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This Statement of Performance Expectations documents planned activity, performance targets and forecast financial information for the Arts Council of New Zealand Toi Aotearoa (Creative New Zealand) for the period 1 July 2023 to 30 June 2024.

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

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

Caren Rangi ONZM
Manukura—Chair
30 June 2023

A handwritten signature in black ink, featuring a stylized, cursive 'M' followed by a large, sweeping flourish that loops back down.

Michael Prentice
Manukura Tuarua—Deputy Chair
30 June 2023

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FOREWORD *KUPU WHAKATAKI*

We present our Statement of Performance Expectations for 2023/24, the second annual plan under our Statement of Intent 2022–2026 and the fifth plan under our long-term strategic direction for 2019–2029.

For the first time in several years, we can look ahead without the threat of COVID-19 closures. This is welcome for a sector that relies on people congregating to develop, present and share arts experiences that make a vital contribution to the wellbeing of individuals, communities and the country as a whole.

While this should present a new set of opportunities, the long tail of COVID-19 and decisions outside of our control mean our financial outlook is challenging. These circumstances represent the most significant set of challenges we have faced in recent times.

Changes in the allocation model of the New Zealand Lottery Grants Board Te Puna Tahua, a decreased forecast for lottery profits, the end of Government’s one-off COVID-19 investments (both in Creative New Zealand and across the sector), and a legacy of operating deficits, mean that, unless our position substantially changes, we will need to reduce our investment in the arts and ngā toi from 2024/25. In 2023/24 we are running an affordable operating deficit, but this position cannot be sustained.

This comes as high inflation and significant increases in the cost of living are disproportionately affecting those on low incomes including creative practitioners. We know from our latest *Profile of Creative Professionals* research that practitioners generally earn low wages, maintain secondary employment, and face the downsides of gig economy workers such as difficulty securing loans. A significant gender pay gap also exists and Deaf and disabled artists have lower incomes than other groups.

In response to these challenges and the significant demand pressures we have been experiencing, we have signalled that we need to change the way we work.

Central to this change will be shifting towards a practitioner or artist-centric approach. While we will do what we can to build greater resilience into the arts sector, including sustainable arts sector careers, it will be difficult to make real progress in the coming years given our financial position. We will however continue to lean into our advocacy and leadership roles in this area.

Despite the challenges, over the next year, we look forward to advancing work under our new five-year *Pacific Arts Strategy* and continuing to implement our Te Kaupapa o Toi Aotearoa programme, which aims to make sure we have the culture, competencies and practices to meet our aspirations under Te Tiriti o Waitangi.

We’ll also increasingly be looking to partner with those who share our aspirations for the arts and where we can have greater impact by working collectively.

Inspired by our arts communities, we are committed to working hard over the next year to meet the challenges we are facing—and the opportunities that exist—with dedication, heart and manaaki.

We also thank New Zealanders for their continued participation, engagement and support for the arts.



Caren Rangi ONZM
Manukura—Chair



Stephen Wainwright
Tumu Whakarae—Chief Executive

ABOUT OUR PLAN *MŌ TĀ MĀTOU MAHERE*

This Statement of Performance Expectations (SPE) sits under the Statement of Intent 2022–2026 (SOI). It describes how this year’s work will contribute to achieving the strategic direction set out in the SOI. Each year, we publish an SPE that outlines our planned activity, performance targets and forecast financial information for the relevant performance year.

This SPE, our annual plan, covers the 2023/24 financial year (that is, 1 July 2023 to 30 June 2024).

This plan has three parts.

- **Part One: Our strategic context**—covering our strategic direction for 2019–2029, our strategic focus areas for 2022–2026, and including the main strategies and policies that guide our work.
- **Part Two: The year ahead**—covering the Associate Minister for Arts, Culture and Heritage’s expectations of Creative New Zealand; challenges and opportunities; our performance framework; our focus for 2023/24; and our financial planning and performance.
- **Part Three: Our organisation**—covering information about the Arts Council and Creative New Zealand.

We will report against our plan in the Annual Report for 2023/24.

Creative New Zealand operates under one central government output expense: Promotion and Support of the Arts and Film, of which we have one output class – Promotion and support of the arts. This is a reportable class for the purposes of the Crown Entities Act 2004.

No output classes have been given reporting exemptions by the Minister of Finance. We do not propose supplying any output classes in 2023/24 that are not a reportable class of outputs.

Manatū Taonga Ministry for Culture and Heritage (Manatū Taonga) is our monitoring department.

We are mainly funded through the New Zealand Lottery Grants Board Te Puna Tahua (NZLGB) and the Crown through Vote: Arts, Culture and Heritage.

In 2023/24, Creative New Zealand expects to receive:

- an estimated \$49.5 million from NZLGB
- \$16.689 million from the Crown through Vote: Arts, Culture and Heritage.

Revenue from the NZLGB for 2023/24 is based on the lottery profit forecast. The final expected 2023/24 payment from the NZLGB will be confirmed in July 2023.

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

ABOUT THE ARTS COUNCIL AND CREATIVE NEW ZEALAND

MŌ TE KAUNIHERA TOI ME TOI AOTEAROA

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

OUR VISION

Our vision describes our ambition for the arts and what we want to achieve

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

OUR PURPOSE

Our purpose is set out in the Arts Council of New Zealand Toi Aotearoa Act 2014

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

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

- investing in the arts
- developing the arts
- advocating for the arts
- leadership in the arts
- partnering for the arts.

OUR VALUES

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

- **Mana Toi** we champion the role of the arts and the contribution artists make to our lives.
- **Tauīwi** we recognise New Zealand's distinctive cultural and social diversity and work to 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.

PART ONE

OUR STRATEGIC CONTEXT

TE HOROPAKI Ā-RAUTAKI E HĀNGAI
ANA KI A MĀTAU

OUR STRATEGIC DIRECTION FOR 2019–2029

TE ARA Ā-RAUTAKI E WHĀIA ANA E MĀTAU I NGĀ TAU 2019–2029

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

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

The model should be read as a ‘virtuous circle’ (page 7) 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.

For each perspective, we’ve identified a goal that we want to achieve by 2029 (page 7). By achieving these goals, we aim to strengthen each perspective and, in doing so, increase the value we create for New Zealanders. We have developed our workplan for 2023/24 in line with these goals.

For more detail on the elements of our strategic direction, see page 7 and our [Statement of Intent 2022–2026](#).

Outcomes and value perspective

The difference we want our work to make and the value we create for New Zealanders through our support for the arts and ngā toi.

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

Mana and support perspective

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

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

Creative New Zealand perspective

The strategies and policies that guide our work and strategic intentions, the resources we have and the services we deliver.

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

Sector perspective

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

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

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.

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

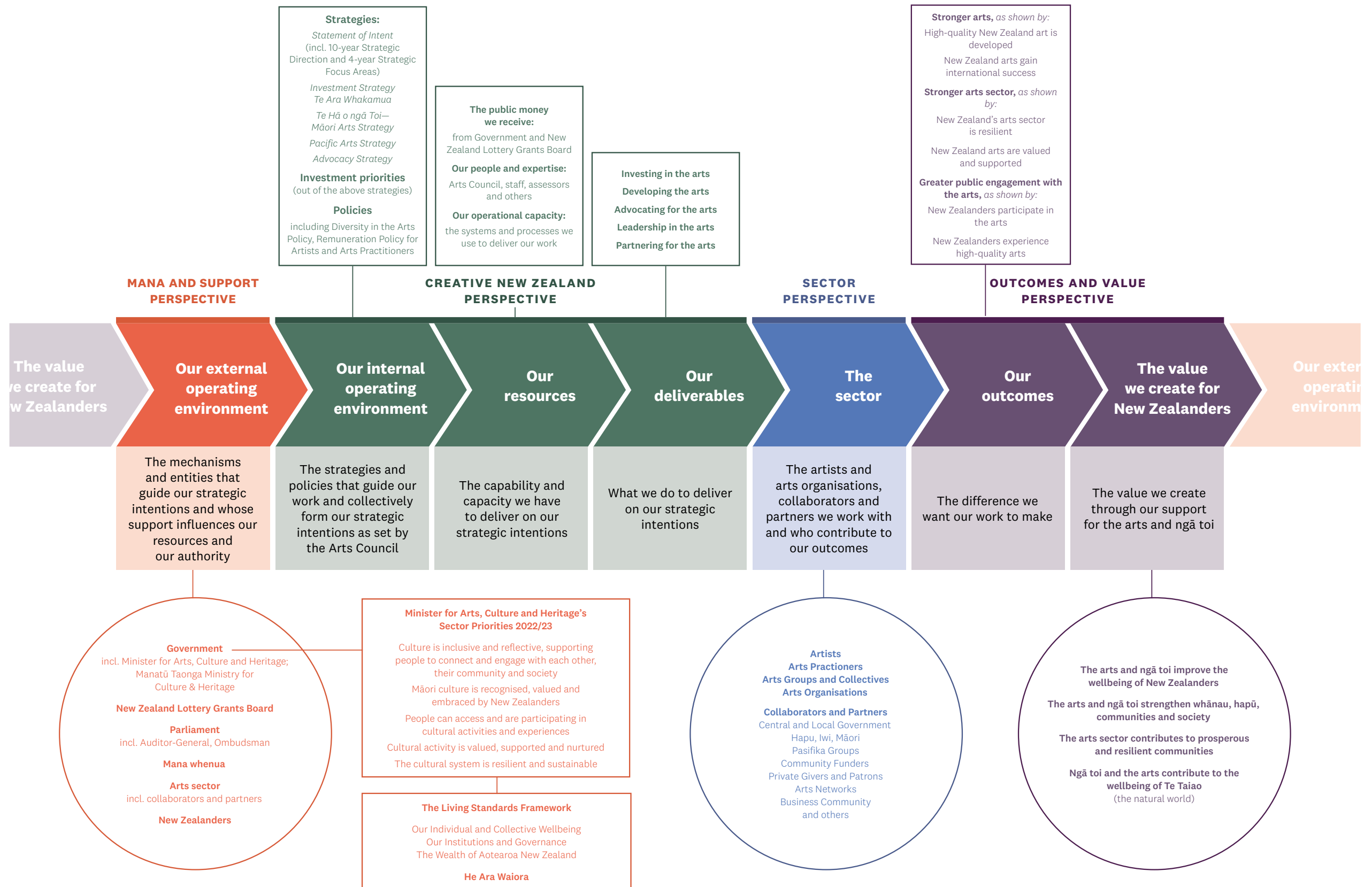
Our goal: We work collaboratively with others developing a dynamic and resilient arts sector, and building support for New Zealand arts and ngā toi in Aotearoa, Te Moana-nui-a-Kiwa and the world

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 SOI 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, considering 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 o Toi Aotearoa 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.

We are privileged to work with mana whenua partners in the locations where our offices are based (Tāmaki Makaurau and Te Whanganui-a-Tara), 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 worldview to guide how we work and make decisions.²

Developed in 2018, 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*. Available on our website.

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

OUR STRATEGIC FOCUS AREAS FOR 2022–2026

NGĀ ARONGA Ā-RAUTAKI E AROHIA ANA E MĀTAU I NGĀ TAU 2022–2026

In our SOI 2022–2026 we 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.

For more information on our strategic 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 [SOI 2022–2026](#)

Our strategic focus areas for 2022–2026

Creative New Zealand’s three strategic focus areas for 2022–2026 are as follows:



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.

Although these are broad areas, they speak to the wide reach each has for the sector, New Zealanders, for us and those who support us to do our work (including government).

