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FRONT COVER:

Antireality perversion void, 2022.

Installation view, courtesy of Jess Johnson, the artists and Te Uru Waitākere Contemporary Gallery.

Image by Sam Hartnett.

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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 2022 to 30 June 2023.

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
29 June 2022

A handwritten signature in black ink, featuring a stylized 'M' and 'P' in a cursive script.

Michael Prentice
Manukura Tuarua—Deputy Chair
29 June 2022

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Kia whakatōmuri te haere whakamua

*I walk backwards into the future with my eyes
fixed on my past*

FOREWORD *KUPU WHAKATAKI*

We present our *Statement of Expectations for 2022/23*, the first annual plan under our *Statement of Intent 2022–2026* and the fourth plan under our long-term strategic direction for 2019–2029.

At the start of 2021/22, we said we were entering the year with a feeling of ‘cautious optimism’. A year later, we’ve been continuously reminded of the significant impact of the COVID-19 pandemic on all areas of our lives. The arts sector has been hard hit, and the toll on people’s health and wellbeing – *te hauora me te ora* – is real.

As we reviewed our strategic intentions this year, we’ve been acutely aware of the changed context in which we’re all working.

While we’ve reaffirmed the wider strategic direction set out in our *2019–2029 Statement of Intent – Te whakaputa hua ki te hunga o Aotearoa—Creating value for New Zealanders* – in our new *Statement of Intent 2022–2026*, we’ve identified three **strategic focus areas** we’ll hone in on, in response to the environment we’re operating in now:

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

These strategic focus areas will inform the work we prioritise over the 2022/23 performance year and through to 2026.

Alongside our focus areas, we recognise that, as we continue navigating through turbulent waters, it’s critical we work together as a collective arts community and seek out others who have similar aims.

Given this, we’ve added **Partnering for the arts** as a new deliverable, to join Investing in the arts,

Developing the arts, Advocating for the arts and Leadership in the arts. Collectively, our deliverables describe what we do to deliver on our strategic intentions.

Over the past year we’ve also introduced *Te Kaupapa o Toi Aotearoa*. This programme is aimed at ensuring that, as an organisation, we have the culture, competencies and practices to meet our aspirations under *Te Tiriti o Waitangi* and adopt a multi-lensed approach to how we work.

The Minister for Arts, Culture and Heritage has outlined specific expectations for Creative New Zealand for 2022/23, and these are consistent with our strategic intentions and thinking for the year ahead.

The economic headwinds we’re facing, along with the ongoing impact of COVID-19 and our own financial context, will present challenges over the coming year in terms of our ability to meet the heavy demand from arts communities for funding and resources.

Our task will be to ensure we allocate our resources wisely and, working with others, start considering how we respond to wider systemic issues highlighted by COVID-19, including sector sustainability and the sustainability of arts sector careers.

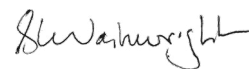
On a positive note, we know the arts matter more than ever to New Zealanders. The pandemic has helped many people recognise the vital contribution the arts make to their wellbeing and to that of their *whānau* and communities.

We thank New Zealanders for continuing to participate in, engage with and support the arts over the past year, often in ways they haven’t before.

Inspired by our arts communities, we will seek to meet the challenges – and opportunities – the next year will bring with dedication, heart and *manaaki*.



Caren Rangi
Manukura
Chair



Stephen Wainwright
Tumu Whakarae
Chief Executive

FOCUS

NEW STRATEGIC INTENTIONS



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

NEW DELIVERABLE



PARTNERING FOR THE ARTS

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

NEW PROGRAMME



TE KAUPAPA O TOI AOTEAROA

A programme aimed at ensuring we have the organisational culture, competencies and practices to enable us to meet our aspirations under Te Tiriti o Waitangi.

