
Briefing to the Incoming Minister

for Arts, Culture and Heritage

September 2014

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1 Introduction

1. This briefing aims to provide you with an understanding of:
 - the current context for Creative New Zealand's work
 - current significant work by Creative New Zealand
 - background information on Creative New Zealand – role, functions, responsibilities, performance, governance and management.
2. This briefing requires no urgent decisions or actions. But we would appreciate your response and a meeting to discuss it and Creative New Zealand's work at your earliest convenience.
3. Creative New Zealand can provide further information on any matters which interest you. We look forward to continuing an ongoing dialogue with you as we address issues and opportunities arising for the arts sector.



R S Grant
Chairman Arts Council

2 Current Context for Creative New Zealand's work

2.1 Key Issues for the Arts Sector

1. Key performance measurements from our investment clients indicate the arts sector is largely in good shape with substantial increases in the number, range and audiences for performances and presentations over the last two years. Of particular note is the recent increase in audiences for Christchurch performances which, despite the many challenges facing presenters and audiences, is now above pre-earthquake levels.
2. There are, however, continuing challenges for the sector. Availability of accessible and affordable venues is a big challenge. Venues are largely provided by territorial authorities, many of which are facing increasing financial pressure and difficulties in addressing the need to strengthen earthquake-prone venues and other civic buildings.
3. New Zealand's rapidly changing and diversifying demographic make-up, particularly in Auckland, is another challenge for the sector. The need to respond to the changing needs of Auckland communities and audiences while still delivering a range of arts to regional communities is a challenge for both the arts sector and Creative New Zealand.
4. Increasingly New Zealand artists and art organisations are aspiring to, and worthy of international audiences and recognition. Identifying and supporting the best ways to introduce our best artists to the world stage is a core part of Creative New Zealand's work and New Zealand art and artists have had an increasing range of opportunities to present internationally over the last couple of years.

2.2 ***A Period of Change for Creative New Zealand***

1. There have been significant changes for Creative New Zealand over the last three years. The Arts Council of New Zealand Toi Aotearoa Act 2014 came into effect on 1 May 2014. It established a unitary Council to replace the former structure of Council, two arts boards and Pacific Arts Committee. This has considerably streamlined Creative New Zealand's operations.
2. A new Strategic Plan for 2013-16 is in place. It continues Creative New Zealand's four long-standing outcomes but introduces a number of key new strategic priorities for the period, outlined below.
3. A significant feature of Creative New Zealand's operations over the last three years has been ongoing increases to income from the New Zealand Lottery Grants Board. This has enabled Creative New Zealand to invest significantly larger amounts in the arts sector. Additional investments have been made in a range of one-off and targeted initiatives in support of shared government priorities and Creative New Zealand's strategic priorities. Further detail on these is provided below.
4. There was further change for Creative New Zealand in 2013 with the need to move out of our long-term Wellington home in the Old Public Trust Building following earthquake damage. After several months of temporary accommodation our Wellington staff moved into new premises in Molesworth Street in November 2013.
5. Christchurch has been a strong focus for Creative New Zealand over the last three years. We have targeted significant financial and staff resources to assisting the arts recovery in Christchurch, described below.
6. The last three years have also seen Creative New Zealand bed-in its major change to multi-year funding for key arts organisations. Our new investment programmes Toi Uru Kahikatea (Arts Development) and Toi Tōtara Haemata (Arts Leadership) were introduced in 2012. The programmes are aimed at strengthening New Zealand's arts infrastructure and since their introduction we have increased the number of organisations receiving multi-year funding from 34 in 2011 (under the previous Recurrently Funded Organisations programme) to 80 Investment Programme clients in 2014. This increase has significantly broadened the range and diversity of our support for the key arts infrastructure.

3 Key work

This section outlines key work being undertaken by Creative New Zealand and its areas of focus for the next three years.

3.1 Creative New Zealand Strategic Plan

1. Appendices 3 and 4, taken from Creative New Zealand's 2013-16 Strategic Plan, show the strategic framework and workplan for Creative New Zealand over the next three years.
2. Our Strategic Plan sets the overarching strategy, priorities and high level areas of work for Creative New Zealand. It prioritises our work into two streams:
 - Our ongoing priorities: including the programmes and services we will continue delivering to the arts sector; and our development and implementation of policy and research
 - Our improvement priorities:
 - improving our internal operations
 - our influencing agenda.