Resilience

Over the period to 2026, under this focus area, we plan to:

- advance our sustainable careers work programme and monitor the sustainability of arts sector careers
- develop a work programme aimed at improving the resilience of the arts sector, by which we mean the sector’s ability to respond and adapt to challenges, and to embrace opportunities
- work with others to consider the need for longer term systemic change to the way in which the arts sector is supported, including considering how we support independent artists and arts practitioners as the most vulnerable workers in the sector
- develop new partnerships across the public and private sectors aimed at co investment and improving sector sustainability.

Access, inclusion and equity

Over the period to 2026, under this focus area, we plan to:

- implement a programme of work aimed at making sure our services are accessible to and reflective of different communities, as identified through our diversity reporting (against our Diversity in the Arts Policy)
- advance Te Kaupapa o Toi Aotearoa, aimed at making sure we have the organisational culture, competencies and practices to meet our aspirations under Te Tiriti o Waitangi and adopt a multi-lensed approach to how we work
- review our Diversity in the Arts Policy to reflect a focus on equity.

Wellbeing

Over the period to 2026, under this focus area, we plan to:

- develop new frameworks for measuring the impact of the arts and ngā toi on New Zealanders
- embed a widespread recognition of the role of the arts and ngā toi in contributing to the wellbeing of New Zealanders
- explore the potential for the arts and ngā toi to deliver to objectives across government, including in physical and mental health, education, justice, corrections, tourism and in our relationships with other countries.

Change we want to see

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.

Our [SOI 2022-2026](#) outlines the changes we are seeking across the four years to 2026 and the period of our long-term strategic direction.

OUR MAIN STRATEGIES AND POLICIES

KO Ā MĀTAU RAUTAKI ME Ā MĀTAU KAUPAPA HERE MATUA

Alongside the strategic focus areas set out in the SOI 2022–2026, we have other strategies and policies that guide our work in specific areas.

These strategies and policies are available on our website.

Investment priorities

The following strategies outline our priorities for how we will invest in the arts. They describe how, through our work, we will recognise in the arts the role of Māori as tangata whenua and advance ngā toi Māori, and how we will recognise and advance the arts of the Pacific peoples of Aotearoa New Zealand.

Investment Strategy—Te Ara Whakamua

Our Investment Strategy—Te Ara Whakamua 2018–2023 outlines the direction for Creative New Zealand’s investment in the arts.

The strategy comprises **seven investment principles** and **three investment features** to guide our investment direction and choices.

The seven investment principles are as follows.

1. Our investment has a clear and relevant value proposition.
2. Our investment delivers long-term cultural, economic and social value.
3. Our investment recognises in the arts the role of Māori as tangata whenua and advances ngā toi Māori.
4. Our investment recognises and advances the arts of the Pacific peoples of New Zealand.
5. Our investment reflects the demography of New Zealand.

6. Our investment maintains and develops important arts infrastructure complementing that supported by local and central government as well as the private sector.
7. Our investment is grown through partnerships and co-investment with other arts and community funders in New Zealand and internationally.

Over time, our investment will increasingly emphasise the strategy’s three investment features—**Diversity and reach, Dynamic arts, Resilient arts sector**—and be characterised by the seven investment principles.

Te Hā o ngā Toi—Māori Arts Strategy

Te Hā o ngā Toi—Māori Arts Strategy 2019–2024 describes how we will work to advance the aspirations of ngā toi Māori artists and practitioners, for the benefit of all New Zealanders.

The strategy’s moemoeā, or vision, is: **Ngā toi Māori is visible everywhere and highly valued, as part of New Zealand’s distinct identity, which is admired globally.**

The strategy has two strands.

- **Joining with others**
 - **Partner with other Crown organisations and leading cultural agencies:** Working together to co-create an ecosystem that supports ngā toi Māori.
- **Effecting change ourselves**
 - **Advance ngā toi Māori practice development:** Strengthening ngā toi Māori and ngā toi Māori practitioners’ reputation for excellence.
 - **Increase public engagement with ngā toi Māori:** Promoting engagement, access and visibility.
 - **Build a stronger sector to advance ngā toi Māori aspirations:** Developing the sector’s support for ngā toi Māori and mātauranga Māori.

Pacific Arts Strategy

The Pacific Arts Strategy 2023–2028 informs how we direct and prioritise our support for Pasifika arts, to better support the Pacific arts community. The strategy embraces the essence of Pacific peoples and cultures, with a vision for: **Powerful and resilient Pacific arts, led by passionate and enterprising Pasifika people, for Aotearoa, Te Moana-nui-a-Kiva and the world.**

The strategy includes three outcomes.

- Pacific arts are bold and enterprising.
- Pacific arts are powerfully connected through resilient ecosystems of creative communities.
- Pacific arts inspire and influence people everywhere.

The strategy embraces the essence of Pacific peoples and cultures, grouped around four focus areas or 'guiding stars'. These provide a living map to guide us in a continuing journey, from ancient navigation towards the future.

- **Tagata:** Pasifika artists and arts practitioners are resourced to develop their practice and deliver outstanding work.
- **Vaka:** Pacific arts groups, collectives and organisations are supported to help lead and grow Pacific arts in Aotearoa.
- **Va:** An innovative and networked Pacific arts environment exists, so that Pacific arts are strengthened for future success.
- **Moana:** Meaningful connections, across Aotearoa, Oceania and globally, make sure Pacific arts are further enriched.

Other strategies and policies

Advocacy Strategy

Our Advocacy Strategy sets the high-level direction Creative New Zealand will take—working together with the arts sector—to make the case for the arts.

The strategy has three aims.

- **New Zealanders are highly engaged with the arts**
- **support for the arts is broadened**
- **the arts sector's voice is further empowered.**

Under the strategy, we work with our allies to deliver messages around the value of the arts to our identified audiences. These messages aim to positively influence our audiences' actions and, in turn, help meet the strategy's purpose. The strategy outlines the main advocacy messages that cover the positive effects the arts have on our lives.

Diversity in the Arts Policy

Our Diversity in the Arts Policy 2015 states Creative New Zealand's commitment to recognise, promote and celebrate diversity in the arts. It has two main components, each with specific actions.

- **Creative New Zealand encourages, promotes and supports a diverse range of arts,** and seeks to:
 - make sure that funding and services are fair, equitable and non-discriminatory and keep pace with rapid demographic changes in New Zealand society
 - acknowledge the increasingly diverse ethnic make-up of communities in New Zealand and the way individual New Zealanders may relate to multiple ethnicities, while maintaining our special recognition for ngā toi Māori and Pacific arts.

- **Creative New Zealand encourages, promotes and supports the arts for the benefit of all New Zealanders**, and seeks to make sure that:
 - the benefits of the arts it supports are available to all New Zealanders, irrespective of age, gender, ethnic affiliations, physical or other disability, sexual orientation or religion
 - diversity in the arts applies both to the artists and practitioners it supports along with the individuals, groups and communities who access and benefit from participating in, and experiencing, the arts activities it supports.

Remuneration Policy for Artists and Arts Practitioners

Our *Remuneration Policy for Artists and Arts Practitioners 2022* states Creative New Zealand's commitment to supporting and promoting the rights of artists and arts practitioners to fair remuneration for their work. The policy recognises the value of the arts, creative and cultural practice to the social, cultural, economic and environmental wellbeing of Aotearoa New Zealand.

The policy outlines principles and practice guidelines that artists and arts practitioners, arts organisations, and those engaging artists can use to do work.



PART TWO

THE YEAR AHEAD
TE TAU E HAERE AKE NEI

MINISTERIAL EXPECTATIONS FOR 2023/24

NGĀ KAWATAU Ā-MINITA NEI I NGĀ TAU 2023/2024

By convention, the Responsible Minister for Arts, Culture and Heritage writes to the Arts Council each year, outlining the Government's expectations of Creative New Zealand for the upcoming performance year.

Aligning with government and sector priorities

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

The Government has identified three overarching objectives in 2023/24.

- To support New Zealand families and businesses through difficult economic conditions.
- To accelerate our recovery and lay foundations for the future.
- To provide strong and responsible leadership as we rebuild from Cyclone Gabrielle.

As a Crown entity, we will continue to support the social and economic recovery and the response to Cyclone Gabrielle.

We will also contribute to the identified arts, culture and heritage sector priorities by reinforcing in our strategy documents that:

- culture is inclusive and reflective, supporting people to connect and engage with each other, their community and society
- Māori culture is recognised, valued and embraced by New Zealanders
- people can access and participate in cultural activities and experiences
- cultural activity is valued, supported and nurtured
- the cultural system is resilient and sustainable.

We have a vital role in contributing to these sector priorities, both independently and in collaboration with others.

Under Maihi Karauna (the Government's Strategy for Māori Language Revitalisation), we will, over 2023/24, implement our Māori language plan. The plan will support New Zealanders to increase their knowledge, skill and proficiency in te reo Māori and promote the value of te reo as a central part of the national identity.

Further to this, we will:

- focus on the arts being widely used and recognised as a tool to support the health and wellbeing of New Zealanders. This includes the sector being able to take advantage of new ways of engaging with arts and culture provided by digital technology, equipping Māori to achieve their aspirations for toi Māori through authentic partnership and whanaungatanga and building an economically sustainable art system with empowered creative professionals and financially robust organisations. Of central importance is all New Zealanders having the opportunity to access and take part in the arts
- engage on the work programme for the social cohesion strategy
- reflect on the five focus areas in the Manatū Taonga Long-Term Insights Briefing and consider how Creative New Zealand can capitalise on the identified trends, risks and opportunities for the sector.

Creative New Zealand-specific priorities

The Minister has outlined specific expectations for Creative New Zealand in 2023/24. These are consistent with our ongoing operations and with expectations from the previous year.

Specific expectations for 2023/24 are to:

- deliver our *Te Hā o ngā Toi—Māori Arts Strategy* and look for opportunities to lift the capability and representativeness of Māori arts and artists

- deliver the *Pacific Arts Strategy* and look for opportunities to lift the capability and representativeness of Pacific arts and artists
- continue to explore how disadvantaged and underserved communities can be supported to make sure they are not disproportionately affected by the impact of COVID-19
- have robust supporting processes for funding decisions and management of those risks
- make sure Creative New Zealand’s stakeholder communications and response to sector feedback is fit for purpose and facilitates a process of continuous improvement
- identify and share with Manatū Taonga what is being learnt about Creative New Zealand’s programmes of investment, aimed at supporting the arts sector to continue to survive, recover and thrive in response to COVID-19
- gain a better understanding of the longer term impacts of COVID-19 on how the sector operates, including its effects on the industry and arts development.

The Enduring Letter of Expectations remains in effect, with emphasis on three enduring expectations in 2023/24³

- supporting a unified, value-based government for all New Zealanders including ensuring ‘no surprises’
- supporting future-focused Māori–Crown relations, including supporting Maihi Karauna and pursuing further opportunities for partnership with Māori entities and businesses
- taking active steps to reduce greenhouse gas emissions, improve energy efficiency and reduce waste outputs.

3 Minister of Finance and Minister of State Services (2019). Enduring Letter of Expectations to Statutory Crown Entities. Available at: www.publicservice.govt.nz/resources/enduring-letter-of-expectations-to-statutory-crown-entities-2019

CHALLENGES AND OPPORTUNITIES IN 2023/24

NGĀ WERO ME NGĀ HUARAHI I NGĀ TAU 2023/24

In our SOI 2022–2026, we identify the main challenges that Creative New Zealand and the arts community face, and the three strategic focus areas for the period: Resilience; Access, inclusion and equity; and Wellbeing.

This section sets out the factors that are informing what we do in the current planning year.

Charting a new course

While COVID-19 management is being normalised, the pandemic has left many challenges in its wake.

Economic headwinds, in the form of high inflation and a cost-of-living crisis, are affecting us all, but especially those on low incomes. This includes most artists and arts practitioners. COVID-19 brought longstanding issues, such as the sustainability of arts sector careers, to the fore. It is no longer credible for us to maintain a funding system that continues a hand-to-mouth existence for many of our artists.

