

28 March 2023

AK Have Your Say
Auckland Council | Te Kaunihera o Tāmaki Makaurau
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Tēnā koutou

Submission to: Auckland Council | Te Kaunihera o Tāmaki Makaurau
Subject: Draft Annual Budget 2023/2024
From: Arts Council of New Zealand Toi Aotearoa (Creative New Zealand)

1. Creative New Zealand welcomes the opportunity to submit feedback on the Auckland Council's draft Annual Budget 2023/2024.
2. We acknowledge the pressures faced by Auckland Council in navigating Auckland's recovery from recent severe weather events and the ongoing impact of COVID-19. As a central government organisation, we are weathering our own financial pressures and constraints, and understand the need for sharpening strategic focus to effectively respond to challenging and dynamic times.
3. Arts, culture and creativity will support Auckland's strength and recovery from its current challenges by helping build connected, healthy and socially cohesive communities.
4. Two in three Aucklanders agree that arts and culture have a vital role to play in the future of where they live.¹ There is increasing support for Auckland Council to fund the arts in Auckland, with Aucklanders recognising the benefits of the arts to the economy and wider New Zealand society.² The creative economy in Auckland is also growing and makes up 5 percent of Auckland's economy.
5. **We remind Auckland Council of its obligations to promote the social, economic, environmental and cultural wellbeing of its communities, and encourage Council to maintain investment in community wellbeing, connection and social cohesion through arts and culture in the draft Annual Budget 2023/2024.**

¹ *New Zealanders and the arts: Ko Aotearoa me ōna toi* (2020). Creative New Zealand. Available at: [New Zealanders and the arts - Ko Aotearoa me ōna Toi | Creative New Zealand \(creativenz.govt.nz\)](https://www.creativenz.govt.nz/new-zealanders-and-the-arts-ko-aotearoa-me-ona-toi)

² Auckland residents survey findings in *New Zealanders and the arts: Ko Aotearoa me ōna toi*, page 18. [Auckland Report New Zealanders and the Arts 2020: Attitudes, attendance and participation \(creativenz.govt.nz\)](https://www.creativenz.govt.nz/auckland-report-new-zealanders-and-the-arts-2020-attitudes-attendance-and-participation)

SUMMARY

6. Our response focuses on Council's proposals for **Operating Spending Reductions** in the Annual Budget 2023/2024 Consultation Document.
7. Creative New Zealand **does not support** Council's following proposals:
 - Reducing \$20 million across a range of regional, community and social services
 - Reducing regional contestable community grants to save \$3 million
 - A \$16 million reduction to local board funding per annum for 2023/2024
 - Reducing the council's operating expenditure funding provided to Tātaki Auckland Unlimited by \$27.5 million.
8. Our feedback has the following **key points**:
 - A. Arts, culture and creativity are a vital part of Auckland's communities.
 - B. The proposed cuts in the draft Annual Budget will have a long-term, negative impact on Auckland's arts and culture ecosystem – with direct impacts on Auckland's communities.
 - C. Investment in arts and culture is investment in Auckland's social, cultural and economic wellbeing, and will help with its recovery.
 - D. Auckland Council has a crucial role in funding arts and culture in Auckland. Creative New Zealand is already a significant investor in the region and is not in a position to fill the gaps that would be created by the proposed reductions.
 - E. Creative New Zealand supports the exploration and consideration of alternative approaches to making up the budget shortfall.
9. We are aware of other submissions on the draft Budget from arts and cultural organisations based in Auckland, including WeCreate and Te Taumata Toi-a-Iwi, along with organisations that receive investment from both Auckland Council and Creative New Zealand. We encourage Council to closely consider these submissions and listen to their concerns.