3.1.1 Ongoing Priorities

1. During the term of the Strategic Plan we will continue to build upon our past work in the following ways:
 - improving the resilience of the arts – both professional arts and community arts through our funding and capability building programmes
 - supporting new work and contemporary arts practice including use of digital technology to create and distribute work, collaboration between arts organisations and building domestic and international audiences and markets for New Zealand arts
 - developing and implementing policy including a rolling five-year programme of artform reviews to ensure our support is aligned with current needs and developments in the sector, reviews of the key roles we ask our Tótara clients to fulfil, policy work on the maintenance and transmission of cultural traditions and support for the arts by, with and for young people
 - remaining accountable and responsive to government including responding to government priorities, accountability for our public funding and ensuring we are effective and efficient in our operations.

3.1.2 *Improvement Priorities*

1. The Strategic Plan identifies areas which will be a particular focus for improved delivery in 2013-16 as follows:
 - Improving our internal operations
 - transition to one board
 - contemporary systems
 - streamlining service delivery
 - The influencing agenda
 - building the evidence base for the value of the arts
 - Auckland
 - Christchurch

3.2 **Recent and Current Work**

3.2.1 *Transition to New Council*

1. Creative New Zealand is now five months into its new governance structure. The new structure establishes a unitary board replacing the former Arts Council, the Arts Board, Te Waka Toi and the Pacific Arts Committee with a single governing board responsible for policy, strategy, budget allocation and making investment programme funding decisions.
2. Although relatively early days the transition to the new structure has been smooth with new delegations, decision-making frameworks and processes well in place. Ongoing funding programmes and initiatives were delivered seamlessly during the transition, communications on the change were clear and effective, and to date there has been no negative response to the new structure. For most of our clients there is no noticeable change to their interaction with Creative New Zealand.
3. Members of the new Council are quickly and effectively responding to their new roles and bring a strong range of skills, knowledge and experience to the Council table.
4. The single board structure frees up people, time and effort which can be redirected to support for the arts sector.
5. An important aspect of the new structure is that the whole Council has responsibility to deliver to Pacific Island and Māori arts, the latter with the assistance of the Māori Committee. Our legislative mandate remains the same, as are the principles under which we operate. The new Council is committed to continuing the good work of Te Waka Toi and the Pacific Arts Board and to implementing the results of the significant Māori and Pacific art form reviews. Existing programmes to support Māori and Pacific arts will continue to be delivered, funding continues to be delivered via dedicated Māori and Pacific pathways, and the Māori and Pacific funding assessment panels remain integral to the assessment process.

3.2.2 Contemporary Systems

1. Creative New Zealand is introducing a new Grants Management System (GMS) and Client Relationship Management System (CRM). This will enable us to more effectively manage our application, assessment, and monitoring and evaluation processes; and our client relationships.
2. The new system will automate processes which are currently manual and provide for online applications and assessments. It will be fully operational from the end of 2014 with applicants able to apply online to our funding programmes. Benefits of the new system will include:
 - reduced timeframes and reduced costs of processing a grant application both for our customers and for us
 - more transparent decision-making processes.
3. The new system will also enable online reporting by Creative New Zealand clients and will provide our staff and stakeholders with easily accessible and better targeted information. We will use this information to improve our internal reporting, take the opportunity of our new governance structure to streamline our internal reporting processes, and work with the Ministry for Culture and Heritage to improve the effectiveness and efficiency of our reporting to government.

3.2.3 Streamlining Application and Reporting Process

1. Over the last year we have made changes to funding applications and processes to improve the timeliness, efficiency and effectiveness of assessing applications, making decisions and administering funding agreements. Improvements included:
 - speeding up the decision making cycle across our funding programmes by streamlining assessment processes and using email notifications
 - reducing the complexity for users by simplifying application forms and guidelines, enabling emailed applications from Investment clients and electronic distribution and collection of external assessment material.

3.2.4 Advocacy

1. Our advocacy programme aims to raise awareness of the role and contribution of the arts, highlight important issues affecting the sector and change the environment for the benefit of the arts.