COVID-19 recovery funding, while supporting the maintenance of most of New Zealand’s arts infrastructure through the crisis, has seen demand on our resources rise to unsustainable levels, along with a forthcoming funding gap as that recovery funding comes to an end.

We’re also seeing threats in the form of potential reductions in arts support more broadly, as key funding partners such as local authorities face the same economic challenges as well as the impacts of a changing climate.

Alongside challenges in the external environment, and as we’ve advanced our own Te Kaupapa o Toi Aotearoa work, it has become increasingly clear that we need to fundamentally reimagine our approach to supporting the arts.

We’ve started this journey with our arts community engagement work in 2022/23, but it is one that will take time.

The principles adopted through our Te Kaupapa o Toi Aotearoa programme are guiding our approach to change.

- **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.

Over the coming years, significant shifts will occur in how we work. The first set of changes will focus on building greater resilience in the arts community, by shifting towards a **practitioner or artist-centric** approach, with the aim of improving practitioner and career sustainability.

This will have implications for:

- the way we work with arts communities
- the services we offer and the processes that underpin these services
- how we embed Te Kaupapa o Toi Aotearoa principles across our organisation
- the system-level change we will be advocating for.

Over 2023/24, the focus for change is on our contestable granting programmes, with new approaches expected from 2024.

While we are optimistic for the positive changes this work will bring, the funding challenges we are facing will make it difficult to realise the potential benefit for the sector.

Challenges

In addition to the factors noted above, over 2023/24 and in the context of the new course we are charting, we expect the following issues to affect how we operate and the value we are able to deliver.

- **Overall financial outlook:** Creative New Zealand’s financial outlook is challenging. This is the result of four factors:
 - as outlined below, the NZLGB decision to change the basis for allocating funding to statutory entities
 - a drop in forecast lottery profits for 2023/24 and signalled for 2024/25
 - the ending in 2023/24 of one-off COVID-19 funding, which has seen significant additional funding to Creative New Zealand (and the wider sector) over the past four years, including for the Pasifika Festivals Initiative and Mātauranga Māori Te Awe Kōtuku Initiative
 - that to maintain services at current levels we have been running operating deficits—this is a legacy of managing variable NZLGB funding over time.

With no baseline increase through Budget 2023 and the shift in allocation model by NZLGB, Creative New Zealand’s financial position is not sustainable.

Over 2023/24, we will start planning for various scenarios to reduce our investment in the arts and ngā toi from 2024/25, while also advocating for greater resources.

- **Changes to New Zealand Lottery Grants Board Te Puna Tahua funding:** NZLGB has advised that, from 2023/24, it will be shifting from providing Creative New Zealand with a percentage of Lotto New Zealand profits to a specified funding amount. At this point there is uncertainty about whether Creative New Zealand will benefit from higher than forecast lottery profits and who will bear the downside risk of Lotto New Zealand not meeting its profit forecasts. Over the past five years, Creative New Zealand has received an additional \$26.2 million in funding through above-forecast profits.

In the absence of any uplift in government baseline funding, this change will affect the amount of funding Creative New Zealand will have to invest in the arts sector.

At this stage, uncertainty also exists around the future basis for NZLGB to set funding amounts for Creative New Zealand (and other statutory bodies funded through lottery profits).

Lotto New Zealand’s profit forecast for 2023/24 is lower than previously forecast. This means we are currently budgeting for funding of \$49.5 million for 2023/24 (compared with a budgeted amount of \$53.9 million in 2022/23).

- **High demand for our services and funding:** Creative New Zealand continues to experience unprecedented demand for funding. This has resulted in a significant drop in the proportion of applications that can be supported. Additional funding of \$22 million received in 2022/23 from reprioritised funds under the COVID-19 Arts and Culture Recovery Programme (led by Manatū Taonga) is going some way towards addressing demand pressures in the **short-term**. However, this funding is required to be committed by 31 December 2023.

Managing demand pressures is one of the drivers for re-examining how we provide Grant funding (as outlined below).

With one-off funding ending by the end of 2023, Creative New Zealand will have less to invest in the arts sector from 2024/25. For context, over the four years 2020/21 to 2023/24, Creative New Zealand has received an additional \$74.3 million in one-off funding through COVID-19 recovery funds.

Opportunities

The main areas we will focus on in 2023/24 include the following.

- **Te Kaupapa o Toi Aotearoa:** Over this year, we will focus on embedding Te Kaupapa into significant governance and management policies. This will include examining our governance practices and how we articulate our strategic intentions.

As part of this work, we will also be considering our organisational response to Te Tiriti o Waitangi.

We have been trialling new ways of working, and increasingly we expect these to become the norm (eg, the way in which we are developing our Accessibility Policy by working alongside Manga Tipua, a Deaf and disabled-led Accessibility Reference Group).

- **The future of arts development:** In December 2022, we signalled we would engage with the arts community to co design a better approach to arts development. To create the best conditions for arts, culture and creativity to thrive, we need to make long-term changes to how we work by placing artists and their communities at the centre of decisions, and providing artists, arts organisations and their communities with greater certainty than they currently have.

We have established a programme offering for the first half of 2023/24 based on our current approach, with changes expected to be implemented from 2024 (particularly to our project-based Grants and special opportunities).

Our three **strategic focus areas** for 2022–2026 (see page 11) provide the opportunity to address significant kaupapa in a more purposeful way, working with others. Work is under way across these areas.

- **Focusing on Resilience**—improving the sustainability of arts sector careers: Over this year, work will centre on the ongoing implementation of Creative New Zealand’s Remuneration Policy for Artists and Arts Practitioners, both internally as well as promoting and advocating for its uptake externally.

As part of this programme, we’re developing resources to support independent practitioners with the ‘business side’ of their arts practice.

We’re also planning to resume work on what we’ve previously termed a ‘sustainable careers roadmap’. The aim is to identify the major systemic challenges facing artists and arts practitioners, particularly those operating as part of the ‘gig economy’.

- **Focusing on Access, inclusion and equity**—ensuring our services and the arts are accessible to, inclusive of and equitable for all New Zealanders: Over this year, we’ll complete our Accessibility Policy. The policy focuses on Deaf and disabled artists, arts practitioners,

tāngata whaikaha Māori and disability communities, working with Manga Tipua, a Deaf and disabled-led Accessibility Reference Group. We’ll also begin implementing the policy across our organisation.

We’ll also be repeating our Diversity Report 2020/21 so we can better understand who is and who isn’t benefiting from our services and the funding we offer.

- **Focusing on Wellbeing**—embedding a recognition of the role of the arts and ngā toi in contributing to the wellbeing of New Zealanders: Over this year, we’ll continue working with Te Rōpū Mana Toi, an independent group of sector leaders that advises and helps us to advance our arts advocacy work. A major focus of this work is promoting the value of the arts to New Zealanders and building a collective arts advocacy movement.

We will also complete the seventh iteration of our *New Zealanders and the Arts—Ko Aotearoa me ōna Toi* research, which looks at attitudes towards, and engagement with, the arts. This year, we’ll be focusing on better understanding the value the arts provided to a range of communities.

OUR PERFORMANCE FRAMEWORK FOR 2023/24

TĀ MĀTAU ANGA Ā-WHĀINGA MAHI I NGĀ TAU 2023/24

Our performance framework stems from our long-term strategic direction, *Te whakaputa hua ki te hunga o Aotearoa—Creating value for New Zealanders*. The performance framework on page 24 outlines what we will be measuring in 2023/24.

We'll monitor the progress of our work throughout the year and report against these measures in our Annual Report for 2023/24, including how our work contributes to our outcomes. In our reporting, we'll also talk about how our day-to-day work links to our vision, to the priorities for the Arts, Culture and Heritage portfolio, and how they contribute to creating public value through the Creating value for New Zealanders model.

We reviewed our performance framework in 2022/23. In previous years, we have included measures and indicators around all four perspectives of our *Creating value for New Zealanders* model. For 2023/24, in response to feedback from our auditors, we have:

- focused our performance measures on our external service delivery
- focused on measures relating to actions that will contribute to the changes we're seeking to achieve over the medium term (ie, by 2026), under the strategic focus areas in our SOI 2022–2026
- reduced the number of performance measures
- removed indicators relating to activities for which we have limited or no control over.

Overall, eight measures will no longer be reported externally. We will continue to monitor them internally, to provide context for our activities and inform decisions about where we allocate our resources.

The performance framework will continue to evolve as we bring a more external perspective to our measures. We also plan to keep improving our data

collection, so we get a more well-rounded picture of the arts sector's performance.

Judgements made in the selection of our performance measures

In 2021, the New Zealand Accounting Standards Board issued a Standard for Service Reporting: *Public Benefit Entity Financial Reporting Standard 48 Service Performance Reporting (PBE FRS 48)* to apply to all annual reporting beginning on or after 1 January 2022. The Standard provides requirements for selecting and presenting service performance information so it is appropriate and meaningful to users. It requires agencies like Creative New Zealand to present information that is useful for accountability and decision-making purposes.

PBE FRS 48 requires the disclosure of the judgements used in preparing service performance information under the Standard.

In selecting performance measures for 2023/24, Creative New Zealand has made the following judgements about what information to present.

- In our view, the performance measures selected for the SPE 2023/24 document will meet the expectations of Creative New Zealand's stakeholders.
- We consider that the **Outcome** and **Deliverable performance measures** and selected **Key strategic focus area activities** provide the most appropriate and meaningful information to users when assessing the work we do to achieve our outcomes. They align with management's assessment of where we expect to invest the most time and resources in the period (based on budget information).
- The selected performance measures will adequately inform users of the progress made against achieving the outcomes presented in our SOI 2022–2026.

The level of funding we receive from the NZLGB and the timing of funding advice, with respect to our own planning and reporting cycle, is subject to change. Our ability to meet our measures is affected by the actual level of revenue we receive from the NZLGB, and the Government.

Because of this, we tend to adopt a conservative approach to forecasting our measures. While they are described as ‘targets’ in the tables throughout this section, in many areas, they are generally either:

- demand driven and therefore dependent on the number of applications received and the specific activities funded (eg, the number of new New Zealand works developed)
- the result of activity in the arts sector outside of our direct control (eg, New Zealanders participating in or experiencing the arts).

Creative New Zealand Performance framework 2023/24



Our outcomes

Our three outcomes describe the difference we want our work to make.

Our outcomes: The difference we want our work to make		Measures	Rationale	2020/21 Actual	2021/22 Actual	2022/23 Forecast	2023/24 Target
Stronger arts: Dynamic and resilient arts come from sustainable and successful arts communities, artists and organisations							
1.1	High-quality New Zealand art is developed	Number of new New Zealand works developed (across all funding programmes)	Artists, arts practitioners and arts organisations have the ability and opportunity to develop high-quality work that reflects who we are as a people and engages audiences in New Zealand and internationally. This measure includes works funded through the Tōtara, Kahikatea and Grant’s investment categories. The target is affected by available funding, applications received and the funding requested.	7,382	6,486	≥6,500	≥6,500
1.2	New Zealand arts gain international success	Number of international arts activities and events funded by Creative New Zealand (across all funding programmes) ⁴	International engagement contributes to strong arts by strengthening New Zealand arts practice and broadening the reach of our arts. This measure demonstrates New Zealand artists’ and arts organisations’ presence on the world stage	884	367	≥1,600	≥1,500

⁴ ‘Arts activities’ capture a variety of works that Creative New Zealand funds (eg, plays, concerts, dance performances, exhibitions, workshops, masterclasses, publications). ‘Events’ capture the number of opportunities audiences have to experience arts activities (eg, each time a play, concert, dance performance, workshop, masterclass occurs; each day an exhibition is open to the public; each sale or publication).

