operational costs, including personnel costs, and will continue affecting those we fund.
- the contracted budget of around \$38.7 million, or 46 percent, in 2023/24 that includes all of the Toi Tōtara Haemata Investment Programme and Toi Uru Kahikatea Investment Programme, and the Creative Communities Scheme budget.
- maintaining the service levels through an operating deficit, largely as a result of managing variable NZLGB funding over time.
- maintaining a minimum equity level at \$6 million at the end of the budgeting period.

While the situation can be managed in 2023/24 within the accumulated funds, the current level of expenditure is not sustainable. Creative New Zealand's accumulated funds are budgeted to decrease to \$10.8 million as at 30 June 2024.

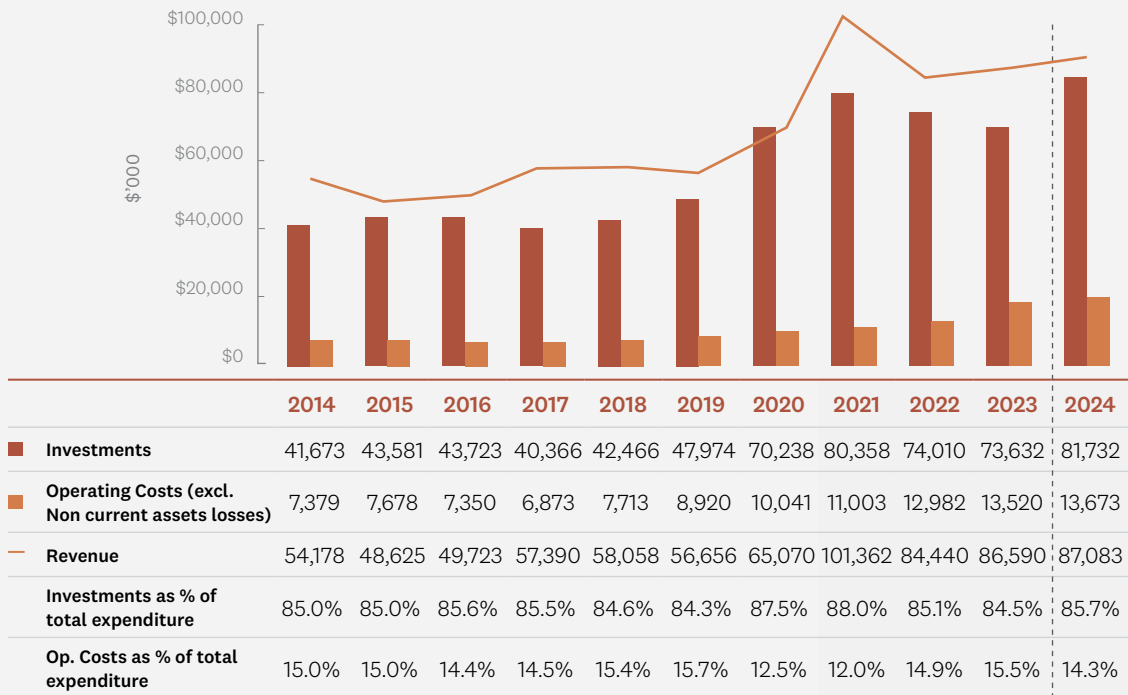
Total investment in the arts sector for 2023/24 is budgeted at \$81.7 million, as shown in figure 19. This includes the significant one-off Crown investment of \$19.4 million deferred from prior years, as shown in figure 20 and detailed in note 10. This one-off investment comes to an end in 2023/24. Without an increase in our revenue, the 2024/25 investment into the arts sector is forecast to reduce \$20 million to \$61 million.

Our operating costs are close to the 2022/23 level, with some provision for inflation. The budget shows operating costs sitting below the operating cost ratio at 14.3 percent for 2023/24, because of the increased sector investment (figure 19).

Creative New Zealand will continue with a dynamic approach to planning and budgeting, with the next budget developed in October 2023.

For further information, see the [Statement of Performance Expectations 2023/24](#) available on our website.

Figure 19: Revenue and expense trends 2014/15 to 2023/24



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

2024 = current budget for 2023/24

Figure 20: Investment into the arts sector 2014/15–2023/24—COVID-19 and non-COVID-19 specific