2. We advocate by carrying out research – in particular the triennial New Zealanders and the Arts survey; fostering relationships and partnerships; providing advocacy resources to the arts sector; participating in cross-government initiatives and, where relevant, making submissions on issues facing the arts sector or Creative New Zealand.
3. When we consulted with the arts sector on our 2013-16 Strategic Plan we received a clear message from the sector that it wanted Creative New Zealand to significantly increase its advocacy work.
4. In response we have increased the staff and funding resources for advocacy. We have begun work on building the evidence base for the social, cultural and economic value of the arts by commissioning, sourcing, assessing and distributing relevant research. We are developing an online advocacy toolkit for use by the arts sector. This will be finalised in the first quarter of 2014/15 and will include case studies and research we commissioned on the economic characteristics of the arts sector.

3.2.5 Responding to Auckland's Changing Demographics

1. Auckland is growing fast, is spread out and is very culturally diverse with growing Māori, Pasifika and Asian communities. It is a priority for us to ensure our investment, services and operations remain fit for purpose and we need to respond in fresh ways to this rapidly changing demography.
2. We've been lifting our presence and investment in Auckland for some time in response to the growing arts offering and number of creative people making art there. In 2013/14 around one third of our funding went to the Auckland region. We are working closely with the Auckland Council on the development and implementation of its Arts and Culture Strategic Action Plan and meet regularly with staff at Auckland Council, relevant Council Controlled Organisations and other key funders to ensure effective co-ordination of policy, funding and delivery of shared priorities and projects.
3. In addition to aligning where appropriate with Auckland Council's Strategic Action Plan, Creative New Zealand is also reviewing its delivery of arts support to Auckland, particularly to Auckland's increasingly diverse population. We know this diversity is reflected in many of our funding programmes – for example we have an increasing number of Māori and Pacific investment clients and have strong Māori, Pacific and Asian representation in applicants for smaller and community grants. However, we also know we can improve our reach to and support for artists and audiences from diverse communities.
4. We have committed additional resources to investigating and developing ways to enhance our support for Auckland's diverse population. As part of this work we have commissioned additional targeted research on Asian artists and audiences in our New Zealanders and the Arts survey for 2014.

3.2.6 Focus on Christchurch

1. To date Creative New Zealand had distributed over \$2.9 million through its Earthquake Recovery Grants fund. The fund has been running since 2011 and has been extended to 2018 with a budget of \$500,000 per annum.
2. Over the last three years the focus of the fund has moved. Initially it was on meeting 'emergency needs' with grants ranging from modest funding to artists to replace lost equipment to \$500,000 to the Court Theatre to help it build and relocate to a new theatre space. More recently the focus has shifted in response to the changing needs of the Christchurch arts sector. The fund is now directed at projects which will help to maintain or grow the arts and/or the arts infrastructure of Christchurch. Grants are targeted at: building the capability and resilience of existing and emerging arts programmes and organisations; supporting innovative and collaborative projects and new business models; and supporting the provision of and access to new or temporary venues and other facilities.
3. In 2013/14 Creative New Zealand also provided an additional \$1 million towards major initiatives: additional matched funding for the Christchurch Symphony Orchestra; a subsidy for the cost of hiring the Horncastle Arena; a new fund for community arts projects in collaboration with the Christchurch City Council; and funding for 'the Boxed Quarter' providing gallery and studio spaces for Christchurch visual artists and musicians. A further \$800,000 per annum has also been allocated for Christchurch initiatives over the next four years.
4. In addition to providing funding, Creative New Zealand works closely with the arts sector and government agencies to provide logistical, advocacy and policy advice to restore the cultural life of Christchurch. We collaborate with CERA, the Ministry for Culture and Heritage and Christchurch City Council to ensure the arts are well placed in the city rebuild and with the City Council and other funders to ensure co-ordinated planning and funding for arts policies and initiatives.