Our outcomes: The difference we want our work to make				2020/21 Actual	2021/22 Actual	2022/23 Forecast	2023/24 Target
Greater public engagement with the arts: Audiences are vital to a vibrant arts sector. This year, we will continue to broaden the opportunities for all New Zealanders to experience the arts, providing them with access to diverse artistic experiences							
1.3	New Zealanders participate in the arts	Number of participants in arts activities funded by Creative New Zealand	We want New Zealanders to have as many opportunities as possible to take part in the arts, to express themselves artistically, to celebrate, practise, transmit and develop diverse artistic traditions and cultural heritage, and develop links between communities. Growth in participation demonstrates greater public engagement with the arts.	259,773	254,573	≥250,000	≥250,000
1.4	New Zealanders experience high-quality arts	Number of attendances at arts activities and events funded by Creative New Zealand (in person and online)	We work to broaden opportunities for all New Zealanders to experience high-quality arts. This includes making sure New Zealanders have access to different arts experiences and investing in under-served communities. Growth in attendance demonstrates greater public engagement with the arts.	8,318,749	1,972,250	≥3,000,000 (online and in-person attendance)	≥3,000,000
Stronger arts sector: A stronger arts sector is the foundation from which artists, arts practitioners and arts organisations can produce high-quality arts and provide opportunities for public engagement with the arts							
1.5	New Zealand's arts sector is resilient	Percentage of Tōtara and Kahikatea investment 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	Using Tōtara and Kahikatea organisations as a proxy for the arts sector, we measure their achievement as one indicator of a resilient arts sector.	98.8%	100%	≥97.5%	≥97.5%

Our outcomes: The difference we want our work to make				2020/21 Actual	2021/22 Actual	2022/23 Forecast	2023/24 Target
	Measures	Rationale					
1.6	New Zealand arts are valued and supported	Index rating for how New Zealanders perceive the value of the arts to New Zealand (New Zealanders and the Arts survey data)	An increase in the value New Zealanders place on the arts is an indication that New Zealand arts are increasingly valued and supported. This rating is based on the results of three measures in the <i>New Zealanders and the arts 2020</i> survey. ⁵ The next survey results will be available in 2024.	59%	59%	59%	≥59%
1.7	Average percentage of 'other' (non-Creative New Zealand) investment across Tōtara and Kahikatea organisations	Using Tōtara and Kahikatea organisations as a proxy for the arts sector, we aim to show support for the sector by measuring the level of revenue the organisations generate from sources other than Creative New Zealand.		62.1%	61.7%	≥67%	≥63%

⁵ The three measures are: The arts should receive public funding; My community would be poorer without the arts; and The arts help improve New Zealand society.

Our deliverables

Our deliverables are what we will do to achieve our outcomes and support our strategic goals, as set out in our SOI 2022–2026. They are also the levers and settings we adapt each year based on the needs of the sector and our guiding strategies (refer page 13).

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

Funding from Creative New Zealand supports the creation, presentation and distribution of art—across community and professional arts—throughout New Zealand and overseas.

Most of Creative New Zealand’s work is delivered through **Investing in the arts** and the main funding programmes, as outlined below. In total, \$72.2 million (86 percent of Creative New Zealand’s total investment) is budgeted across our funding programmes in 2023/24.

More information about funding programmes is available on our website.

Programme	Funding	Budget 2023/24 ⁶	Time frames	Description	Link to Outcomes
Investment programmes	Toi Tōtara Haemata Investment programme (Tōtara)	\$16.7 million	Funding for six years	Contestable longer term funding to 81 arts organisations (23 Tōtara and 58 Kahikatea) to support the continuous delivery of arts programmes that deliver to our strategies and outcomes. The budgeted funding is allocated through General, Māori and Pacific funding pools.	Investment organisation activities contribute to all Creative New Zealand outcomes
	Toi Uru Kahikatea Investment programme (Kahikatea)	\$18.0 million	Funding for three years		
Grants programme (including special opportunities)	Arts Grants	\$13.6 million (includes \$4.6 million COVID-19 funding)	Up to four funding rounds offered per year	Contestable shorter term funding between \$5,000 to \$75,000 to arts practitioners and organisations to support the delivery of arts that meet our strategies and outcomes. Some funding rounds include artform-specific scholarships, residencies, and bursaries for individuals. Special opportunities offered in the 2023/24 year are available at on our website	Successful Grants recipients’ projects contribute to all Creative New Zealand strategies and outcomes
	Annual Arts Grants	\$4.1 million (includes \$1.5 million COVID-19 funding)	Funding for one year	Funding for established artists, arts practitioners and arts organisations with a strong history of funding from Creative New Zealand to present a regular or continuous programme of activity or produce a significant event or project.	
	A range of additional grants including Toi Ake, Moana Nui Te Kiva and Toi Tipu Toi Rea Funds	\$0.5 million	Funding for one year	Funding opportunities to grow and retain Māori and Pacific arts.	

6 Budgeted figures are subject to change.

Programme	Funding	Budget 2023/24 ⁶	Time frames	Description	Link to Outcomes
Grants programme (including special opportunities)	Festivals funding	\$8.8 million (COVID-19 funding)	Funding for one year	Two funding programmes have been confirmed as at 30 April 2023: <ul style="list-style-type: none"> Contestable Festival Funding: \$3.5 million Commissioning Funding: \$2.0 million. A further \$3.3 million is yet to be allocated	New Zealanders participate in the arts and Stronger arts sector
	Creative Communities Scheme	\$4.4 million (devolved funding)	Average annual funding of \$2,800 administered through local authorities	Small grants funding that supports local arts projects and encourages broad community involvement, diversity and engaging young people.	New Zealanders participate in the arts
Creative Communities Scheme	Creative Communities Scheme—Local and Community Festivals	\$1.2 million (COVID-19 funding)	Funding for one year	Additional support for local and community festivals through the Creative Communities Scheme.	
	A range of funding programmes including the Festival of Pacific Arts, International Funding and Indigenous Exchanges	\$1.6 million	Varies	International presentation and exchange initiatives that support the presentation of New Zealand arts internationally.	New Zealand arts gain international success
International programme					
Initiatives and pilots	Pasifika Festivals Initiative	\$0.9 million	Funding for one year	We received \$12 million to deliver this initiative over three years (2020/21, 2021/22 and 2022/23) to support Pasifika festivals experiencing financial hardship due to the direct impact of COVID 19.	Stronger arts sector
	Nui Dawn Raids Funding Initiative	\$2 million	Funding for two years	In 2022/23, we received \$2 million to deliver the Nui Dawn Raids Funding Initiative as part of the Government's Dawn Raids Package (Budget 2022). Allocation of funding is guided by the <i>Pacific Arts Strategy 2023–2028</i> .	Successful recipients will contribute to all Creative New Zealand outcomes

Investing in the arts performance measures

No.	Activity	Measure	Rationale	2020/21 Actual	2021/22 Actual	2022/23 Target	2023/24 Target
2.1	Support for 81 Tōtara and Kahikatea organisations to deliver their annual programme of activity in 2023/24	Tōtara and Kahikatea investment organisations meet or exceed expectations against performance expectations set out in individual funding agreements (overall performance of Tōtara and Kahikatea investment organisations)	This measures the overall performance of Tōtara and Kahikatea investment organisations. Organisations report on their programmes of activity to Creative New Zealand every six months including information reported under our outcome measures (high-quality art developed, audience and participant numbers). Measurement of how organisations have delivered their programmes is currently based on a three-tier scale: exceeds expectations, meets expectations and did not meet expectations. This measure calculates the average percentage of 'met' or 'exceeded' expectations across the organisations.	91.5%	100%	≥96%	≥96%
2.2	Delivery of a range of contestable funding opportunities for artists, arts practitioners and arts organisations	Completed projects meet or exceed expectations set in funding agreements	All successful grants recipients across the Grants and International programmes submit a project completion report to Creative New Zealand at the end of their project. This reports on how they met the terms of their funding agreement and how their project contributed to Creative New Zealand's outcomes. Final projects are evaluated on a three-tier scale: exceeds expectations, meets expectations and did not meet expectations.	98.2%	97%	99%	≥99%
2.3		Funding decisions are made within specified timeframes	This measure demonstrates the timeliness within our funding decision-making processes and reflects the service standards we uphold for applicants. All funding timeframes for the year are provided on our website.	100%	100%	100%	100%
2.4	Support for 67 city and district councils to fund local arts projects in their communities through the Creative Communities Scheme	Percentage of city and district councils that meet or exceed Creative Communities Scheme delivery expectations in the year	Creative New Zealand evaluates each council's delivery of the Creative Communities Scheme on the spread of projects funded in the area (funding criteria and ethnicities of applicant), the level of expenses and roll-over of funds, reporting compliance and assessment committee compliance. Creative New Zealand staff work with the authorities each year to support them to achieve their delivery expectations. Further information on how supported projects deliver to Creative New Zealand's outcomes will be reported in our 2023/24 Annual Report.	76%	91%	≥90%	≥90%

Investing in the arts performance measures

No.	Activity	Measure	Rationale	2020/21 Actual	2021/22 Actual	2022/23 Target	2023/24 Target
2.5	An annual client satisfaction survey is undertaken each year, to determine whether we are meeting our identified service standards	Overall satisfaction with Creative New Zealand's service	The Client Satisfaction Survey seeks feedback from Arts Grants and Annual Arts Grants artists, arts organisations and arts practitioners a, because these make up most of the applicants to Creative New Zealand.	65%	46%	≥65%	≥65%

Developing the arts—Helping arts organisations and individual artists and arts practitioners to develop their skills and capability, including in community engagement

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

Over 2023/24, our main programmes are as follows.

Programme	Description	Budget	Link to outcome
Initiatives and pilots	Delivery of a range of targeted initiatives to meet artists' needs in 2023/24. Many of these initiatives are guided by our <i>Te Hā o ngā Toi—Māori Arts Strategy 2019–2024</i> and <i>Pacific Arts Strategy 2023–2028</i> .	\$5.2 million	Stronger arts sector
	Delivery of a range of initiatives aimed at supporting artists, arts practitioners and arts organisations to build capability in the arts in New Zealand.	\$1.4 million	Stronger arts sector
National capability building programme	Digital Arts Commissioning and Capability Service—a new service to give artists and arts organisations the opportunity to use the latest digital technology to create, distribute and earn more income from their work.	\$1.28 million (COVID-19 funding)	Stronger arts sector
International capability building	Delivery of a range of initiatives to enable artists, arts practitioners and arts organisations to benchmark their skills and capability, build relationships and gain inspiration from international experiences to develop their work back in New Zealand. This can include attendance at international fairs, festivals, markets and other relevant platforms and opportunities.	\$0.8 million	Stronger arts sector and New Zealand arts gain international success

Developing the arts performance measures

No.	Activity	Measure	Rationale	2020/21 Actual	2021/22 Actual	2022/23 Target	2023/24 Target
2.6	Delivery of opportunities for arts organisations, individual artists and arts practitioners to build their skills and capability	Capability building initiatives delivered to the sector meet or exceed expectations	All initiatives provide a completion report to Creative New Zealand at the end of their project showing how they fulfilled the terms of their funding agreement and how their project contributed to Creative New Zealand's outcomes. Final projects are evaluated on a three-tier scale: exceeds expectations, meets expectations and did not meet expectations.	89.4%	97%	≥97%	≥97%

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

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

Over 2023/24 our main activities are as follows.