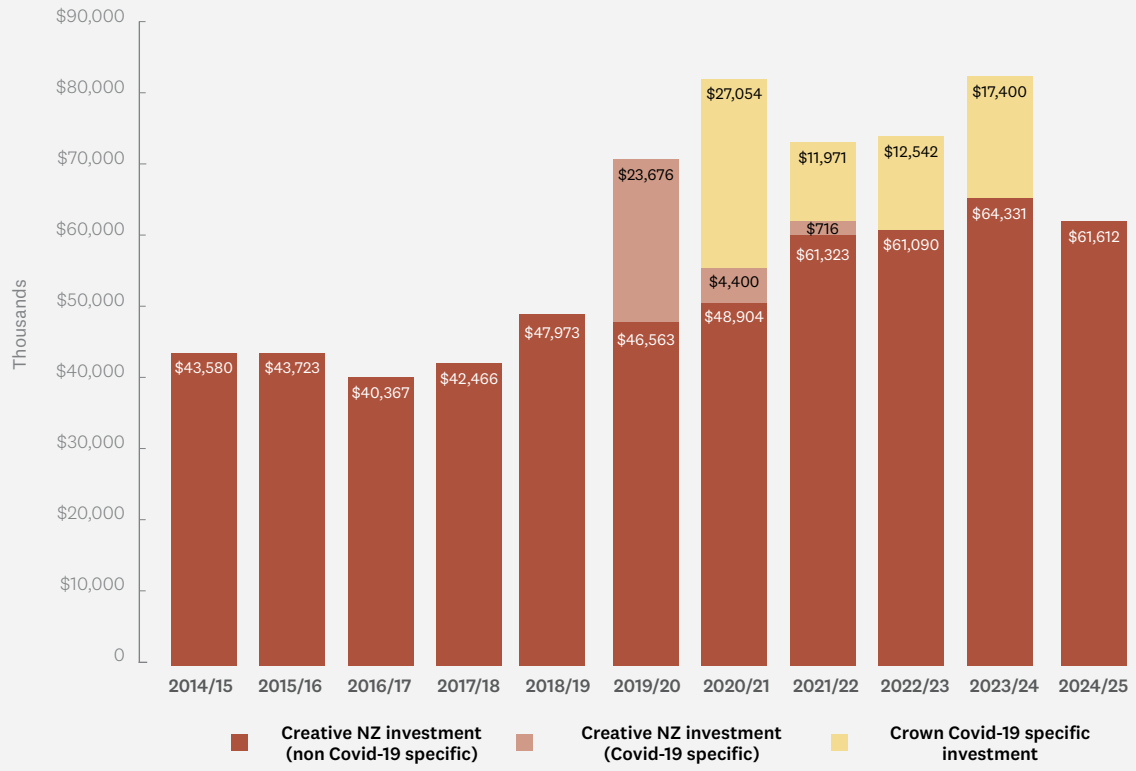
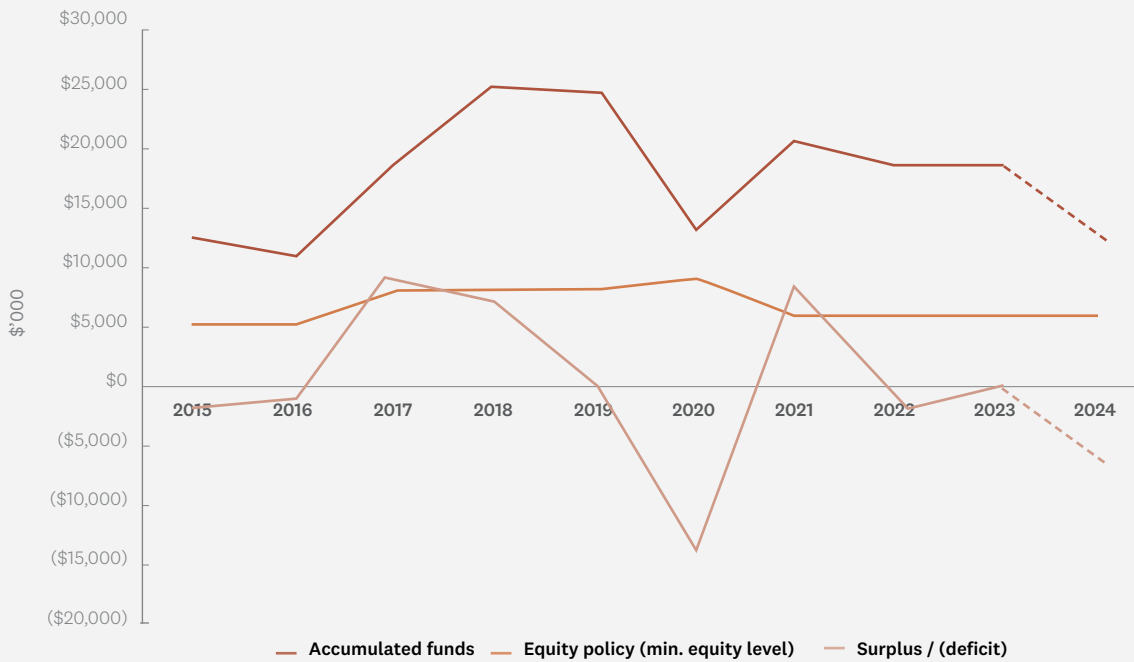


Figure 21: Surplus/(deficit), minimum equity and accumulated funds 2014/15–2023/24



Statement of financial performance

For the year ended 30 June

	NOTE	ACTUAL 2023 \$000	BUDGET unaudited 2023 \$000	ACTUAL 2022 \$000
REVENUE				
Revenue from the Crown	3, 10	29,434	23,877	29,129
Revenue from the New Zealand Lottery Grants Board	4	54,649	53,895	53,878
Interest revenue		1,864	440	420
Other revenue	5	643	214	1,013
TOTAL REVENUE		86,590	78,426	84,440
EXPENSES				
Investing in the arts	9	64,139	58,520	66,929
Developing the arts	9	7,395	8,492	6,204
Advocating for the arts	9	1,354	1,722	801
Leadership in the arts	9	744	685	76
		73,632	69,419	74,010
Operating Costs				
Personnel expenses	6	9,728	9,375	9,120
Depreciation and amortisation	7	440	459	426
Other expenses	8	3,352	3,513	3,436
		13,520	13,347	12,982
TOTAL EXPENSES		87,152	82,766	86,992
SURPLUS / (DEFICIT)		(562)	(4,340)	(2,552)

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

Budget is derived from the *Statement of Performance Expectations 2022/23* published in June 2022.