ABOUT OUR PLAN *MŌ TĀ MĀTOU MAHERE*

This Statement of Performance Expectations is our annual plan for the 2022/23 performance year. It delivers to the medium-term strategy set out in our Statement of Intent 2022–2026, and to our long-term strategic direction for 2019–2029, Te whakaputa hua ki te hunga o Aotearoa—Creating value for New Zealanders.

This plan describes how this year’s work will contribute to meeting our strategic intentions for the period ahead. It outlines our planned activity, performance targets and forecast financial information for 2022/23 (ie, 1 July 2022 to 30 June 2023).

The plan has three parts.

- **Part One: Our strategic context** – covering our strategic direction for 2019–2029, our strategic focus areas for 2022–2026 and the main strategies and policies that guide our work.
- **Part Two: The year ahead** – covering the Minister for Arts, Culture and Heritage’s expectations for Creative New Zealand; challenges and opportunities; our performance framework; our focus for 2022/23; and financial planning and performance.
- **Part Three: Our organisation** – covering information about the Arts Council and Creative New Zealand.

We will report against this plan in the Annual Report for 2022/23.

Creative New Zealand has one output class – Promotion and support of the arts – which is a reportable class for the purposes of the Crown Entities Act 2004. Under this, we will work to achieve our strategic intentions and create value for New Zealanders.

No output classes have been given reporting exemptions by the Minister of Finance. We do not propose supplying any output classes in 2022/23 that are not a reportable class of outputs.

We operate under one central government output expense: Promotion and Support of the Arts and Film. Manatū Taonga Ministry for Culture and Heritage is our monitoring department.

We are mainly funded through the New Zealand Lottery Grants Board Te Puna Tahua (NZLGB) and Vote: Arts, Culture and Heritage. In 2022/23, Creative New Zealand expects to receive:

- an estimated \$53.895 million from the NZLGB
- \$20.689 million from the Crown through Vote: Arts, Culture and Heritage (comprising \$16.689 million in baseline funding and additional initiative-based funding of \$4 million to support the Pasifika Festivals).

Revenue from the NZLGB for 2022/23 is based on Lotto New Zealand’s mid-range budgeted profit for 2022/23. The final expected 2022/23 payment from the NZLGB will be confirmed in July 2022 and revised during the year.

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.

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

Through the public value model lens of *Creating value for New Zealanders*, the Arts Council has defined the value it believes the arts and ngā toi deliver for individuals, whānau, communities and society. We've considered what we need to do to increase that value and make sure all New Zealanders – regardless of who they are and where they live – share in those benefits.

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

At the heart of *Creating value for New Zealanders* is Te Kaupapa o Toi Aotearoa, the Creative New Zealand way. This comprises our vision, our purpose, our values and Te Waka Toi Pātaka (our Mātauranga Māori Framework).

Te whakaputa hua ki te hunga o Aotearoa should be read as a 'virtuous circle', 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. We illustrate this in the diagrams on pages 13 and 15.

For more detail on the elements of our strategic direction, see our *Statement of Intent 2022–2026*, available on our website.

Four strategic perspectives

Creating value for New Zealanders is built on four strategic perspectives, each of which influences how we create value through our support for the arts and ngā toi.

For each perspective, we've identified a goal that we want to achieve by 2029. By achieving these goals, we aim to strengthen each perspective and, in doing so, increase the value we create for 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

Outcomes and value perspective

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

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

Creative New Zealand perspective

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

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

¹ Toi is broadly understood as 'art' or 'knowledge' (Source: Te Aka Māori Dictionary: www.maoridictionary.co.nz).

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.

Te Kaupapa o Toi Aotearoa – the Creative New Zealand way

Our strategic direction to 2029 and our *Statement of Intent* set out what we want to achieve. Delving into 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.

Ngā toi Māori and mātauranga Māori are distinctive to Aotearoa New Zealand and central to the unique national identity of our people. They can also help us think about how we relate to one another. Under our Te Kaupapa o Toi Aotearoa work programme, we're 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.