Programme	Description	Budget	Link to outcome
Advocacy initiatives	Delivery of a range of advocacy initiatives, including public-facing campaigns and engagement, and work with local government aimed at highlighting the positive impact of the arts on the wellbeing of New Zealand communities.	\$1.7 million	Stronger arts sector
Award events and sponsorships	Delivery of, and support for, annual awards events and sponsorships acknowledging our artists, arts practitioners and arts organisations.	\$0.3 million	Stronger arts sector

Advocating for the arts performance measures

No.	Activity	Measure	Rationale	2020/21 Actual	2021/22 Actual	2022/23 Target	2023/24 Target
2.7	Delivery of an annual advocacy programme including advocacy updates and briefings to the sector (eg, research), new or significant updates to advocacy tools and individual submissions to local and central government agencies	Annual advocacy actions that meet or exceed our expectations	This measure focuses on Creative New Zealand's assessment of the immediate results of individual advocacy actions, as set out in the relevant annual advocacy action plan. While we do monitor feedback on our advocacy work internally, we will aim to develop at least one case study for our 2023/24 Annual Report to further show value.	83%	75%	≥75%	≥75%

Leadership in the arts — Providing leadership to make sure the arts sector is well positioned collectively to respond to change

As a national body, we have a role in providing leadership in the arts, by tracking trends and developments across the sector, identifying and responding to issues, and bringing the sector together to address challenges or respond to opportunities.

Over 2023/24, our main activities are as follows.

Programme	Description	Budget	Link to outcome
Leadership research	Delivery of Creative New Zealand-commissioned research and policy projects that advance knowledge or discussion about the arts in New Zealand.	\$350,000	Stronger arts sector
Nui Te Kōrero	Creative New Zealand’s biennial 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.	\$210,000	Stronger arts sector

Leadership in the arts performance measures

No.	Activity	Measure	Rationale	2020/21 Actual	2021/22 Actual	2022/23 Target	2023/24 Target
2.8	Delivery of Creative New Zealand-commissioned research and policy projects that advance knowledge or discussion about the arts in New Zealand	Number of Creative New Zealand-commissioned research projects that advance knowledge or discussion about the arts in New Zealand	We will monitor and report on new research insights that are useful for the sector and stakeholders and serve to advance discussion about the arts in New Zealand. While we do monitor feedback on our research internally, we will aim to develop at least one case study for our 2023/24 Annual Report to further show value.	1	2	2	1
2.9	Delivery of Creative New Zealand-led events aimed at bringing the sector together to address challenges or respond to opportunities	Overall participant satisfaction with Creative New Zealand-led events	Participant feedback is critical to the development of future events and enables us to respond to issues and opportunities identified by the sector.	85%	NA (survey not carried out)	≥75%	≥85%

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

What we will do

We aim to develop reciprocal relationships and partnerships that increase the impact of our collective work for the arts. Partnerships may focus on short-term kaupapa-based initiatives or more enduring relationships that recognise long-term value. The budget for the partnerships below is recognised under other deliverable areas.

Our partnership work in 2023/24 is informed by an external environmental scan of the arts funding landscape, undertaken in 2022/23, as well as our evolving approach to partnering for the arts through our Te Kaupapa o Toi Aotearoa programme.

Over 2023/24, partnerships we will monitor include the following.

Programme	Description	Link to outcome
Tōtara and Kahikatea organisations (Investment Programme organisations)	Support for 81 Tōtara and Kahikatea investment organisations to deliver their annual programme of activity in 2023/24.	Investment organisation activities contribute to all Creative New Zealand outcomes.
City and district councils (Creative Community Scheme)	Support for 67 territorial authorities to administer contestable funding rounds in their communities.	New Zealanders participate in the arts
Broadcasting Commission (NZ On Air)	Creative New Zealand and NZ On Air will work together to develop and deliver the Nui Dawn Raids Funding Initiative. The initiative provides contestable funding for Pacific groups or individuals in the creative sector to undertake large scale professional artistic and historical works that capture and reflect community experiences of the Dawn Raids.	New Zealanders participate in the arts
Foundation North Pūtea Hāpai Oranga	Partnership with Foundation North to deliver the Asian Artists' Fund.	New Zealanders participate in the arts
The Arts Foundation Te Timu Toi	Working in partnership with The Arts Foundation to deliver public engagement and/or matched funding initiatives (eg, such as All in for Arts, Boost Ōtautahi, Boosted x Moana).	Stronger arts sector
Toi Ōtautahi (Christchurch Arts and Creativity Strategy)	Creative New Zealand support for Toi Ōtautahi Christchurch Arts and Creativity Strategy (\$85,000).	Stronger arts sector
<i>Te Hā o ngā Toi—Māori Arts Strategy 2019–2024 partners</i>	We will partner with others to drive a shared agenda to advance ngā toi Māori by inviting key funders and decision-makers to join us as we implement <i>Te Hā o ngā Toi</i> , working with other Crown organisations and leading cultural agencies to determine their commitment to collaborative work and working collaboratively to provide strategic leadership that realises opportunities for further collaboration and collective actions to advance ngā toi Māori.	Stronger arts sector
<i>Pacific Arts Strategy 2023–2028 partners</i>	We will continue to commit to the Teu le Va ⁷ way of working: developing meaningful and reciprocal relationships. For example, delivering the final Fa Wave of the Pasifika Festivals Initiative (\$12 million over three years) in collaboration with Manatū Taonga Ministry for Culture and Heritage, Ministry of Pacific Peoples and the Pacific Business Trust.	Stronger arts sector
Partnering with other international organisations	Creative New Zealand has links to international arts councils across multiple areas of its work and is an active member of the International Federation of Arts Councils and Culture Agencies.	Stronger arts sector

⁷ A Samoan term that translates as 'to adorn the space between people,' or develop and support meaningful relationships through collaboration.

Partnering for the arts performance measures

No.	Activity	Measure	Rationale	2020/21 Actual	2021/22 Actual	2022/23 Target	2023/24 Target
2.10	Developing reciprocal relationships and partnerships that increase the impact of our collective work for the arts	Number of active relationships and partnerships (including co-investment, regular meetings, shared projects) Creative New Zealand maintains with organisations or collectives that have shared interests, including government, local government, trusts and other partners	We introduced this deliverable in 2022/23. This is an initial measure aimed at monitoring the relationships and partnerships that increase the impact of our collective work for the arts. We aim to develop at least one case study for our 2023/24 Annual Report to show value.	159	157	≥175	≥175

OUR STRATEGIC FOCUS AREAS FOR 2023/24

NGĀ ARONGA Ā-RAUTAKI E AROHIA ANA E MATUA I NGĀ TAU 2023/24

Creative New Zealand has committed to three strategic focus areas for the four financial years of 1 July 2022 to 30 June 2026.



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.

This section explains why we are focusing on these areas, outlines the activities we will prioritise in 2023/24 to work toward the changes we seek and how we intend to measure success.

Each strategic focus area guides our deliverables in 2023/24 and contributes to achieving our long-term outcomes.

OUR STRATEGIC FOCUS AREA 2022–2026



Resilience • Manahau

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

Why Resilience?

Long-term outcome: Stronger arts sector

The COVID-19 pandemic has highlighted issues of sector resilience, sustainability, and the lack of viable arts sector careers.

The potential exists for new models to focus on building resilience within the sector; to engage larger audiences, including through digital channels; to change how we value and support our artists and arts practitioners; and to think about how we build public support for the arts and ngā toi.

This work aligns with the concepts in Te Waka Toi Pātaka, our Mātauranga Māori Framework, of:

- Whanaketanga (development, including adaptation and innovation)
- Hapori (community)
- Hononga Tīpuna (the ancestral connections that make our artforms distinctive)

- Āwhina me te Ākina (the role of the public sector in providing support and advocacy).

By 2026, we want to see the following.

- Creative New Zealand’s *Remuneration Policy for Artists and Arts Practitioners* is recognised as an ‘industry standard’ and widely adopted by the arts sector and those engaging artists and arts practitioners.
- Working with others Creative New Zealand has developed a roadmap for improving the sustainability of arts sector careers.
- Creative New Zealand and the arts sector are developing and trialling new models (operating, funding and monetisation) aimed at improving the resilience and sustainability of the sector.

The activities we will prioritise in 2023/24 are listed below.

No.	Activity	Link to Creative New Zealand deliverable	Key milestones in 2023/24
3.1	Co-design of our Grants and special opportunities programme and processes aimed at ensuring they are more responsive to the needs of the arts sector.	Investing in the arts	<ul style="list-style-type: none"> • Co-design with the sector of a new Grants and special opportunities programme by 31 December 2023. • Implementation of new Grants programme by 30 June 2024.
3.2	Advancing a programme of work aimed at improving the working lives and conditions of creative professionals, including further implementation of the <i>Remuneration Policy for Artists and Arts Practitioners</i> .	Developing the arts	<ul style="list-style-type: none"> • Delivery of capability resources that support the arts sector to implement the principles and practice guidelines of our Remuneration Policy by 30 June 2024.



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

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

Why Access, inclusion and equity?

Long-term outcome: Greater public engagement in the arts

We know from reporting on the main elements of our *Diversity in the Arts Policy* that we have more work to do to improve the accessibility of our services for New Zealand’s diverse communities. These include Deaf and disability communities, LGBTQIA+ or rainbow communities, Asian New Zealanders and those representing younger New Zealanders.

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

Our discussion about equity needs to recognise the different places we start from and historic patterns of investment in the arts by the Government and us. These discussions must begin with consideration of Te Tiriti o Waitangi and our aspirations for how we will work in this context.

By 2026, we want to see the following.

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

The activities we will prioritise in 2023/24 are listed below.

No.	Activity	Link to Creative New Zealand deliverable	Key milestones in 2023/24
3.3	Completing our Accessibility Policy focused on Deaf and disabled communities through a programme of work aimed at making sure our services are accessible	Developing the arts	• Final policy and action plan confirmed by 31 December 2023.
3.4	Advancing our Te Kaupapa o Toi Aotearoa programme, aimed at making sure we have the organisational culture, competencies and practices to meet our aspirations under Te Tiriti o Waitangi and adopt a multi-lensed approach to how we work	Leadership in the arts	• Te Kaupapa o Toi Aotearoa is embedded into governance and management policies and ways of working by 30 June 2024.
3.5	Increasing our understanding of the diversity of those who access or benefit from our services	Developing the arts	• Release of the Diversity Report 2023/24 by 30 June 2024.

OUR STRATEGIC FOCUS AREA 2022–2026



Wellbeing • Oranga

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

Why Wellbeing?

Long-term outcome: Stronger arts sector

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

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

The arts themselves have been hard hit over recent years, and this makes it more important than ever to embed a stronger recognition of their value to

New Zealanders. This will help make sure the arts, with artists at the centre, can flourish and play a vital role in our individual and collective wellbeing into the future.

By 2026, we want to see the following.

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

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

No.	Activity	Link to Creative New Zealand deliverable	Key milestones in 2023/24
3.6	Increasing our understanding of the role of the arts and ngā toi in contributing to the wellbeing of New Zealanders	Leadership in the arts	• Delivery of the triennial <i>New Zealanders and the arts</i> research by 30 June 2024.
3.7	Promote the value of the arts through public campaign work, with specific recognition of wellbeing.	Advocating for the arts	• Development and delivery of 'always on' public campaign by 30 June 2024.
3.8	Support the sector to make the case for the arts, through shared tools, evidence and research	Advocating for the arts	• Deliver evidence tool providing access to data of wellbeing benefits by 30 June 2024.

FINANCIAL PLANNING AND PERFORMANCE IN 2023/24

TE WHAKAMAHERE PŪTEA ME TE WHAKATUTUKI MAHI I NGĀ TAU 2023/24

This section provides our prospective financial statements for 2023/24 and the notes to those statements.

The prospective financial statements in this section are based on policies and approvals in place as at 30 June 2023 and are exclusive of goods and services tax (GST) (except for payables and receivables, which are GST inclusive).