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 2023 \$000	BUDGET unaudited 2023 \$000	ACTUAL 2022 \$000
Surplus/(deficit) for the year		(562)	(4,340)	(2,552)
Other comprehensive revenue and expense				
Gain/(Loss) on revaluation of works of art	15	279	-	210
Total other comprehensive revenue and expense		279	-	210
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		(283)	(4,340)	(2,342)

Statement of changes in equity

For the year ended 30 June

	NOTE	ACTUAL 2023 \$000	BUDGET unaudited 2023 \$000	ACTUAL 2022 \$000
Total equity as at 1 July		22,479	19,924	24,821
Net operating surplus/(deficit) for the year		(562)	(4,340)	(2,552)
Other comprehensive revenue and expense		279	-	210
Total comprehensive revenue and expense		(283)	(4,340)	(2,342)
TOTAL EQUITY AS AT 30 JUNE	19	22,196	15,584	22,479

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

Budget is derived from the Statement of Performance Expectations 2022/23 published in June 2022.

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

Statement of financial position

As at 30 June

	NOTE	ACTUAL 2023 \$000	BUDGET unaudited 2023 \$000	ACTUAL 2022 \$000
ASSETS				
Current assets				
Cash and cash equivalents	11	12,220	6,542	7,667
Investments in term deposits	12	39,000	12,000	22,000
Receivables	13	14,970	13,775	16,345
Prepayments		317	200	326
Total current assets		66,507	32,517	46,338
Non-current assets				
Property, plant and equipment	14	606	690	739
Works of art	15	2,262	1,983	1,983
Intangible assets	16	424	564	691
Total non-current assets		3,292	3,237	3,413
TOTAL ASSETS		69,799	35,754	49,751
LIABILITIES				
Current liabilities				
Grants payable	9	23,598	19,000	22,274
Payables and deferred revenue	17	23,228	569	4,213
Employee entitlements	18	679	500	666
Total current liabilities		47,505	20,069	27,153
Non-current liabilities				
Lease incentive	20.2	19	19	38
Employee entitlements	18	79	82	81
Total non-current liabilities		98	101	119
TOTAL LIABILITIES		47,603	20,170	27,272
NET ASSETS		22,196	15,584	22,479
EQUITY				
Accumulated funds	19	19,127	12,790	19,696
Revaluation reserves	19	2,262	1,983	1,983
Restricted reserves – special purpose funds	19	807	811	800
TOTAL EQUITY		22,196	15,584	22,479

Explanations of major variances against budget are provided in note 2. Budget is derived from the Statement of Performance Expectations 2022/23 published in June 2022.

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

Statement of cash flows

For the year ended 30 June

	ACTUAL 2023 \$000	BUDGET unaudited 2023 \$000	ACTUAL 2022 \$000
CASH FLOW FROM OPERATING ACTIVITIES			
Cash was provided from:			
Revenue from the Crown	45,689	20,210	28,914
Revenue from the New Zealand Lottery Grants Board	56,050	54,670	57,874
Interest received	1,269	446	407
Grant retirements and gains	106	150	234
Other revenue	311	14	774
Net goods and services tax	3,323	-	-
Cash was applied to:			
Payments of grants	(72,111)	(70,953)	(76,623)
Payments to employees	(9,717)	(9,398)	(9,008)
Payments of operating expenses	(3,327)	(3,382)	(3,498)
Net goods and services tax	-	-	(242)
NET CASH FLOW FROM OPERATING ACTIVITIES	21,593	(8,243)	(1,168)
CASH FLOW FROM INVESTING ACTIVITIES			
Cash was provided from:			
Term deposits maturing (with maturities over three months)	22,000	18,000	22,000
Cash was applied to:			
Purchase of property, plant, equipment and intangible assets	(40)	(300)	(375)
Investment in term deposits (with maturities over three months)	(39,000)	(12,000)	(22,000)
NET CASH FLOW FROM INVESTING ACTIVITIES	(17,040)	5,700	(375)
NET INCREASE (DECREASE) IN CASH HELD	4,553	(2,543)	(1,543)
Cash and cash equivalents at the beginning of the year	7,667	9,085	9,210
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	12,220	6,542	7,667

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

Budget is derived from the Statement of Performance Expectations 2022/23 published in June 2022.

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 2023 \$000	ACTUAL 2022 \$000
Net surplus/(deficit) from operations	(562)	(2,552)
Add/(less) non-cash items:		
Depreciation and amortisation	440	426
Retirement of grants	(197)	(96)
Total non-cash items	243	330
Add/(less) movements in working capital items:		
Decrease (increase) in receivables	1,372	4,087
Decrease (increase) in prepayments	9	(169)
Decrease (increase) in interest receivable	(595)	(13)
Decrease (increase) in net goods and services tax receivable/payable	3,323	(242)
Increase (decrease) in payables and deferred revenue	16,290	(92)
Increase (decrease) in employee entitlements	11	112
Increase (decrease) in lease incentive	(19)	(16)
Increase (decrease) in grants payable	1,521	(2,613)
Net movements in working capital items	21,912	1,054
NET CASH FLOW FROM OPERATING ACTIVITIES	21,593	(1,168)

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 19.

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

Notes to the financial statements

1. Statement of accounting policies

For the year ended 30 June 2023

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 2023 and were approved for issue by the Board (the Arts Council) on 24 October 2023.