3.2.7 Support for Arts in the Regions

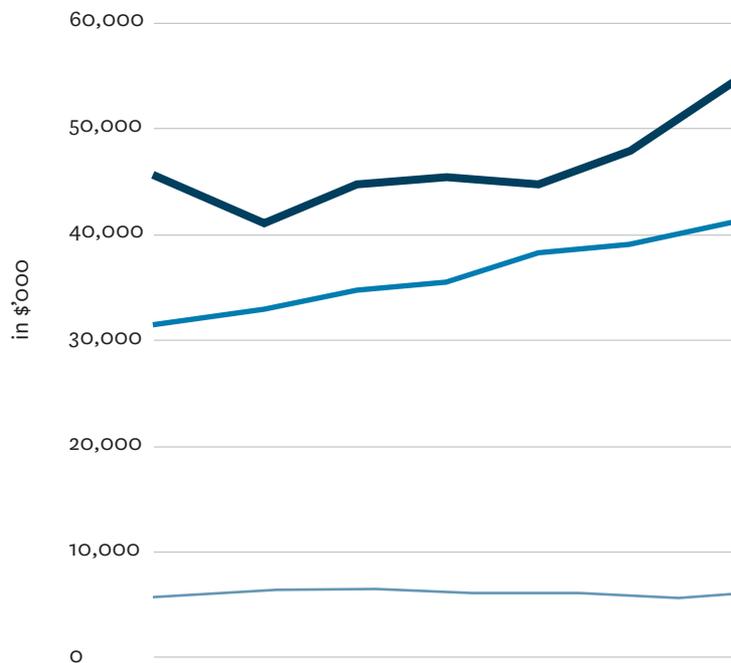
1. While Auckland and Christchurch are priorities in our Strategic Plan, Creative New Zealand is a national organisation with a mandate to support the arts across the country. We are aware of the need to balance our support for the arts in our major cities with support for the arts and their audiences in the regions. In addition to support for a wide range of regional projects through our generic funding programmes we have specific initiatives for targeted support for regional arts.
2. In the current financial year we are introducing a two-year regional pilot programme which aims to improve delivery of support to artists and increase participation in the arts in Waikato and Southland. These regions currently receive relatively low levels of funding support from Creative New Zealand beyond the Creative Communities Scheme which is delivered via territorial authorities.

- Two new touring initiatives will also be rolled out in 2014/15 - funding of professional touring management and audience development services for the performing arts and a performing arts touring fund.

3.2.8 Creative New Zealand's Operating Efficiency

- Creative New Zealand has worked hard to hold its operating costs in dollar terms since 2008, and as a result operating costs as a percentage of expenditure has declined from 18.4 per cent in 2008 to 15 per cent in 2014.
- We anticipate the introduction of the Grants Management System and cost savings from the changes to our governance structure will contribute to a continuation of this trend and we will continue to review operating costs with a view to ongoing improvement in efficiency and transparency.

Creative New Zealand's Income and Expenditure Trends



	2008	2009	2010	2011	2012	2013	2014
Revenue	45,037	40,790	44,474	45,190	44,187	48,403	54,178
'Investments'	32,213	34,079	34,799	35,788	38,529	38,575	41,673
Operating Costs (excl. NCA losses)	7,282	7,593	7,756	7,607	7,650	7,264	7,374
'Investments' as % of total expenditure	81.6%	81.8%	81.8%	82.5%	83.4%	84.2%	85.0%
Op. Cost as % of total expenditure	18.4%	18.2%	18.2%	17.5%	16.6%	15.8%	15.0%

3.2.9 Co-ordination and Collaboration

1. Creative New Zealand's resources are limited. It makes sense, therefore, to work collaboratively to increase support for the arts. We work closely with central and local government, including the Ministry for Culture and Heritage and territorial authorities, to maximise the impact of our support.
2. We collaborate with individual territorial authorities to focus on significant issues affecting their regions and to address the needs and opportunities for the arts in different parts of the country. Examples include working with Wellington City Council on reviewing the needs of the Wellington theatre sector, and working with Creative Waikato and territorial authorities in the region on co-ordinated orchestral services and venues infrastructure.
3. Creative New Zealand continuously seeks opportunities for sharing resources and services and aligning funding and policies. Examples from the last three years include:
 - working with the Ministry for Culture and Heritage on its review of government support for the orchestral sector
 - formal collaboration with other funders of contemporary music to ensure strategic alignment
 - collaborating with the Auckland Council on the development of its Arts and Culture Strategic Action Plan
 - co-ordinating the funding and monitoring of the Auckland Theatre Company's new waterfront theatre with the Auckland Council and the ASB Community Trust
 - partnering on the funding for and delivery of major international initiatives with other agencies including the Ministry for Culture and Heritage, Te Matatini, Te Papa and the Asia New Zealand Foundation
 - funding partnerships with other funders for a number of Christchurch arts initiatives
 - sharing and co-ordination of research across the wider government, education and cultural sectors
 - working with the Ministry for Culture and Heritage and the Ministry of Education on developing a framework for supporting young people in the arts
 - working with Te Papa on co-ordinating capability building initiatives and resources offered by Creative New Zealand and Te Papa's National Services
 - sharing the findings from our major artform reviews with relevant government and cultural agencies.