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

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

- 2022—actual figures from the 2021/22 Annual Report
- 2023—forecast figures based on the actual figures as of 31 March 2023
- 2024—budget based on the budget approved by the Arts Council on 30 June 2023.

Financial planning and performance context

Forecast for 2022/23

Creative New Zealand expects to end the 2022/23 year with a net deficit of \$3.2 million, against the net operating deficit budget of \$4.3 million, a positive variance of \$1.1 million.

Total revenue for the year is expected to exceed the budget by \$6.2 million, attributable to:

- higher revenue from the Crown of \$5.1 million, resulting from:
 - additional revenue from the Crown of \$6.9 million allocated in 2022/23, to help with the continued recovery of the arts, culture

and heritage sector from the ongoing impacts of COVID-19 reprioritised from the Government's Arts and Culture COVID Recovery Fund (\$5.9 million) and to deliver to programmes under the Mātauranga Māori Te Awe Kōtuku Initiative (\$1 million)

- deferred revenue from the Crown of \$1.8 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)
- lower revenue from the NZLGB by \$0.7 million
- higher interest revenue of \$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-19 Recovery Fund, which was not budgeted for)
- higher other revenue of \$0.4 million related to the various project-related revenue from partners and donations and higher grant retirements.

Forecast expenses for the year are expected to exceed the budget by \$5.1 million, attributable to higher revenue being distributed to the arts sector, as follows:

- Grants and special opportunities (Arts Grants and Toi Ake Fund) increased by \$5 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 minor underspends in several initiatives, such as the Cultural Sector Capability Fund by \$0.9 million (deferred revenue) and Pasifika Festivals Initiative by \$0.9 million (deferred revenue).

Total investment in the arts sector for 2022/23 is at the same level as in 2021/22 (\$74.5 million compared with \$74 million), as shown in figure 1. This investment includes the significant one-off Crown investment in Creative New Zealand of \$12.1 million in 2022/23 (\$12 million in 2021/22) related to the COVID-19 recovery response, as shown in figure 2. The breakdowns of the one-off funding received and expensed are detailed in the notes to the prospective financial statements (notes 2 and 3).

Of the total expenses, 15.1 percent is spent on Creative New Zealand's operations, within the minimum range of its operating cost practice of 15 percent to 16 percent. Having remained at the same level for 11 years, from 2007/08 to 2017/18, operating costs have increased in relative terms.

- Because of the increased investment in the sector in the past three years, we brought in additional resources to deliver the COVID-19 recovery response funding. In early 2020/21, we completed an extensive process to identify people capability and capacity needs to deliver our Phase 2 COVID-19 Plan, respond to the new context, and address the continuity of Creative New Zealand's core work (a mix of fixed-term and permanent roles that are programme, capability and capacity related).
- Along with addressing capacity and capability needs, it was considered important to establish an advocacy team, strengthen the Māori Strategy and Partnerships Group, create a new Pacific Arts Group (given the expanded responsibilities regarding the Pasifika Festivals Initiative), and give specific mana and focus to a role driving our organisational culture change programme, Te Kaupapa o Toi Aotearoa. We consider our organisational culture to be the 'invisible enabler' of our wairua (spirit) and resilience and see significant value from becoming an intentionally Tiriti-honouring Crown entity.
- In 2021/22, we also started developing a new public-facing digital customer experience (CX) platform that will integrate the current website, portal and online knowledge bases and allow us to develop and deliver best practice digital services (\$1.1 million over two financial years).

Creative New Zealand's accumulated funds are forecast to decrease to \$16.4 million at the end of

2022/23. In 2019/20, Creative New Zealand used a significant portion of its equity reserves to respond to the COVID-19 crisis and reduced accumulated funds to \$12.2 million, as shown in figure 3. The depleted accumulated funds were increased in 2020/21 to \$22.2 million due to the welcome windfall from Lotto New Zealand profits.

Budget 2023/24

The current budgeting process is being run in the context of a significant change in our funding situation as well as the combination of several factors that are contributing to a challenging financial outlook (see pages 23–24). 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 ending of the one-off COVID-19 funding in 2023/24, which has seen significant additional funding to Creative New Zealand over the last four years, as shown in figure 2.
- 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 lower forecast lottery profits.
- 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 and Toi Uru Kahikatea Investment programme, and Creative Communities Scheme budget.
- Maintaining the service levels through operating deficit, largely as a result of managing variable NZLGB funding over time.
- Maintaining 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

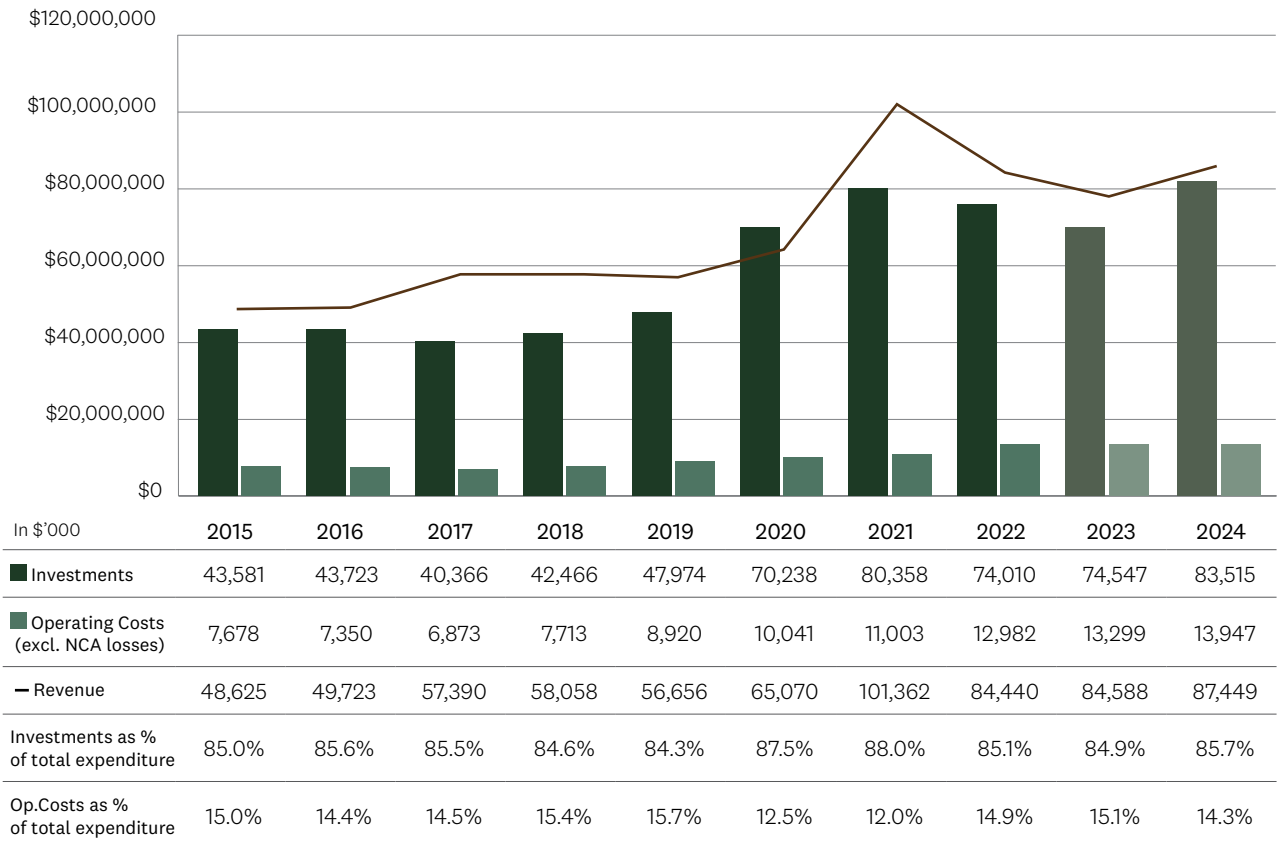
of expenditure is not sustainable. Creative New Zealand's accumulated funds are budgeted to decrease to \$6.4 million as at 30 June 2024, which means that, without an increase in our revenue, we will need to reduce our investment in the arts sector.

Total investment in the arts sector for 2023/24 is budgeted at \$83.5 million, as shown in figure 1. This includes the significant one-off Crown investment of \$19.8 million deferred from prior years, as shown in figure 2 and detailed in notes 2 and 3. This one-off investment comes to an end in 2023/24.

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.

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

Figure 1: Revenue and expense trends 2014/15–2023/24



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.

2023 = forecast result for 2022/23
 2024 = current budget (subject to change)

Figure 2: Investment into the arts sector 2014/15–2023/24 – COVID-19 and non-COVID-19 specific

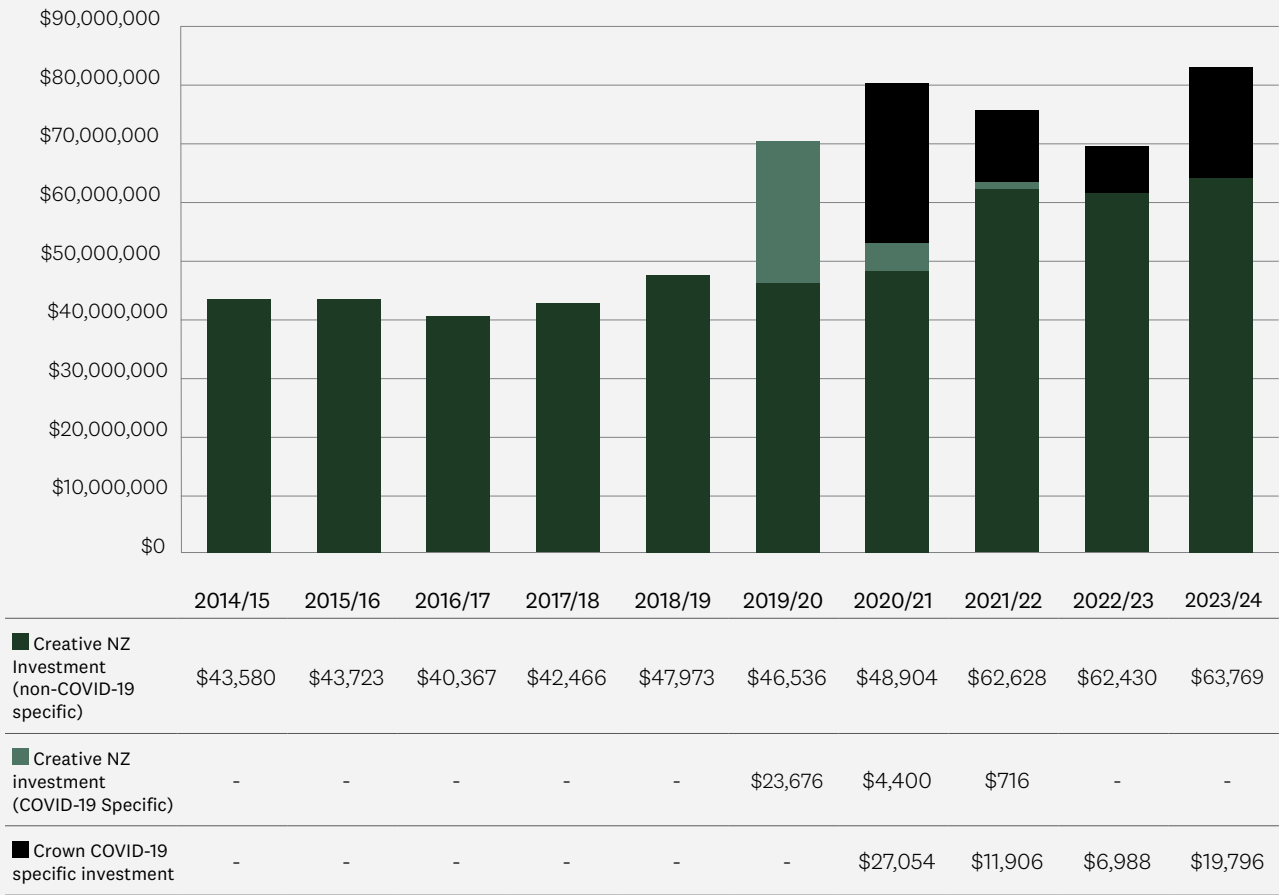
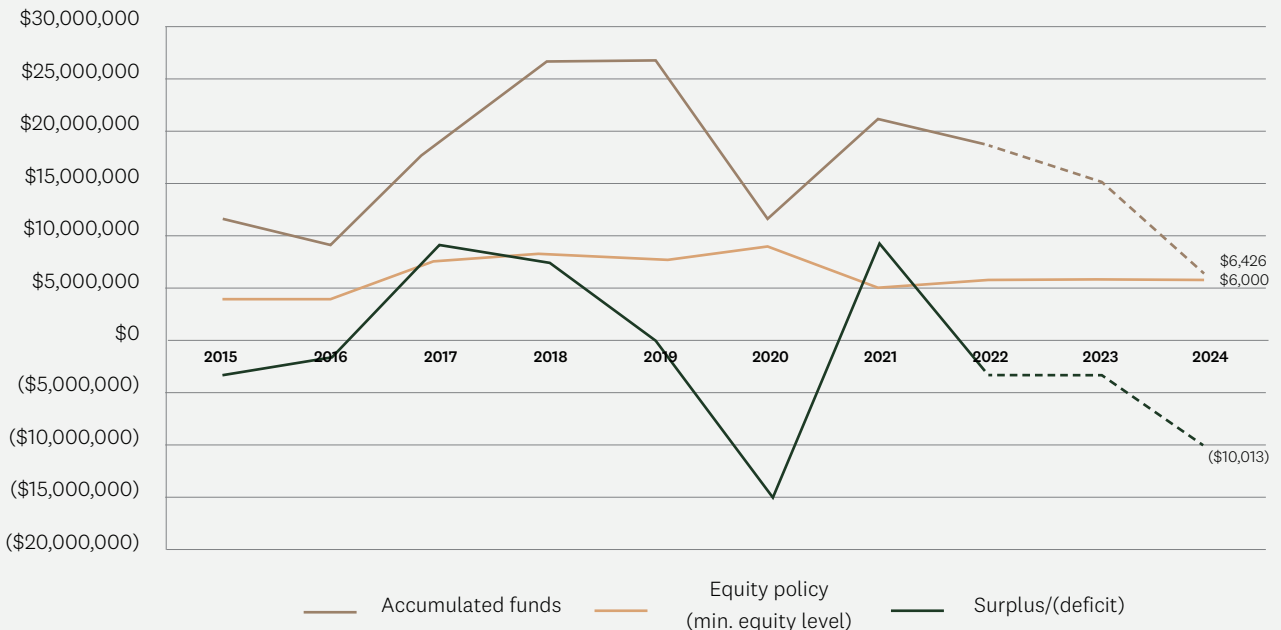