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

There were no standards and amendments, issued but not yet effective and not early adopted.

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 2022/23 published in June 2022, based on the budget approved by the Arts Council at its June 2022 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 below.

Statement of financial performance

a net operating deficit of \$0.5 million for the year ended 30 June 2023 is reported against the budgeted net operating deficit of \$4.3 million, a variance of \$3.8 million.

Total revenue for the year is reported above that budgeted by \$8.2 million, attributable to:

- higher revenue from the Crown by \$5.6 million, detailed in note 3, resulting from:
 - additional revenue from the Crown of \$7.3 million allocated in 2022/23, to help with the continued recovery of the arts, culture and heritage sector from the ongoing effects of COVID-19 reprioritised from the Government's Arts and Culture COVID Recovery Fund (\$6.3 million) and to deliver to programmes under the Mātauranga Māori Te Awe Kōtuku Initiative (\$1 million)
 - a decrease by deferred revenue from the Crown of \$1.7 million related to unspent multi-year COVID-19 recovery response funding for the Cultural Sector Capability Fund and Pasifika Culture and Heritage Fund (Pasifika Festivals Initiative), as detailed in note 10
- higher revenue from the NZLGB by \$0.8 million, due to the higher actual Lotto New Zealand's profit for the year (detailed in note 4)
- higher interest revenue by \$1.4 million, resulting from the higher term deposits and the increase in interest rates during the year (note that Creative New Zealand received \$22 million in February 2023 from the reprioritised Arts and Culture COVID Recovery Fund, which was not budgeted for)
- higher other revenue by \$0.4 million related to the various project-related revenue from partners and donations, and higher grant retirements.

Total expenditure for the year exceeded budget by \$4.4 million, attributable mainly to the additional revenue from the Government's Arts and Culture COVID Recovery Fund being distributed to the arts sector (detailed in note 9), as follows:

- Grants and special opportunities (Arts Grants and Toi Ake Fund) increased by \$5.1 million

- Toi Tōtara Haemata and Toi Uru Kahikatea support through the one-off cost pressure top up of \$1.4 million
- Initiative and pilots increased by \$0.5 million related to additional funding under the Mātauranga Māori Te Awe Kōtuku Initiative (Tārai Waka and Taonga Pūoro).

This was offset by underspends in several initiatives, including the Cultural Sector Capability Fund by \$0.8 million (deferred revenue) and Pasifika Festivals Initiative by \$0.9 million (deferred revenue).

Statement of financial position

the budget variances in the Statement of Financial Position reflect:

- the significant additional funding from the Crown (detailed in note 10) - \$22.0 million plus GST received in February 2023 from the reprioritised Arts and Culture COVID Recovery Fund, and \$2.0 million plus GST inclusive received in June 2023 for the Niu Dawn Raids Initiative
- the impact of the positive variance in the operating result for the year of \$3.8 million
- additional allocations from the NZLGB's 2021/22 profit of \$2.9 million receivable at 30 June 2022 (detailed in note 4).

These have caused higher cash and term deposits balance by \$32.7 million, higher grants payable balance by \$4.6 million, and higher deferred revenue and GST related to the Crown funding of \$22.3 million (detailed in note 10).

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 Government's Arts and Culture COVID Recovery Fund in the second half of the year and the additional Crown funding, more cash was held on call and in term deposits than was 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 (a condition refers to an enforceable legal right of return of the transferred asset if it is not used for the specific intended purpose) and it is recognised as revenue at the point of entitlement. This is considered to be the start of the appropriation period to which the funding relates. The fair value of the revenue from the Crown has been determined to be equivalent to the amounts due in the funding arrangements.

COVID-19 recovery response funding

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

Breakdown of revenue from the Crown	ACTUAL 2023 \$000	BUDGET unaudited 2023 \$000	ACTUAL 2022 \$000
Vote: Arts Culture and Heritage—core funding	16,689	16,689	16,689
COVID-19 recovery response funding*	12,745	7,188	12,440
Core Infrastructure and Arts Delivery	–	–	813
Cultural Sector Capability Fund	874	1,699	332
Pasifika Festivals Initiative	4,603	5,489	4,057
Mātauranga Māori Te Awe Kōtuku Initiative	1,002	–	2,238
Delta Relief	–	–	5,000
Reprioritised Cultural Recovery Package	6,266	–	–
	29,434	23,877	29,129

Apart from the general restrictions, no unfulfilled conditions or contingencies are attached to government funding (2022: \$nil).

* A reconciliation of the one-off COVID-19 recovery response funding received, used and deferred is detailed in note 10.