CREATIVE NEW ZEALAND'S INTEREST IN THE ARTS IN AUCKLAND

10. Creative New Zealand is the national arts development agency of Aotearoa New Zealand, responsible for delivering government support for the arts. We're an autonomous Crown entity under the [Arts Council of New Zealand Toi Aotearoa Act 2014](#).
11. Our legislative purpose is to *encourage, promote, and support the arts in New Zealand for the benefit of all New Zealanders*. We do this by *Investing in the arts, Developing the arts, Advocating for the arts, providing Leadership in the arts, and by Partnering for the arts*.
12. Creative New Zealand receives funding through Vote: Arts, Culture and Heritage and the New Zealand Lottery Grants Board Te Puna Tahua. In 2021/22, Creative New Zealand **invested \$74 million in the arts**.

13. In 2021/22, we invested **\$20.9 million** of direct financial support in Auckland, 28 percent of our total investment by region. In addition, our investment in activity that takes place nationwide (12 percent) and online (7 percent) sees benefits flow to Auckland by supporting arts and cultural experiences presented in the city; and our international programme (5 percent) adds additional investment to Auckland via artists based in the region. Our funding continues to match significant population bases and investment in Auckland is proportional to the population (2018 census).
14. Our direct support for arts and culture in Auckland includes:
- funding for over **30 major Auckland-based arts organisations**, including orchestras, theatre companies, festivals, opera, craft/object and art galleries, dance companies, publishers and residencies through our multi-year Investment programmes (Toi Tōtara Haemata and Toi Uru Kahikatea) providing three and six-year funding contracts. The total value of these contracts in 2023 is **\$17.6 million**.
 - under the Creative Communities Scheme, we provide funding to territorial authorities to support local arts activities. The annual allocation to Auckland Council under the scheme is **\$1,032,540**. In 2021/22, this funding supported approximately 259 approved **projects** which engaged 13,772 participants and 227,346 audience members.
 - project-based funding to Auckland-based artists, arts practitioners and arts organisations to support a range of activities. In 2021/22, this funding **totalled \$9.4 million** to support **168 projects**.
15. Twenty seven of our 78 staff are based in our Auckland office and maintain close relationships with arts communities throughout the city.
16. We work strategically with key investors in the arts in Auckland, including Auckland Council, Tātaki Auckland Unlimited, Foundation North, and Te Taumata Toi-a-Iwi through the Auckland Arts Investors Forum to coordinate our investment in Auckland-based arts.
17. We note that Creative New Zealand’s investments are one part of central government’s overall investment in arts and culture in Auckland. Manatū Taonga Ministry for Culture and Heritage provide direct funding to the Royal New Zealand Ballet, New Zealand Symphony Orchestra, Te Matatini and other organisations, alongside their own funding programmes.

RESPONSE TO DRAFT ANNUAL BUDGET 2023/2024

A. Arts, culture and creativity are a vital part of Auckland’s communities.

18. Arts, culture and creativity make a significant contribution to community resilience, wellbeing and social cohesion. Engagement with arts, culture and creativity positively enhances wellbeing, and means communities are more likely to have strong connections to community, land and place.³

³ Wellbeing and Arts, Culture and Creativity in the Waikato: Understanding the impact of arts, culture and creativity on the people of the Waikato region. (2022). Available at: <https://creativewaikato.co.nz/advocacy/researchandreports>. Creative Waikato Toi Waikato.