Figure 3: Surplus/(deficit), minimum equity and accumulated funds 2014/15–2023/24



PROSPECTIVE FINANCIAL STATEMENTS

WHAKATAKOTO PŪRONGO PŪTEA

Prospective statement of financial performance

for the year ending 30 June

	Note	ACTUAL 2022 \$000	FORECAST 2023 \$000	BUDGET 2024 \$000
Revenue				
Revenue from the Crown	2	29,129	29,038	36,485
Revenue from the New Zealand Lottery Grants Board		53,878	53,170	49,500
Interest revenue		420	1,800	1,250
Other revenue		1,013	580	214
TOTAL REVENUE		84,440	84,588	87,449
Expenses				
Investing in the arts	3	66,929	64,318	72,201
Developing the arts	3	6,204	7,532	8,607
Advocating for the arts	3	801	1,709	1,997
Leadership in the arts	3	76	988	710
Partnering for the arts	3	-	-	-
		74,010	74,547	83,515
Operating Costs				
Personnel expenses		9,120	9,674	10,103
Depreciation and amortisation		426	440	399
Other expenses		3,436	3,185	3,445
		12,982	13,299	13,947
TOTAL EXPENSES		86,992	87,846	97,462
NET OPERATING SURPLUS / (DEFICIT)		(2,552)	(3,258)	(10,013)

Prospective statement of comprehensive revenue and expense

for the year ending 30 June

	ACTUAL 2022 \$000	FORECAST 2023 \$000	BUDGET 2024 \$000
Net operating surplus/(deficit) for the year	(2,552)	(3,258)	(10,013)
Other comprehensive revenue and expense			
Revaluation of works of art	210	-	-
Total other comprehensive revenue and expense	210	-	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	(2,342)	(3,258)	(10,013)

Prospective statement of changes in net assets/equity

for the year ending 30 June

	ACTUAL 2022 \$000	FORECAST 2023 \$000	BUDGET 2024 \$000
Total equity as at 1 July	24,821	22,479	19,221
Net operating surplus/(deficit) for the year	(2,552)	(3,258)	(10,013)
Other comprehensive revenue and expense	210	-	-
Total comprehensive revenue and expense	(2,342)	(3,258)	(10,013)
TOTAL EQUITY AS AT 30 JUNE	22,479	19,221	9,208

Prospective statement of financial position

as at 30 June

	ACTUAL 2022 \$000	FORECAST 2023 \$000	BUDGET 2024 \$000
ASSETS			
Current assets			
Cash and cash equivalents	7,667	11,284	1,999
Investments in term deposits	22,000	39,000	15,000
Receivables	16,345	13,648	12,675
Prepayments	326	290	200
Total current assets	46,338	64,222	29,874
Non-current assets			
Property, plant and equipment	739	635	595
Works of art	1,983	1,983	1,983
Intangible assets	691	465	406
Total non-current assets	3,413	3,083	2,984
TOTAL ASSETS	49,751	67,305	32,858
LIABILITIES			
Current liabilities			
Grants payable	22,274	24,000	22,400
Payables and deferred revenue	4,213	23,334	556
Employee entitlements	666	650	600
Total current liabilities	27,153	47,984	23,556
Non-current liabilities			
Lease incentive	38	19	13
Employee entitlements	81	81	81
Total non-current liabilities	119	100	94
TOTAL LIABILITIES	27,272	48,084	23,650
NET ASSETS	22,479	19,221	9,208
EQUITY			
Accumulated funds	19,696	16,438	6,425
Revaluation reserves	1,983	1,983	1,983
Restricted reserves (special purpose funds)	800	800	800
TOTAL EQUITY	22,479	19,221	9,208

Prospective statement of cash flows

for the year ending 30 June

	ACTUAL 2022 \$000	FORECAST 2023 \$000	BUDGET 2024 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Revenue from the Crown	28,914	45,689	16,689
Revenue from the New Zealand Lottery Grants Board	57,874	56,048	49,875
Interest received	407	1,211	1,848
Grant retirements and gains	234	121	150
Other revenue	774	292	14
Net goods and services tax	-	2,945	-
Cash was applied to:			
Payments of grants	(76,623)	(72,694)	(85,065)
Payments to employees	(9,008)	(9,690)	(10,153)
Payments of operating expenses	(3,498)	(3,195)	(3,374)
Net goods and services tax	(242)	-	(2,969)
NET CASH FLOWS FROM OPERATING ACTIVITIES	(1,168)	20,727	(32,985)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Terms deposits maturing (with maturities over 3 months)	22,000	22,000	39,000
Cash was applied to:			
Purchase of property, plant, equipment and intangible assets	(375)	(110)	(300)
Investment in term deposits (with maturities over 3 months)	(22,000)	(39,000)	(15,000)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(375)	(17,110)	23,700
NET INCREASE (DECREASE) IN CASH HELD	(1,543)	3,617	(9,285)
Cash and cash equivalents at the beginning of the year	9,210	7,667	11,284
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	7,667	11,284	1,999

Notes to the prospective financial statements

1. Statement of accounting policies

FOR THE YEARS ENDING 30 JUNE 2022 AND 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.

1.2 Basis of preparation

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

1.2.1 Statement of compliance

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

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

1.2.2 Presentation currency and rounding

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

1.3 Significant accounting policies

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

1.3.1 Revenue

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

Revenue from the Crown (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.

Revenue from the Crown (COVID-19 recovery response and one-off funding)

Revenue from the Crown related to the COVID-19 recovery response 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 there is an obligation in substance to return the funds if conditions of the grant are not met.

Revenue from the New Zealand Lottery Grants Board

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

Creative New Zealand uses the funding for the purpose of meeting its objectives, as specified in the governing legislation. Creative New Zealand considers that 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.

Other grants

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

Interest revenue

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

Donated assets

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

The fair value of donated assets is determined as follows.

- For new assets, fair value is usually determined by reference to the retail price of the same or similar assets at the time the asset was received.

- For used assets, fair value is usually determined by reference to market information for assets of a similar type, condition and age.

Grant retirements

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

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

1.3.2 Grant 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.

1.3.3 Personnel expenses

Salaries and wages

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

Defined contribution scheme

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

1.3.4 Leases

Operating leases

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

1.3.5 Foreign currency transactions

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

1.3.6 Cash and cash equivalents

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

1.3.7 Investments in term deposits

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

1.3.8 Receivables

Short-term receivables are recorded at the amount due, less an allowance for credit losses. Creative

New Zealand applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables.

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

1.3.9 Property, plant and equipment

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

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

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it 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 at rates that will write off the cost (or valuation) of the assets to their estimated residual value over their useful lives.

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

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

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

1.3.10 Works of art

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

Works of art are revalued with sufficient regularity to 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 make sure they do not differ materially from the assets' fair values.

1.3.11 Intangible assets

Software acquisition and development

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

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

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

Amortisation

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

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

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

1.3.12 Impairment of property, plant, equipment and intangible assets

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

Non-cash generating assets

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

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

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

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

1.3.13 Financial instruments

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

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

Creative New Zealand does not use derivative financial instruments.

1.3.14 Payables and deferred revenues

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.

1.3.15 Employee entitlements

Short-term employee entitlements

Employee entitlements expected to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, 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 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 like those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

1.3.16 Provisions

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

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

1.3.17 Goods and services tax

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

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

The net GST paid to, or received from, the Inland Revenue Department, including the GST relating to

investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

1.3.18 Income tax

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

1.3.19 Equity

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

- accumulated funds
- revaluation reserve
- restricted reserve.

Revaluation reserve relates to the revaluation of works of art.

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

1.4 Changes in accounting policies

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

1.5 Significant estimates and assumptions concerning the future

Revenue from the NZLGB for 2023/24 is based on Lotto New Zealand's projections in May 2023. The final expected 2023/24 payment from the NZLGB will be confirmed in July 2023. The level of funding from the NZLGB is subject to change.

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

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

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

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

2. Revenue from the Crown

	ACTUAL 2022 \$000	FORECAST 2023 \$000	BUDGET 2024 \$000
Vote: Arts, Culture and Heritage – core funding	16,689	16,689	16,689
COVID-19 response funding*			
Core infrastructure and arts delivery	813	–	–
Cultural Sector Capability Fund*	332	844	790
Pasifika Festivals Initiative	4,057	4,604	886
Mātauranga Māori Te Awe Kōtuku Initiative	2,238	1,001	20
Delta relief	5,000	–	–
Reprioritised Cultural Recovery Package	–	5,900	16,100
Other one-off funding*			
Niu Dawn Raids	–	–	2,000
	29,129	29,038	36,485

* 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 impacts 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 and deferred is detailed as follows.