Te Kaupapa o Toi Aotearoa is part of our approach to ensuring our work is accessible, inclusive and equitable as we fulfil our purpose to 'encourage, promote and support the arts in New Zealand for the benefit of all New Zealanders'. 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 initial programme has three pou (phases) to build staff capability and develop and embed Te Kaupapa o Toi Aotearoa in the way we work.

1. **Pou Tuatahi:** Understanding Te Kaupapa o Toi Aotearoa (started July 2021).
2. **Pou Tuarua:** Building our organisational baseline capacity to be multi-lensed (continues into 2022/23).
3. **Pou Tuatoru:** Embedding Te Kaupapa into key governance and management policies and behaviour (2022/23).

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.

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

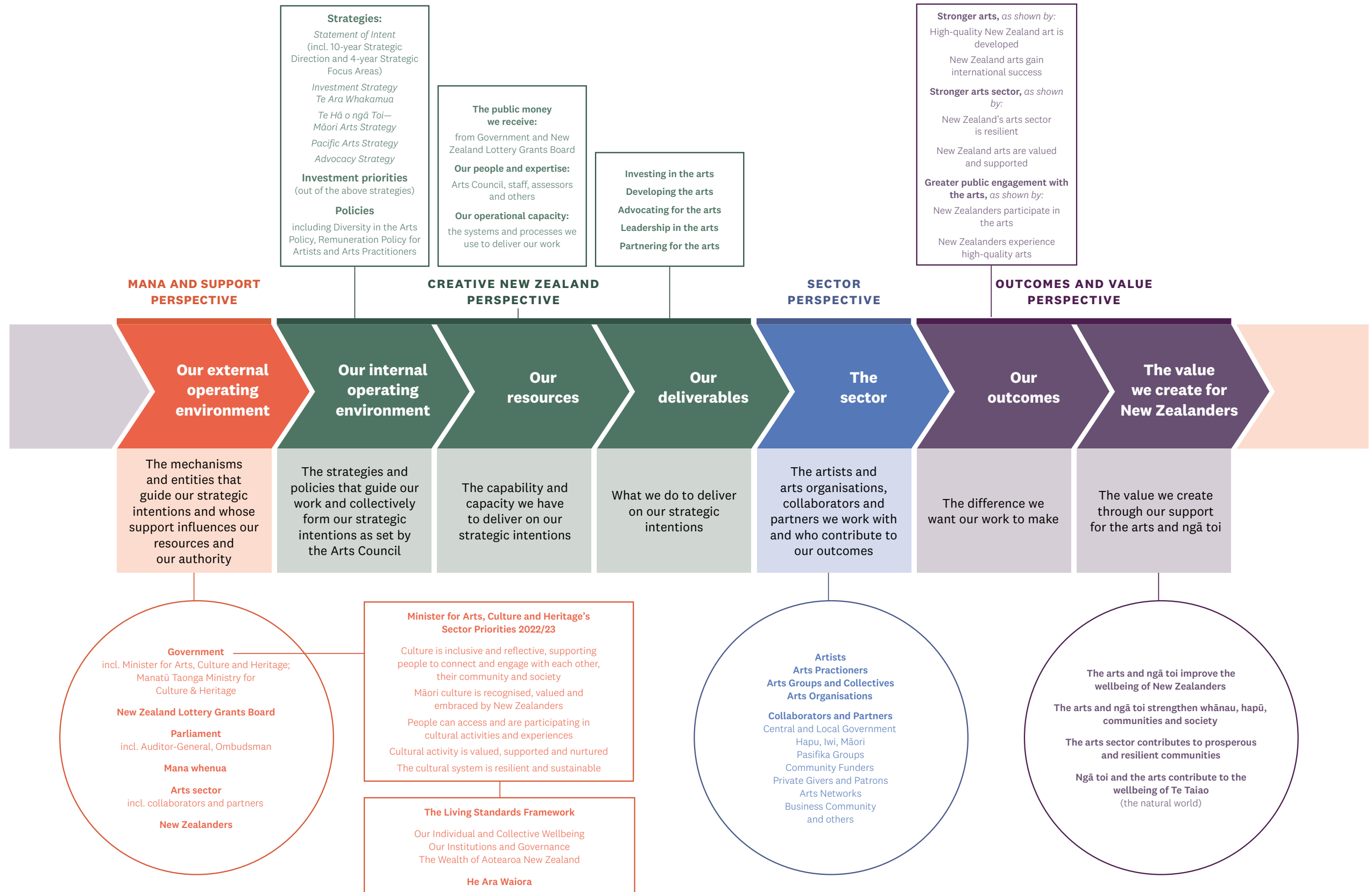
Our goal: We work collaboratively with others developing a dynamic and resilient arts sector, and building support for New Zealand arts and ngā toi in Aotearoa, Te Moana-nui-a-Kiwa and the world