19. Our [*New Zealanders and the arts – Ko Aotearoa me ona Toi*](#) research demonstrates that arts and culture make these contributions in Auckland:⁴
- **Two in three** Aucklanders agree that arts and culture have a vital role to play in the future of where they live.
 - **Sixty-three percent** of Aucklanders felt the arts improve New Zealand society, including by helping people to understand others’ differences, and enhancing community cohesion, mental stimulus and fulfilment.
 - **Forty-two percent** of Aucklanders felt the arts were important to their personal wellbeing for reasons including the arts being a source of self-expression, and having positive impacts on mental health.
 - **More than six in ten** Aucklanders agree the arts contribute positively to our economy and help improve society.
20. Arts and culture’s role in Auckland’s economy is significant. Tātaki Auckland Unlimited’s data in 2022 found the creative economy in Auckland:
- **Made up 5 percent of Auckland’s economy**
 - Directly employed more than 57,500 people
 - Generated \$7.8 billion in GDP
 - Grew by 5.4 percent on average over the past five years, outpacing the rest of the Auckland economy.
21. Arts and culture are essential infrastructure for strong, prosperous, connected and healthy communities. This infrastructure includes community hubs, arts centres, festivals, creative skill development workshops, education programmes, residencies, talks, master classes, exhibitions, performances, makers’ spaces, internships, among many others. As with other infrastructure such as transport and housing, arts and culture requires secure, stable investment from core funders to survive and service the city.
- B. The proposed cuts in the draft Annual Budget will have a long-term, and negative impact on Auckland’s arts and culture ecosystem – with direct impacts on Auckland’s communities.**
22. Despite the draft Annual Budget’s short-term focus, Council’s proposals to reduce operational spending will significantly disrupt arts and culture in Auckland, with a direct impact on communities throughout the city.
23. Council has an obligation to manage its finances in a way that promotes the current *and future* interests of the community, including cultural wellbeing.⁵ Council’s proposed reductions in funding will have a **significant and irreversible impact on Aucklanders** – from the survival of arts organisations, collectives and groups, wage reductions and people leaving their professions, to people losing opportunities to develop skills, and spaces to connect with their culture and identities. Recent research from Te Taumata Toi-a-Iwi on Council’s draft Annual Budget, shows 96 percent of respondents felt that the proposed cuts would have adverse impacts on services delivered through the arts, cultural and creative sectors.

⁴ Auckland residents survey findings in *New Zealanders and the arts: Ko Aotearoa me ōna toi* (2020).

⁵ Local Government Act 2002, section 101.

24. Arts and culture in Auckland depend on a delicate funding ecosystem with many interdependencies. We know from our work as part of the Auckland Investors Forum that this ecosystem is fragile, and still recovering from the ongoing impacts of COVID-19 that disproportionately impacted the arts and cultural sector in Auckland. Auckland Council's investment is a crucial component of this ecosystem.
25. We know first-hand that creative practitioners and arts organisations in Auckland – from major companies to community programmes – are **currently under significant financial strain and operating with very limited resources**. Careers in the arts, culture and creativity sector are also currently unsustainable and support for the sector is crucial for its resilience. Creative New Zealand's recent *Profile of Creative Professionals* research with Kantar Public found the median income for creative professionals is \$37,000, substantially less than the median income for those New Zealanders earning a wage or salary (\$61,000).
26. The spending cuts will also **disproportionately impact marginalised communities** who rely on Council funding of arts and cultural experiences including Māori, Pacific peoples, the Rainbow community, young people, migrant communities, and people with disabilities.
27. Council's proposals will have an adverse impact on the ability of these members of Auckland's communities to engage and participate in the arts. This is significant given Auckland has the largest Pacific and Asian communities in Aotearoa. From our research, young people, Māori, Pacific peoples and Asian New Zealanders are more likely than other Auckland residents to agree that the arts are an important way of connecting with their culture, and taking part in the arts supports their identity.⁶ Our research indicates that Pacific arts participation is significantly higher in Auckland compared to the rest of New Zealand.⁷ Disabled people also participate highly in the arts and need more accessible and inclusive environments to support their engagement. Council's proposals will have an adverse impact on the ability of these members of Auckland's communities to engage and participate in the arts.
28. Cultural infrastructure that has taken many years to build in Auckland also risks being lost from the reductions in spending. For example, Te Pou Theatre was established in 2015 in New Lynn and, with support from the Auckland Council, recently opened its newly refurbished theatre at the Corban Estate Arts Centre in Henderson. A kaupapa Māori driven project, the theatre is designed to showcase Māori performing arts and provide a performance and rehearsal space for indigenous theatre. It is much harder to rebuild this infrastructure, than to maintain it.
29. **We encourage Auckland Council to undertake further analysis and research on how their funding will impact arts and culture in Auckland before it makes further decisions.** We are concerned that Council is not adequately taking into account, or understanding, the impact of the proposed spending cuts for the arts and culture ecosystem, and the people it supports and services. Future decisions should consider the implications for communities participating in the arts and culture ecosystem throughout Auckland.