	ACTUAL 2022 \$000	FORECAST 2023 \$000	BUDGET 2024 \$000
Cash received from the Crown			
Vote: Arts, Culture and Heritage—core funding	16,689	16,689	16,689
COVID-19 recovery response funding			
Core infrastructure and arts delivery	-	-	-
Cultural Sector Capability Fund	1,000	-	-
Pasifika Festivals Initiative	4,000	4,000	-
Mātauranga Māori Te Awe Kōtuku Initiative	2,225	1,000	-
Delta relief	5,000	-	-
Reprioritised Cultural Recovery Package	-	22,000	-
Other one-off funding			
Niu Dawn Raids	-	2,000	-
	28,914	45,689	16,689
Less, revenue deferred (recognised in the Statement of Financial Position)			
COVID-19 recovery response funding			
Cultural Sector Capability Fund	1,634	790	-
Pasifika Festivals Initiative	1,490	886	-
Mātauranga Māori Te Awe Kōtuku Initiative	21	20	-
Reprioritised Cultural Recovery Package	-	16,100	-
Other one-off funding			
Niu Dawn Raids	-	2,000	-
	3,145	19,796	-
Plus, deferred revenue used from prior years			
COVID-19 recovery response funding			
Core infrastructure and arts delivery	813	-	-
Cultural Sector Capability Fund	966	1,634	790
Pasifika Festivals Initiative	1,547	1,490	886
Mātauranga Māori Te Awe Kōtuku Initiative	34	21	20
Reprioritised Cultural Recovery Package	-	-	16,100
Other one-off funding			
Niu Dawn Raids	-	-	2,000
	3,360	3,145	19,796
Revenue from the Crown	29,129	29,038	36,485

3. Expenses by investment category

	ACTUAL 2022 \$000	FORECAST 2023 \$000	BUDGET 2024 \$000
INVESTING IN THE ARTS			
Toi Tōtara Haemata Investment programme	16,088	16,464	16,742
Toi Uru Kahikatea Investment programme	15,883	18,452	17,981
Grants and special opportunities	19,036	13,211	12,781
Creative Communities Scheme	3,942	3,945	3,956
International programme	1,507	1,443	1,755
Initiatives and pilots	-	-	-
COVID-19 Crown funding*			
Toi Tōtara Haemata—Resilience Fund**	813	-	-
Toi Uru Kahikatea—Resilience Fund**	503	-	-
Toi Tōtara Haemata and Toi Uru Kahikatea—one-off cost pressure top up	-	1,400	-
Creative Communities Scheme	1,000	-	1,200
Grants and special opportunities—Arts Grants	3,400	4,500	6,100
Grants and special opportunities—Festivals	-	-	8,800
Grants and special opportunities—Mātauranga Māori Te Awe Kōtuku (Toi Ake Fund)	985	500	-
Initiatives and pilots—Pasifika Festivals Initiative	3,772	4,373	916
Other one-off funding			
Niu Dawn Raids	-	-	2,000
	66,929	64,318	72,201

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

* Some of the one-off COVID-19 recovery response funding has gone towards resources needed to help with the administration of this investment, that is operating costs (\$0.492 million in 2021/22 and \$0.2 million in 2022/23).

** 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.

*** This new deliverable supports the ongoing imperative to collaborate more intentionally with others, to help grow resources and effect change.

	ACTUAL 2022 \$000	FORECAST 2023 \$000	BUDGET 2024 \$000
DEVELOPING THE ARTS			
Capability building – national programme	634	881	1,440
International programme – capability building	440	583	755
Initiatives and pilots	2,911	4,724	5,622
COVID-19 Crown funding*			
Toi Tōtara Haemata—Adaptation Fund	734	-	-
Toi Uru Kahikatea—Adaptation Fund	79	-	-
Capability building—Cultural Sector Capability Fund	166	844	790
Initiatives and pilots—Mātauranga Māori Te Awe Kōtuku (Tārai Waka and Taonga Pūoro)	1,240	500	-
	6,204	7,532	8,607
ADVOCATING FOR THE ARTS			
Advocacy	801	1,709	1,997
	801	1,709	1,997
LEADERSHIP IN THE ARTS			
Capability building – national programme	3	81	210
Advocacy	73	907	500
	76	988	710
PARTNERING FOR THE ARTS***			
	-	-	-
	-	-	-

* Some of the one-off COVID-19 recovery response funding has gone towards resources needed to help with the administration of this investment, that is operating costs (\$0.492 million in 2021/22 and \$0.2 million in 2022/23).

*** This new deliverable supports the ongoing imperative to collaborate more intentionally with others, to help grow resources and effect change.

PART THREE

OUR ORGANISATION
TŌ MĀTAU WHAKAHAERE

OUR ORGANISATION

TŌ MĀTAU WHAKAHAERE

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

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

What we do

Our work is structured around eight investment categories, which represent the major programmes we run and our five deliverable areas of Investing in the arts, Developing the arts, Advocating for the arts, Leadership in the arts and Partnering for the arts. These categories include:

- Toi Tōtara Haemata Investment programme
- Toi Uru Kahikatea Investment programme
- Grants, including special opportunities
- Creative Communities Scheme
- International programme
- Capability building programme
- Advocacy
- Initiatives and pilots.

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

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

Within our Grants, Toi Tōtara Haemata and Toi Uru Kahikatea investment categories, we allocate funding across three pools: General, Māori and Pacific. Proposals are assessed on their

appropriateness to the artform and programme criteria.

Applications to the Māori and Pacific pools are also assessed on whether mātauranga Māori or kaupapa Pasifika is evident in the practice and the results of the proposal. Applicants can select whether they would like their application assessed in the General arts, ngā toi Māori or Pacific arts funding pools. Applicants must be tangata whenua Māori or part of a Māori-led organisation to apply to the ngā toi Māori pool.

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

More information on our funding programmes is available on our website.

We support the **development** of the arts, by building the capability of artists, arts practitioners and arts organisations across a range of needs, along with developing initiatives to address gaps.

To complement our funding and development work, we **advocate** for the value of the arts and provide **leadership** in the arts (eg, by making submissions on matters affecting the arts or convening the sector to address challenges or opportunities). We also **partner** with others to increase the impact we can have by working with those with similar aims.

In line with our legislation, in carrying out our work, we recognise:

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

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

Our relationships

We work with many different stakeholders, including the Minister for Arts, Culture and Heritage and Associate Minister; Manatū Taonga; the NZLGB; mana whenua, iwi and Māori; Pasifika groups; local government; individual artists and arts practitioners; arts collectives, groups and organisations; and, more broadly, the diverse communities of Aotearoa New Zealand. We consult with stakeholder groups when developing strategy and reviewing policies that affect the arts sector.

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

The Arts Council

Under the Act, the Arts Council, our governing board, has responsibility for:

- setting the strategic direction of Creative New Zealand and monitoring its performance
- setting guidelines for the allocation of funding and the implementation of initiatives
- establishing assessment processes for the allocation of funding
- maintaining relationships with other agencies and organisations.

Under its Governance Charter, the Council is guided by the following three phases, which broadly describe the Council's distinct roles.

- **Determining future focus and direction:** 'As a board, we are focused on the future, guided by the mahi and legacy of those who've come before us. Together, we develop, endorse and support Creative New Zealand's strategic direction as the national arts development agency of Aotearoa. This helps guide our kaupapa, our waka and our mahi to future success.'
- **Building culture:** 'As a board, we strive to set an effective and future-oriented governance culture for Creative New Zealand; one which upholds Te Kaupapa o Toi Aotearoa. This contributes to our roles of Determining future focus and direction and Holding to account.'
- **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.'

The Council is made up of 13 members who, between them, have a range of skills and experience.

The Council has a minimum of four members with knowledge of ngā toi Māori (Māori arts), te ao Māori (a Māori worldview) and tikanga Māori (Māori protocol and culture). These members are appointed in consultation with the Minister for Māori Development. Under our Act (the Arts Council of New Zealand Toi Aotearoa Act 2014), they form a committee—Te Komiti Māori—to advise the Council on matters relevant to the Council's functions in relation to Māori, and any other functions the Council delegates to the committee.

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

The Arts Council operates three committees.

Komiti Māori—under our Act, Komiti Māori members advise the Council on matters relevant to Māori, and any other functions the Council delegates to the committee. The work of the Komiti includes:

- strategic advice and direction to grow ngā toi Māori nationally and internationally, noting the relationship between Te Waka Toi Pātaka (Mātauranga Māori Framework), the *Investment Strategy—Te Ara Whakamua* and *Te Hā o ngā Toi—Māori Arts Strategy*
- how the Arts Council can best support ngā toi Māori development in Aotearoa New Zealand and internationally
- new relationships and collaborations across central and local government, and iwi
- the role Creative New Zealand plays in supporting specific-sector initiatives for ngā toi Māori.

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

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

People and Culture Committee—the Committee provides advice on the Council’s people and culture responsibilities. The Committee is responsible for:

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

We work to ensure that:

- Council members have appropriate and timely information to make decisions
- Council members are knowledgeable about and engaged with Creative New Zealand’s work
- decisions are made at the appropriate organisational level, reflecting their importance, risk, and the need for timeliness

- management and staff provide appropriate support to the Council.

Information about our current Council members is available on our website.

Policies and processes

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

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

The goal under our strategic direction is that: We have the strategies, services and the operational capacity to drive development of the arts in New Zealand.

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

We regularly assess, with the arts sector, whether we’re performing to the standards we’ve set for ourselves. Each year, we survey users of our services on their experience engaging with Creative New Zealand and we use this valuable feedback to inform service improvements.

We also have a formal complaints management system, and we monitor informal feedback from applicants and clients through social media and interactions with staff, which also help provide ongoing feedback. We also have arts practice directors who each maintain a close relationship with the respective sectors and provide regular feedback to management.

We regularly report on those who access or benefit from our services and the diversity of our organisation and those who contribute to decision-making. This reporting, in line with our Diversity in the Arts Policy, aims to increase our understanding of issues around equity and access in the arts.

Environmental impact

Creative New Zealand has agreed to sign up to the Government's carbon emissions reduction programme and will, over 2023/24, develop an emissions management and reduction plan. Over the year, we will also establish baseline data and reporting to obtain carbon emissions data for flights, rental cars and accommodation. Travel costs are expected to be Creative New Zealand's most significant area of carbon emissions.

Our staff

We rely on having a skilled and engaged staff to achieve our strategic intentions. As of the end of June 2023, we have 78 staff [76.15 full-time equivalent staff], based in Auckland, Wellington, Christchurch, Dunedin and across other centres (because remote working has become increasingly feasible). We have dedicated office spaces in Auckland, Wellington and Dunedin.

Our staff work across five groups: Arts Development Services, Business Services, Māori Strategy and Partnerships, Pacific Arts, and Strategy and Engagement.

The Creative New Zealand whānau have professional experience across artforms, international market development and cultural exchange, audience development, project management, and corporate and business services.

All staff are offered training and development in a variety of areas aligned with their individual needs and those of the organisation (including under the Te Kaupapa o Toi Aotearoa work programme). A Māori language plan is also under development.

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

- leadership, accountability and culture
- recruitment, selection and induction
- employee development, promotion and exit
- flexibility and work design

- remuneration, recognition and conditions
- harassment and bullying prevention
- safe and healthy environment.

Our aim is to have a leadership team and workforce that reflect the communities we serve. Vacancies are advertised through various channels, to attract a diverse pool of applicants.

We also include, in our personnel policy and reporting, specific commitments to the aims, aspirations and employment requirements of Māori, ethnic or minority groups, women and people with disabilities. We also support, within Creative New Zealand, implementation of the Government's action plan to reduce gender, Māori, Pacific and ethnic pay gaps and create a fairer workplace.

More information

Further details about the Arts Council and Creative New Zealand are available on our website:

www.creativenz.govt.nz



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