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



OUR STRATEGIC FOCUS AREAS FOR 2022–2026

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

In our *Statement of Intent 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.

These focus areas reflect a continued emphasis on our **Stronger arts sector** outcome, by which we're seeking to build the resilience of the arts sector and the value New Zealanders place on the arts.

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*), refer to our *Statement of Intent 2022–2026*, available on our website

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 areas are broad, 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).

Along with these three strategic focus areas, we'll advance our Te Kaupapa o Toi Aotearoa programme (refer to page 12).

By adding **Partnering for the arts** as a new deliverable (ie, the things we do to deliver on our strategic intentions), we'll be more intentional about working across the arts ecosystem with those who have shared aims so that, collectively, we can have a greater effect on the issues that matter.

Resilience

Over the next four years 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 next four years under this focus area, we plan to:

- implement a programme of work aimed at ensuring 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 ensuring 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 next four years 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.

The table on the next page outlines the changes we are seeking across the four years of this *Statement of Intent* and looking out to 2029, the period of our long-term strategic direction.

Changes we are seeking across our strategic focus areas

	By 2026	By 2029
Resilience	<p>Creative New Zealand’s Remuneration Policy for Artists and Arts Partitioners² is recognised as an ‘industry standard’ and widely adopted by the arts sector and those engaging artists and arts practitioners.</p> <p>Working with others, Creative New Zealand has developed a roadmap for improving the sustainability of arts sector careers.</p> <p>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.</p>	<p>Remuneration practices in the arts sector reflect good practice, and remuneration levels achieve parity with all New Zealanders.</p> <p>Clear pathways exist for those seeking a career in the arts sector, from the education system through to maintaining a sustainable career across the lifetime of an artist or arts practitioner.³</p> <p>New operating models mean the arts sector is equipped and empowered to withstand shocks, adapt to changing contexts and pursue new opportunities.</p>
Access, inclusion and equity	<p>New Zealand artists and arts practitioners from diverse communities can access Creative New Zealand’s services, and our services are enabling.</p> <p>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.</p> <p>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.</p> <p><i>Te Kaupapa o Toi Aotearoa</i> 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.</p>	<p>Creative New Zealand will be recognised as a leader in the delivery of services that are fair, transparent, inclusive and equitable.</p> <p>Those who use and benefit from our services and investment broadly reflect New Zealand’s population.</p> <p>Creative New Zealand is recognised as a Te Tiriti o Waitangi-honouring organisation.</p>
Wellbeing	<p>Working with others, we’ll have developed a strong evidence base for the value the arts and ngā toi contribute to New Zealanders and our society.</p> <p>Creative New Zealand and the arts sector will be powerful advocates for the value of the arts and ngā toi.</p> <p>Increasingly, partnerships exist across a range of sectors that provide investment into the arts and increase the recognition of the value they deliver.</p>	<p>New Zealanders place a high level of value on the arts and ngā toi, recognising the vital contribution they make to the cultural, social and economic wellbeing of New Zealanders and New Zealand communities and society.</p> <p>Support and investment into the arts and ngā toi comes from various sources – public and private – reflecting the value they deliver.</p> <p>The arts and ngā toi are drawn on across a variety of sectors for the value they can provide in education, health, rehabilitation and tourism, and as a means of addressing the challenges we face.</p>

2 Available at: www.creativenz.govt.nz/about-creative-new-zealand/corporate-documents/remuneration-policy-for-artists-and-arts-practitioners-2022-ko-te-mahere-utu-ma-nga-kaitoi-kaiwaihanga-toi

3 A ‘sustainable career’ is a pathway of paid work over the course of an individual’s working life that enables them to earn a viable living to support themselves and their family.