3.2.10 Increased Lottery Grants Board Income and Shared Priorities

1. As Creative New Zealand's income from the Lottery Grants Board increases we have regularly engaged with the Ministry for Culture and Heritage on identifying shared priorities for the allocation of additional income. We know we are in a privileged position and that many cultural agencies face big challenges in a static funding environment. We are committed to ensuring the best use of our additional funding to support the wider arts sector. As an example we ensured our funding subsidy for the hire of Christchurch's Horncastle Arena was opened beyond Creative New Zealand clients to all eligible arts events and agencies, including the direct-funded Royal New Zealand Ballet and New Zealand Symphony Orchestra. Similarly, key initiatives under our Creative Giving programme to support philanthropic giving are open to the wider arts, culture and heritage sector.
2. Because increased funding can't be guaranteed into future years the additional funding is largely targeted at significant one-off or short term projects and areas of significant need - such as the Christchurch recovery, or opportunity - such as the invitation to present a New Zealand contingent at the 2014 Edinburgh Festivals. We look for projects where we can make a real difference and which support both our legislative mandate and strategic priorities and align with government priorities.
3. In response to the increasing international aspirations of our clients, many of the initiatives supported through additional funding are international programmes or events. These include:
 - New Zealand's presence as the Guest Country of Honour at the 2012 Frankfurt Book Fair and follow-on activity
 - a contingent of over 200 artists to the 2014 Edinburgh Festivals and funding for follow- on touring activity resulting from the New Zealand presentations
 - an international WW1 Commemorations co-commissioning fund, to be followed by a broader international co-commissioning fund post-WW1 commemorations
 - a *Focus on Asia* initiative to provide New Zealand artists with more opportunities to present new work in Asia, exchange artistic and cultural practices, and develop audiences, markets and networks in targeted Asian countries.

4. Other initiatives supported through increased income from the Lottery Grants Board include:
 - increased funding for the Creative Communities Scheme – a small grants funding scheme delivered via territorial authorities for community arts projects
 - the Earthquake Recovery Grants Fund and other support for the Christchurch arts recovery
 - the Creative Giving programme – a three-year pilot programme to build capability in fundraising within the arts, culture and heritage sector including workshops, targeted mentoring and matched funding
 - Sistema Aotearoa – a programme run in schools in South Auckland by the Auckland Philharmonia Orchestra where children learn to play and participate in classical music
 - the regional pilots programme and national touring initiatives
 - additional matched funding for the New Zealand Opera.

3.2.11 Government Priorities - Major Events to Deliver

1. On behalf of the government, and via government-to-government initiatives, Creative New Zealand delivers major, international events.
 - **Festival of Pacific Arts 2016** (Guam) – held every four years, the Festival showcases the traditional cultures and artforms of communities of the South Pacific. Creative New Zealand funds and manages the New Zealand delegation to the Festival. We appreciate the Government’s material support for past Festivals through the provision of air transport and hope to continue this arrangement for 2016.
 - **Venice Biennale 2015** – New Zealand will be represented at the 2015 Biennale by sculptor and installation artist Simon Denny who will present an installation in the grand salon of the Biblioteca Nazionale Marciana, one of the finest buildings in Venice and home to priceless works of cartography, art and literature. One of New Zealand’s most experienced contemporary-art curators and writers, Robert Leonard will be the curator, and the Commissioner for 2015 is the Head of School, Whiti o Rehua School of Art, in the College of Creative Arts at Massey University, Heather Galbraith.

Appendix 1

Background Information

About Creative New Zealand

The Arts Council of New Zealand Toi Aotearoa (which operates under the trading name of Creative New Zealand) is an **Autonomous Crown** entity established under the **Arts Council of New Zealand Toi Aotearoa Act 2014 (the Act)**. As such it must have regard to government policy when directed by the responsible Minister. Under the Arts Council of New Zealand Toi Aotearoa Act, the Minister may not give direction to Creative New Zealand in relation to cultural matters (section 8 of the Act).