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

Accounting policy

Creative New Zealand receives most of its funding from the NZLGB. The NZLGB allocates part of Lotto New Zealand's profit to Creative New Zealand through the Gambling Act 2003. The funding allocation for the year is based on 15 percent of Lotto New Zealand's forecast profit for the financial year. Creative New Zealand also receives a 15 percent share in Lotto New Zealand's available funding over and above the forecast (the additional profit allocation), which is dependent on the actual audited results for the year. One-off funding allocations from reserves are also based on this 15 percent share. From 2023/24, NZLGB has changed its approach to allocating funding to statutory bodies, including Creative New Zealand, from a percentage allocation model to a set 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

	2023 \$000	2022 \$000
Funding allocation for the year (based on budgeted profit)	53,895	51,000
Additional allocation for the year (based on forecast profit)	-	1,500
Additional profit allocation (wash-up from current year's profit)	754	1,378
	54,649	53,878

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

	2023 \$000	2022 \$000
Retirement of grants	303	330
Revenue from project partners	202	503
Donations	110	91
Todd Corporation (Todd New Writer's Bursary)	10	10
Revenue from ticket sales	2	1
Rental revenue	2	8
Other	14	70
	643	1,013

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

	2023 \$000	2022 \$000
Salaries and wages	8,405	8,033
Other staff-related costs	1,098	783
Employer contributions to defined contribution plans	248	231
Increase/(decrease) in employee entitlements	(23)	73
	9,728	9,120

During the year ended 30 June 2023, no employees received compensation relating to the cessation of their employment with Creative New Zealand (2022: \$nil).

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

Total remuneration paid or payable

	2023	2022
\$100,000 – \$109,999	15	10
\$110,000 – \$119,999	3	1
\$120,000 – \$129,999	3	9
\$130,000 – \$139,999	7	4
\$140,000 – \$149,999	Nil	3
\$150,000 – \$159,999	1	Nil
\$160,000 – \$169,999	1	1
\$170,000 – \$179,999	Nil	1
\$180,000 – \$189,999	4	2
\$200,000 – \$209,999	1	1
\$320,000 – \$329,999	1	1

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

7. Depreciation and amortisation

	2023 \$000	2022 \$000
Depreciation		
Leasehold improvements	76	48
Computer equipment	52	54
Furniture, equipment and fittings	44	41
Amortisation		
Computer software	268	283
	440	426

8. Other expenses

	2023 \$000	2022 \$000
Fees to auditor—for audit of financial statements	88	82
Board member remuneration (note 23)	206	183
Operating lease payments	427	404
Bad debt written off	–	33
Other expenses	2,631	2,734
	3,352	3,436

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 26).

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

Non-discretionary grants are 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 2023 \$000	BUDGET unaudited 2023 \$000	ACTUAL 2022 \$000
INVESTING IN THE ARTS			
Toi Tōtara Haemata Investment programme	16,413	16,084	16,088
Toi Uru Kahikatea Investment programme	18,467	18,884	15,883
Grants and special opportunities	12,743	13,003	19,041
Creative Communities Scheme	3,943	3,995	3,942
International programme	1,334	1,265	1,507
Initiatives and pilots	70	-	-
COVID-19 emergency response*			
Toi Tōtara Haemata—Resilience Fund**	-	-	813
Toi Uru Kahikatea—Resilience Fund**	-	-	503
Toi Tōtara Haemata—one-off cost pressure top up	657	-	-
Toi Uru Kahikatea—one-off cost pressure top up	729	-	-
Creative Communities Scheme	-	-	1,000
Grants and special opportunities—Arts Grants	4,500	-	3,400
Grants and special opportunities—Festivals	380	-	-
Grants and special opportunities—Mātauranga Māori Te Awe Kōtuku Initiative (Toi Ake Fund)	500	-	980
Initiatives and pilots—Pasifika Festivals Initiative	4,403	5,289	3,772
	64,139	58,520	66,929

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

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

	ACTUAL 2023 \$000	BUDGET unaudited 2023 \$000	ACTUAL 2022 \$000
DEVELOPING THE ARTS			
Capability building—national programme	842	984	634
Capability building—international programme	538	555	440
Initiatives and pilots	4,641	5,254	2,911
COVID-19 recovery response*			
Toi Tōtara Haemata—Adaptation Fund	-	-	734
Toi Uru Kahikatea—Adaptation Fund	-	-	79
Capability building—Cultural Sector Capability Fund	874	1,699	166
Initiatives and pilots—Mātauranga Māori Te Awe Kōtuku Initiative (Tārai Waka and Taonga Pūoro)	500	-	1,240
	7,395	8,492	6,204
ADVOCATING FOR THE ARTS			
Advocacy	1,354	1,722	801
	1,354	1,722	801
LEADERSHIP IN THE ARTS			
Capability building—national programme	79	120	3
Advocacy	665	565	73
	744	685	76

* 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

	2023 \$000	2022 \$000
Toi Tōtara Haemata Investment Programme	7,715	7,694
Toi Uru Kahikatea Investment Programme	8,565	7,807
Grants and other investment categories	7,318	6,773
	23,598	22,274

10. Reconciliation of COVID-19 recovery response revenue and expenses

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 COVID-19 recovery response funding was restricted in its use towards achieving the following outcomes:

- retain core arts infrastructure, deliver arts projects in communities and support the delivery of key strategies including Te Hā o ngā Toi—Māori Arts Strategy 2019–2024 and the Pacific Arts Strategy 2018–2023 (\$25 million in 2021)
- 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 to programmes under the Mātauranga Māori Te Awe Kōtuku Initiative, in particular: to support the retention and revitalisation of critically endangered Tārai Waka mātauranga (waka building knowledge) and Taonga Pūoro mātauranga, to boost the existing Toi Ake contestable fund to support the retention of mātauranga and heritage ngā toi Māori artforms, and to develop regional partnerships to support mātauranga Māori artform practitioners (\$1.073 million in 2021, \$2.255 million in 2022 and \$1 million in 2023)

- provide short-term support to the arts sector in response to the COVID-19 Delta variant (\$5 million in 2022)
- 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 Fund):
 - 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 the effects of 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.