OUR KEY STRATEGIES AND POLICIES

KO Ā MĀTAU RAUTAKI ME Ā MĀTAU KAUPAPA HERE MATUA

Alongside the strategic focus areas set out in the *Statement of Intent 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* 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 key 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 describes how we'll 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' the 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* informs how we direct and prioritise our support for Pacific arts, to better support the Pacific arts community. The strategy embraces the essence of Pacific peoples and cultures, with a vision for: **Powerful Pacific arts, led by passionate and skilled Pacific people, for Aotearoa, Te Moana-nui-a-Kiva and the world.**

The strategy embraces the essence of Pacific peoples and cultures, gathered around four strategic pou (pillars). These provide a living map to guide us in a continuing journey, from ancient navigation towards the future.

- **Tagata:** the people, the heart of the strategy.
- **Vaka:** the vessels for our journey and the potential for more vaka to join our fleet in the future.
- **Va:** the meaningful spaces between people, places, cultures, time and dimensions, tangible and intangible.
- **Moana:** Te Moana-nui-a-Kiva, the ocean homeland of Pacific peoples that is the fluid bridge between a new home in Aotearoa, other lands and opportunities, and to the global digital moana of new tools and technology.

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 sets out key advocacy messages that cover the range of positive effects the arts have on our lives.

Diversity in the Arts Policy

Our Diversity in the Arts Policy 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 states Creative New Zealand's commitment to supporting and promoting the rights of artists and arts practitioners to fair remuneration for their work, recognising 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 can be used by artists and arts practitioners, arts organisations, and those engaging artists to do work.

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PART TWO

THE YEAR AHEAD
TE TAU E HAERE AKE NEI

MINISTERIAL EXPECTATIONS FOR 2022/23

NGĀ KAWATAU Ā-MINITA NEI I NGĀ TAU 2022/2023

By convention, the 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 an important role in delivering to the Government's desired outcomes, specifically Ministers' priorities for arts, culture and heritage.

Building on the foundations laid in the previous term, the Government has identified three overarching goals for this term.

- To keep New Zealanders safe from COVID-19.
- To accelerate the recovery and rebuild.
- To tackle foundational challenges for a better future.

The response to the COVID-19 pandemic will continue to be of central importance in the coming year. As a Crown entity, we will continue to support the response to COVID-19 and the social and economic recovery. We will work with Manatū Taonga Ministry for Culture and Heritage on the monitoring and evaluation of COVID-19 initiatives and the continuing response to the pandemic, as required.

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 develop a Māori language plan this year to 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.

We will also continue to manage the Pasifika Festivals Initiative (\$12 million over three years; now in its final year) to support Pasifika festivals throughout New Zealand. This progresses the initiative started in 2020/21 under the Cultural Sector Capability Fund to support the arts sector to have the necessary industry, technical and business capability to meet the challenges of a COVID-19 environment.

Creative New Zealand -specific priorities

The Minister has outlined specific expectations for Creative New Zealand in 2022/23. These are consistent with our ongoing operations and align well with the Arts Council's thinking in relation to the year ahead.

Specific expectations for 2022/23 are:

- ensure the Board employs effective financial management practices to respond to COVID-19 environment needs of the sector
- continue to embed *Te Hā o ngā Toi—Māori Arts Strategy* and look for opportunities to lift the capability and representativeness of Māori arts and artists
- continue to embed the *Pacific Arts Strategy* and look for opportunities to lift the capability and representativeness of Pasifika arts and artists
- explore how disadvantaged and underserved communities can be supported to ensure they

are not disproportionately affected by the impact of the COVID-19 pandemic

- ensure Creative New Zealand’s stakeholder communications and response to sector feedback is fit for purpose and facilitates a process of continuous improvement.