Under section 107 of the Crown Entities Act 2004 Creative New Zealand is also subject to directions to support a whole of government approach.

Creative New Zealand carries out its statutory functions with funds provided by the Government through Vote: Arts, Culture and Heritage and the **New Zealand Lottery Grants Board (NZLGB)**. Vote funding accounts for approximately 30% of Creative New Zealand's revenue, with NZLGB contributing approximately 70%.

Role

Creative New Zealand is the national arts development agency developing, investing in and advocating for the arts. It works across central and local government and the private sector to **encourage, promote, and support the arts in New Zealand for the benefit of all New Zealanders.**

Creative New Zealand delivers services under one output class: Promotion and Support of the arts. We have three service delivery areas:

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

and four outcomes:

Outcome 1: New Zealanders participate in the arts

Outcome 2: High-quality New Zealand art is developed

Outcome 3: New Zealanders experience high-quality arts

Outcome 4: New Zealand arts gain international success.

Purpose

In achieving its purpose as set out in its Act, Creative New Zealand is required to do the following (section 3[2]):

1. recognise the cultural diversity of the people of New Zealand
2. recognise in the arts the role of Māori as tāngata whenua
3. recognise the arts of the Pacific Island peoples of New Zealand
4. recognise and uphold the following principles:
 - participation, by supporting initiatives that encourage participation in the arts;
 - access, by supporting the availability of projects of merit to communities or sections of the population that would otherwise not have access to them;
 - excellence and innovation, by supporting activities of artistic and cultural significance that develop the creative potential of artists and artforms;
 - professionalism, by maintaining and developing a professional arts infrastructure, a both the national and community levels; and
 - advocacy, by promoting New Zealand's arts and artists locally, nationally and internationally.

Structure

Creative New Zealand's governing board is the Arts Council. The Council is responsible for setting the policy and strategic direction of Creative New Zealand; allocating budgets for funding programmes and initiatives; making funding decisions on key investment programmes; and monitoring the overall performance of Creative New Zealand.

(a full list of members is included in Appendix 2)

As at 30 June 2014, Creative New Zealand has 53 staff (50.4 FTE) based across Wellington, Christchurch, Rotorua and Auckland. This spread assists us to present a national perspective on the arts.

Expenditure Distribution 2013/14 Budget Year

Service Delivery Area	Description	% Total Expenditure	\$ million
Investing		83%	41.7
Investment Programmes	Arts Leadership Investment (Toi Uru Tōtara) and Arts Development Investment (Toi Uru Kahikatea) programmes – supporting arts organisations for periods of up to five years	47%	23.8
Grants	Project-based support for arts organisations and individual artists and arts practitioners (Arts Grants and Quick Response Grants)	19%	9.8%
Creative Communities Scheme	Small grants scheme supporting participation in the arts at a local level. Creative Communities Scheme funding is devolved to the 67 local authorities to distribute in their local communities	6%	3.2
Other Funding	Incorporates Christchurch Earthquake support and the Flexible Funding Portfolio	5%	0.5
Developing the Arts	Initiatives designed to build capability in artists and arts organisations to extend skills, build markets, develop audiences and engage internationally	4%	1.8
Advocacy	Costs of research and contract work.	> 1%	0.3