The reconciliation of COVID-19 recovery response funding received, used and deferred is detailed as follows.

	NOTE	ACTUAL 2023 \$000	BUDGET unaudited 2023 \$000	ACTUAL 2022 \$000
Cash received from the Crown				
Vote Arts Culture and Heritage—core funding		16,689	16,689	16,689
One-off COVID-19 response funding				
Cultural Sector Capability Fund		-	-	1,000
Pasifika Festivals Initiative		4,000	4,000	4,000
Mātauranga Māori Te Awe Kōtuku Initiative		1,000	-	2,225
Delta Relief		-	-	5,000
Reprioritised Cultural Recovery Package		22,000	-	-
Other one-off funding				
Niu Dawn Raids Initiative		2,000	-	-
		45,689	20,689	28,914
Plus, deferred revenue used from prior years				
One-off COVID-19 response funding				
Core Infrastructure and Arts Delivery		-	-	813
Cultural Sector Capability Fund		1,634	1,699	966
Pasifika Festivals Initiative		1,490	1,489	1,547
Mātauranga Māori Te Awe Kōtuku Initiative		21	-	34
		3,145	3,188	3,360
Less, revenue deferred (recognised in the Statement of Financial Position)				
One-off COVID-19 response funding				
Cultural Sector Capability Fund		760	-	1,634
Pasifika Festivals Initiative		887	-	1,490
Mātauranga Māori Te Awe Kōtuku Initiative		19	-	21
Reprioritised Cultural Recovery Package		15,734	-	-
Other one-off funding				
Niu Dawn Raids Initiative		2,000	-	-
		19,400	-	3,145
TOTAL REVENUE FROM THE CROWN		29,434	23,877	29,129

	NOTE	ACTUAL 2023 \$000	BUDGET unaudited 2023 \$000	ACTUAL 2022 \$000
EXPENSES - ONE-OFF COVID-19 RECOVERY RESPONSE FUNDING				
Core Infrastructure and Arts Delivery				
Toi Tōtara Haemata and Toi Uru Kahikatea—Adaptation Fund	9	-	-	813
Cultural Sector Capability Fund				
Capability building—Cultural Sector Capability Fund	9	874	1,699	166
Operating costs		-	-	166
Pasifika Festivals Initiative				
Initiatives and pilots—Pasifika Festivals Initiative	9	4,403	5,289	3,772
Operating costs		200	200	285
Mātauranga Māori Te Awe Kōtuku Initiative				
Grants and special opportunities—Toi Ake Fund	9	500	-	980
Initiatives and pilots—Tārai Waka and Taonga Pūoro	9	500	-	1,240
Operating costs		2	-	18
Delta Relief				
Grants and special opportunities—Arts Grants	9	-	-	3,400
Creative Communities Scheme	9	-	-	1,000
Toi Tōtara Haemata and Toi Uru Kahikatea—Resilience Fund	9	-	-	600
Reprioritised Cultural Recovery Package				
Toi Tōtara Haemata and Toi Uru Kahikatea—one-off cost pressure top up	9	1,386	-	-
Grants and special opportunities—Arts Grants	9	4,500	-	-
Grants and special opportunities—Festivals	9	380	-	-
TOTAL ONE-OFF COVID-19 RECOVERY RESPONSE FUNDING	3	12,745	7,188	12,440

11. Cash and cash equivalents

Accounting policy

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

Breakdown of cash and cash equivalents

	2023 \$000	2022 \$000
Cash at bank and on hand	249	126
Term deposits with maturities less than three months	11,971	7,541
Total cash and cash equivalents	12,220	7,667

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

	2023 \$000	2022 \$000
Term deposits	39,000	22,000
Total investments in term deposits	39,000	22,000

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

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

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

13. Receivables

Accounting policy

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

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

Breakdown of receivables

	2023 \$000	2022 \$000
Receivables from non-exchange transactions		
New Zealand Lottery Grants Board	14,227	15,628
Goods and services tax receivable	-	598
Sundry receivables	89	60
Receivables from exchange transactions		
Interest receivable	654	59
Total receivables	14,970	16,345

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.

	2023 \$000	2022 \$000
Not past due	14,970	16,323
Past due 1–30 days	–	–
Past due 31–60 days	–	22
Past due 61–90 days	–	–
Past due over 90 days	–	–
	14,970	16,345

14. Property, plant and equipment

Accounting policy

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

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

Additions

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

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

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

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

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

Disposals

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

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

Depreciation

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

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

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

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

Impairment of property, plant and equipment

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

Non-cash generating assets

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

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

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

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

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

	Work in progress* \$000	Leasehold improvements \$000	Furniture, equipment & fittings \$000	Computer equipment \$000	Total \$000
Cost					
Balance at 1 July 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
Cost					
Balance at 1 July 2021	15	369	439	493	1,316
Additions	-	243	59	66	368
Disposals	-	-	(1)	(17)	(18)
Reclassification	(15)	15	-	-	-
Balance at 30 June 2022	-	627	497	542	1,666
Accumulated depreciation					
Balance at 1 July 2021	-	141	274	387	802
Depreciation expense	-	48	41	54	143
Eliminated on disposal	-	-	(1)	(17)	(18)
Balance at 30 June 2022	-	189	314	424	927
Carrying amount at 30 June 2022	-	438	183	118	739

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.