C. Investment in arts and culture is investment in Auckland's social, cultural and economic wellbeing, and will help with its recovery.

30. Investment in arts and culture is investment in community wellbeing.
31. Auckland Council has a responsibility under the Local Government Act 2002 to promote Auckland's cultural wellbeing, alongside social, economic, and environmental wellbeing.⁸

⁶ Auckland residents survey findings in *New Zealanders and the arts: Ko Aotearoa me ōna toi* (2020).

⁷ *New Zealanders and the arts: Ko Aotearoa me ōna toi* (2020).

⁸ Local Government Act 2002, section 10(1)(b).

32. The *Future for Local Government Review Draft Report* has recently noted that local government's role in providing services to communities that support wellbeing includes funding for arts and culture.⁹
33. In its consultation document, Auckland Council identifies community connection, resilience, placemaking and community empowerment as key priorities in a number of areas, including for local boards throughout Auckland in 2023/24. However, we note the reductions in spending will impact arts and cultural organisations who deliver these outcomes. Arts and culture are a vital tool for Council to achieve these priorities by strengthening communities through connection, empowerment and placemaking, and will support Auckland through the current challenges it faces by helping build healthy and strong communities.
34. Aotearoa knows the importance of arts and culture in recovery from previous, and recent, experience. In Christchurch, strategic investment in arts and culture strengthened the social, cultural and economic life of the city after the earthquakes in 2010/2011.¹⁰ More recently, the government targeted investment into the arts and culture sector as part of its COVID-19 Recovery Budget to protect jobs and support livelihoods as well as enable the arts to continue bringing New Zealanders together in a time of crisis.
35. Investment and support in arts and culture from Council is needed to enhance the accessibility and availability of arts and cultural experiences for Aucklanders. Our 2020 research found half of the Aucklanders we surveyed saw the arts playing a vital role in Auckland's COVID-19 recovery. There is also increasing support for public funding of the arts in Auckland (up from 53 percent to 60 percent since 2017), alongside a demand for greater accessibility.¹¹ However, Auckland residents were less likely than other New Zealanders to agree that they could easily access the arts in their community (46 percent of Aucklanders versus 53 percent of all New Zealanders).
36. Support for the cultural wellbeing of communities also supports social, economic and environmental wellbeing. Creativity and culture create jobs, drives economic recovery, and enhances social wellbeing. They increase the attractiveness of places as destinations to live, visit and invest in. Strong arts organisations and regular arts and culture experiences feed other parts of the creative ecosystem and Auckland's economy including education, health, trade and enterprise, hospitality, retail and tourism.
37. Culture and creativity transform local economies in various ways. Smartly managed culture-led urban regeneration can breathe new life into decaying neighbourhoods. A recent study by the Knight Foundation found that "Across demographic groups, people who say their neighborhood has easy access to arts and cultural amenities are more satisfied with their city as a place to live, identify more with the local lifestyle and culture, and invest more time and resources in their communities."¹²
38. There is also a healthy market for a diverse range of arts and cultural experiences in Aotearoa with 3.9 million adults in the market for New Zealand arts and culture (96 percent of

⁹ Review into the Future for Local Government (2022) *He mata whāriki, he matawhānui: Draft report*, Wellington: New Zealand. Available at: [Draft report – He mata whāriki, he matawhānui \(futureforlocalgovernment.govt.nz\)](#) page 190.

¹⁰ *Gauging the Impacts of Post-Disaster Arts and Culture Initiatives in Christchurch – a Literature Review*, prepared by Life in Vacant Spaces Charitable Trust for the Ministry for Culture and Heritage. Available at: [Gauging the Impacts of Post-Disaster Arts and Culture Initiatives in Christchurch – a Literature Review » The Hub \(swa.govt.nz\)](#)

¹¹ Auckland residents survey findings in *New Zealanders and the arts: Ko Aotearoa me ōna toi* (2020).