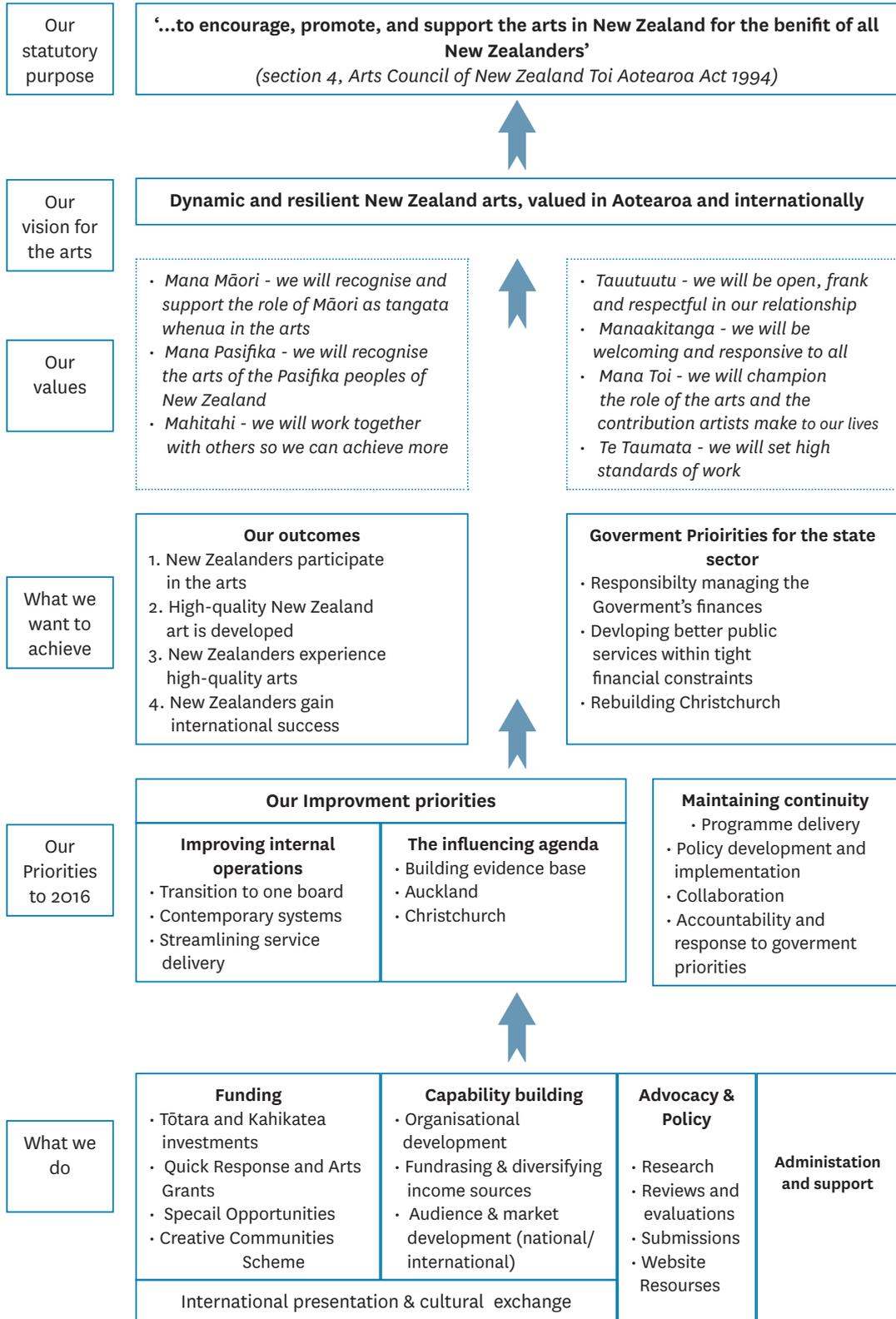
Appendix 2

Arts Council Membership

	<i>Appointed</i>	<i>Term Expires</i>
Dick Grant (Chairman)	1 May 2014 - member of former Council since July 2012 and Chair from 1 April 2013	30 April 2017
James Wallace	1 May 2014 - member of former Council since 2009	30 June 2015
Karyn Fenton-Ellis	1 May 2014	30 June 2016
Darrin Haimona	1 May 2014 - Chair of former Te Waka Toi since 2006	30 June 2016
Winnie Laban	1 May 2014 - Chair of former Pacific Arts Committee since February 2013	30 June 2016
Peter-Lucas Jones	1 May 2014	30 June 2016
Wayne Marriott	1 May 2014	30 June 2016
Felicity Price	1 May 2014	30 June 2016
Suzanne Ellison	1 May 2014	30 April 2017
Rose Evans	1 May 2014	30 April 2017
Michael Prentice	1 May 2014 - member of former Arts Board since 2006	30 April 2017
Caren Rangī	1 May 2014 - member of former Pacific Arts Committee since 2012	30 April 2017
One Vacancy		

Appendix 3

Creative New Zealand strategy framework



Appendix 4

Creative New Zealand Strategic work Plan

2010-13 Strategic Plan				2013-16 Strategic Plan		
2010	2011	2012	2013	2014	2015	2016