15. Works of art

Accounting policy

Creative New Zealand owns a 'furnishing works of art collection' with items on display in Creative New Zealand offices. These items are rotated on a regular basis with items held in storage. Some items are also on loan to other organisations, including museums and 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 works of art are stated at fair value at 30 June 2023 as determined by Ben Plumbly, Director of Art at Art+Object auction house.

	2023 \$000	2022 \$000
Valuation		
Balance at 1 July	1,983	1,773
Revaluation increase/(decrease)	279	210
Carrying amount at 30 June	2,262	1,983

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:

	2023 \$000	2022 \$000
Cost		
Balance at 1 July	2,231	2,224
Additions	1	7
Disposals	-	-
Balance at 30 June	2,232	2,231
Accumulated amortisation		
Balance at 1 July	1,540	1,257
Amortisation expense	268	283
Eliminated on disposal	-	-
Balance at 30 June	1,808	1,540
Carrying amount at 30 June	424	691

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.

17. Payables and deferred revenue

Accounting policy

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

Breakdown of payables and deferred revenue

	2023 \$000	2022 \$000
Payables and deferred revenue under exchange transactions		
Trade payables	446	331
Accrued expenses	156	236
Goods and Services tax payable	287	-
Revenue in advance (the Todd Trust)	10	10
Lease incentive—current portion (note 20.2)	19	19
	918	596
Payables and deferred revenue under exchange transactions		
Revenue in advance from the Crown (note 10)	19,400	3,145
Deferred GST payable	2,910	472
	22,310	3,617
Total payables and deferred revenue	23,228	4,213

Creative New Zealand has a bank credit card facility of up to \$200,000 (2022: \$200,000). At 30 June 2023, \$23,946 of the total facility was used (2022: \$13,966).

18. Employee entitlements

Accounting policy

Short-term employee entitlements

Employee entitlements expected to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, long service leave entitlements expected to be

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

Long-term employee entitlements

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

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

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

	2023 \$000	2022 \$000
Current portion		
Accrued/(prepaid) salaries and wages	163	129
Annual leave	453	480
Long service leave	57	53
Time in lieu	6	4
Total current portion	679	666
Non-current portion		
Long service leave	79	81
Total non-current portion	79	81
Total employee entitlements	758	747

19. Equity

Accounting policy

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

- accumulated funds
- revaluation reserve
- restricted reserve.

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

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

Capital management

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

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

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

Breakdown of equity

	2023 \$000	2022 \$000
Accumulated funds		
Balance at 1 July	19,696	22,237
Net operating surplus/(deficit) for the year	(562)	(2,552)
Transfer of special purpose funds from restricted reserves	(7)	11
Balance at 30 June	19,127	19,696
Revaluation reserves (works of art)		
Balance at 1 July	1,983	1,773
Revaluation of works of art (note 15)	279	210
Balance at 30 June	2,262	1,983
Restricted reserves (special purpose funds)		
Balance at 1 July	800	811
Transfer of special purpose funds to accumulated funds	7	(11)
Balance at 30 June	807	800
Total equity	22,196	22,479

Restricted reserves (special purpose funds)

2023	Opening balance \$000	Revenue \$000	Expenses \$000	Closing balance \$000
Edwin Carr Foundation	587	26	23	590
Tup Lang scholarship fund	75	3	3	75
Louis Johnson fund	54	2	2	54
Butland Music Foundation	43	2	-	45
New Zealand/Aotearoa Music Scholarship	41	2	-	43
Total restricted reserves (special purpose funds)	800	35	28	807

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

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

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

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

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

20. Capital commitments and operating leases

20.1. Capital commitments

	2023 \$000	2022 \$000
Capital commitments		
Property, plant and equipment	-	-
Total capital commitments	-	-

20.2. Operating leases

Accounting policy

Operating leases

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

	2023 \$000	2022 \$000
Operating leases as lessee, payable:		
Not later than one year	419	397
Later than one year and not later than five years	1,043	1,096
Later than five years	21	249
Total non-cancellable operating leases payable	1,483	1,742

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

	2023 \$000	2022 \$000
Current portion (note 17)	19	19
Non-current portion	19	38
Total non-cancellable operating leases payable	38	57

21. Contingencies

21.1. Contingent liabilities

	2023 \$000	2022 \$000
Bank of New Zealand Letter of Credit – Datacom Employer Services Limited	-	300

The Letter of Credit was put in place in 2002, issued by the Bank of New Zealand on behalf of Creative New Zealand to the ASB bank, the banker for Datacom Employer Services Limited. The Letter of Credit guaranteed to the ASB bank that the Bank of New Zealand will accept MTS direct debits from Datacom Employer Services Limited for the fortnightly payroll costs of up to \$300,000. This arrangement was cancelled in July 2022.

21.2. Contingent assets

	2023 \$000	2022 \$000
Invoiced to grantees in a default position	71	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.