¹² '[Landmark study reveals value of the arts in communities nationwide](#)' *Knight Foundation* (published 15 July 2020).

New Zealand's adult population – proportionally higher than markets in the United Kingdom (85 percent) and China (60 percent).¹³

39. Investment in arts and culture by Auckland Council in this budget cycle presents an opportunity for Auckland to not only recover from recent challenges, but to grow and thrive.
- D. Auckland Council has a crucial role in funding arts and culture in Auckland. Creative New Zealand is already a significant investor in the region, and is not in a position to fill the gaps that would be created by the proposed reductions.**
40. We note Council's intention in its consultation document to collaborate with central government, and encourage partners affected by proposals to seek alternative funding or services provision through central government.
41. Responsibility for supporting cultural wellbeing through funding arts and culture in Aotearoa New Zealand is shared between local and central government, with input from the private sector. Many arts organisations and community centres across Auckland receive core funding from Auckland Council, Creative New Zealand and Foundation North such as Pacifica Arts Centre and Te Uru Waitākere Contemporary Gallery in West Auckland.
42. Council's investment is vital for a strong and resilient arts infrastructure in Auckland. Without local government contributions, the city's arts and culture services risk being lost, as funding is not guaranteed from other sources.
43. We wrote to Mayor Brown in December 2022 as a co-investor to raise our concerns about the Mayor's draft proposal for the Annual Budget and offered to work in partnership to help Council understand the impact of proposed cuts.
44. Creative New Zealand is experiencing unprecedented demand for funding, and our own ability to support the sector is under strain. Our support for arts and culture in Auckland is already extensive compared to other regions (see paragraph 14 above). **We will not be in a position to fill gaps left by the withdrawal of Auckland Council's funding, or a reduction in its investment in arts and culture.**
45. We support the need for ongoing collaboration between central and local government to invest in a resilient and supported arts and cultural sector in Aotearoa. A collective approach ensures arts and culture can deliver value to all New Zealanders and communities across Aotearoa.
46. However, this approach relies on Council **maintaining its contributions and investment** and we strongly encourage Council to ensure retaining funding support for arts, culture and creativity remains a critical factor in its budget deliberations.
- E. Creative New Zealand supports the exploration and consideration of alternative approaches to making up the budget shortfall.**
47. We do not support Council proceeding with the reductions to operating spending cuts that impact arts and culture and encourage Council to explore and consider alternative options to address the budget shortfall including a higher rates package, asset sales, or increasing debt.

¹³ Morris Hargreaves McIntyre. (2020). Audience Atlas Aotearoa. Available at: <https://creativenz.govt.nz/Development-and-resources/Research-and-reports/Audience-Atlas-Aotearoa-2020>. Creative New Zealand.

48. We note Council's intention to consider longer-term options for managing budget pressures, including a systemic look at the services Council provides to the community, and the council's role in delivering the services. As explained, the proposals for **operating spending reductions will have a long-term and permanent impact on arts and culture**. As a result, they **should be explored as part of Auckland Council's Long-Term Plan**, rather than an Annual Plan, with greater research and analysis into their impact and input from Auckland's communities.

CONCLUSION

49. Auckland Council's investment in arts, culture and creativity is investment in Auckland's recovery, wellbeing and future resilience. Arts and culture play a vital role in your city by creating connected, healthy and strong communities.
50. Rather than operating spending cuts, the draft Annual Budget 2023/24 presents an opportunity for Council to make decisions that strengthen arts and culture in Auckland. Now is the time to maintain investment in arts and culture, for the recovery and resilience of Auckland communities.
51. Thank you again for the opportunity to comment.
52. Please contact us if you have any questions or if you wish to discuss this submission further. The key contact person is:

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Ngā mihi maioha



Caren Rangi, ONZM
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