22. Related parties

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

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

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

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

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

Key management personnel compensation

	2023 \$000	2022 \$000
Council members		
Remuneration (note 23)	\$205,835	\$182,567
Full-time equivalent members	1.55	1.50
Leadership team		
Remuneration	\$1,432,763	\$1,311,509
Full-time equivalent members	7.00	6.38

23. 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	2023	2022
Caren Rangī	Manukura — Chair; Member (Pasifika)	Member, People & Culture Committee	21 Mar 2024	33,000	33,000
Michael Prentice	Manukura Tuarua — Deputy Chair; Member	Chair, People & Culture Committee	31 Oct 2024	17,500	16,800
Hilary Poole	Member	Chair, Audit & Risk Committee	31 Oct 2024	15,400	9,333
Kura Moehau	Member (Māori)	Co-Chair, Komiti Māori	31 Jan 2026	15,400	14,000
Bonita Bigham	Member (Māori)	Co-Chair, Komiti Māori	31 Jul 2025	14,117	1,634
Garth Gallaway	Member	Member, Audit & Risk Committee	12 Jul 2023	14,000	14,000
John Ong	Member	Member, Audit & Risk Committee	30 Sep 2025	14,000	14,000
Janine Morrell-Gunn	Member	Member, Komiti Māori	30 Sep 2025	14,000	14,000
Robyn Hunt	Member	—	31 Jan 2026	14,000	14,000
Ane Tonga	Member (Pasifika)	Member, Audit & Risk Committee	31 Oct 2024	14,000	9,333
Whetū Fala	Member (Māori)	Member, Komiti Māori	30 Jun 2025	13,360	—
Helen Klisser During	Member	—	30 Sep 2025	8,167	—
Puamiria Parata-Goodall	Member (Māori)	Member, Komiti Māori	30 Sep 2025	8,167	—
Angela Abernethy	—	Independent Member, Audit & Risk Committee	—	2,557	2,800
Roger King	ex-Member	ex-Member, Audit & Risk Committee	31 Oct 2022	4,667	14,000
Riria Hotere-Barnes	ex-Member (Māori)	ex-Member, Komiti Māori	30 Sep 2022	3,500	14,000
Briar Grace-Smith	ex-Member (Māori)	ex-Member, Komiti Māori	31 Dec 2021	—	7,000
Luamanuvao Dame Winnie Laban, QSO	ex-Member (Pasifika)	—	31 Oct 2021	—	4,667
				205,835	182,567

24. Financial instruments

Accounting policy

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

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

Creative New Zealand does not use derivative financial instruments.

24.1. Financial instrument categories

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

	2023 \$000	2022 \$000
Financial assets measured at amortised cost:		
Cash and cash equivalents	12,220	7,667
Receivables	14,970	15,747
Investments in term deposits	39,000	22,000
Total financial assets	66,190	45,414
Financial liabilities measured at amortised cost:		
Grants payable	23,598	22,274
Payables	631	596
Total financial liabilities	24,229	22,870

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

24.2. Financial instrument risks

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

Market risk

Price risk

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

Currency risk

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

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

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

Fair value interest rate risk

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

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

Cash flow interest rate risk

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

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

The interest rates for fixed-term deposits at 30 June 2023 were ranging between 2.04 percent and 5.80 percent (2022: between 0.61 percent and 2.04 percent). Call deposits were invested at the official cash rate (OCR) of 5.50 percent at 30 June 2023 (2022: 2.00 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

	2023 \$000	2022 \$000
Counterparties with credit ratings*		
Cash and cash equivalents		
A1/A+	12,220	7,667
Investments in term deposits		
A1/A+	39,000	22,000
Total cash and term deposits	51,220	29,667
Counterparties without credit ratings		
Debtors and other receivables		
Existing counterparty with no defaults in the past	14,970	16,345
Existing counterparty with defaults in the past	-	-
Total debtors and other receivables	14,970	16,345

* 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.

2023 (in \$000)	Carrying amount	Contractual cash flows	Less than 6 months	Between 6-12 months	Over 1 year
Grants payable	23,598	23,598	23,598	-	-
Payables and deferred revenue	23,228	23,228	23,228	-	-
2022 (in \$000)					
Grants payable	22,274	22,274	22,274	-	-
Payables and deferred revenue	4,213	4,213	4,213	-	-

25. Events subsequent to balance date

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

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

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

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

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

	2023 \$000	2022 \$000
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Conditional funding, payable in out-years:		
Not later than one year	34,723	3,800
Later than one year and not later than two years	35,565	-
Total funding commitments as at 30 June	70,288	3,800

The variance in the amount between 2023 and 2022 is caused by the timing of the multi-year funding contracts and the timing of funding decisions.

In July 2022, the Arts Council approved \$104.923 million of funding over the three financial years (2022/23: \$34.880 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 62 to 89, that comprise the statement of financial position as at 30 June 2023, the statement of comprehensive revenue and expenses, statement of other comprehensive income, 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 on pages 17 to 28 and 45 to 57.

In our opinion:

- the financial statements of Creative New Zealand, on pages 62 to 89:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2023; and
 - its financial performance and cash flows, for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and

- the performance information on pages 17 to 28 and pages 45 to 57:
 - presents fairly, in all material respects, Creative New Zealand's performance for the year ended 30 June 2023, including:
 - 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 24 October 2023. 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 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 responsible for such internal control as it is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Arts Council is responsible on behalf of Creative New Zealand for assessing Creative New Zealand's ability to continue as a going concern. The Arts Council 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 for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Arts Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Creative New Zealand's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Arts Council is responsible for the other information. The other information comprises the information included on pages 1 to 93 (excluding reported measures/indicators and outcomes) 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 2023

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 2023 fairly reflect the financial position and operations of Creative New Zealand.

Signed on behalf of the Arts Council



Caren Rangi ONZM
Manukura—Chair
29 June 2023



Michael Prentice
Manukura Tuarua—Deputy Chair
29 June 2023



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