Regarding governance and reporting in 2022/23, the Arts Council will:

- continue to oversee the performance and long-term strategic direction of Creative New Zealand and provide best practice governance. This will include monitoring Creative New Zealand’s financial wellbeing and long-term viability and ensuring Creative New Zealand has robust risk awareness and management processes in place
- undertake a self-evaluation of its governance practices and work with Manatū Taonga Ministry for Culture and Heritage to review its governance manual
- provide Manatū Taonga with a board matrix of skills on the Board, alongside an assessment of desirable skills for future appointments
- provide Manatū Taonga with information on performance against planning documents and timely information on risks and opportunities.

The Enduring Letter of Expectations remains in effect, with emphasis on four enduring expectations in 2022/23:⁴

- ensuring no surprises
- supporting future-focused Māori–Crown relations, including supporting Maihi Karauna and pursuing further opportunities for partnership with Māori entities and businesses
- ensuring workplaces and leadership teams are diverse and inclusive
- taking active steps to reduce greenhouse gas emissions, improve energy efficiency and reduce waste outputs.

⁴ 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 2022/23

NGĀ WERO ME NGĀ HUARAHI I NGĀ TAU 2022/23

Challenges

In our *Statement of Intent 2022–2026*, we identify the main challenges that Creative New Zealand and the arts community face.

Some issues are shared across the economy. As we've seen through COVID-19, however, the precarious situation the arts sector has always operated in means it's likely to be more vulnerable to economic pressures, such as the re-emergence of inflation.

Over 2022/23, we expect the following issues to affect how we operate and the value we're able to deliver.

- Ongoing **uncertainty about the trajectory of the COVID-19** pandemic and its implications for the arts sector, including the threat of further disruption due to new variants, changes in the willingness of audiences to engage with live experiences, and new expectations regarding online delivery.
- **Economic challenges**, including cost of living increases and inflation, which erode the value of our investment: the cost for artists to create art goes up and creative output may decline; the public find it more difficult to financially support the arts from within their own means; and public and community arts funders face more pressure in their financial decision-making.
- A **lack of financial flexibility** having spent down our reserves in the initial response to the COVID-19 pandemic in 2020, ongoing funding instability because of our reliance on Lotto New Zealand profits accounts for around 70 percent of revenue, and the end of one-off COVID-response funding over 2020/21 and 2021/22.
- **High demand for our services and funding** partly resulting from significant one-off investment in response to COVID-19 since 2020; put simply, more and more high-quality funding applications are coming through the door that we can't support, given our available resources.

- Uncertainty also exists about the **future of significant multi-year investment** by the Government through the Arts and Culture COVID Recovery Programme, which leads to increased vulnerability and instability for those parts of the arts sector who've benefitted.

Opportunities

Despite the significant challenges, opportunities do exist. Many rest at the tactical level, which, for us, will mean working with others (increasingly, outside of our traditional arts, culture and creativity sector) on specific initiatives to increase support for the arts.

We've reflected the importance of this collaborative work in a new deliverable – **Partnering for the arts** – which sits alongside **Investing in the arts**, **Developing the arts**, **Advocating for the arts** and **Leadership in the arts**. This new deliverable supports the ongoing need to collaborate more intentionally with others, to help grow resources and effect change.

Our three strategic focus areas for 2022–2026 (see page 15) also provide the opportunity to address significant kaupapa in a more purposeful way, working with others. Work is under way across these areas (eg, the new Remuneration Policy for Artists and Arts Practitioners supports **Resilience**; we've begun developing an accessibility policy that will be important work under **Access, inclusion and equity**; and our understanding of the impact of the arts on New Zealanders' wellbeing continues to grow, including through our *New Zealanders and the Arts—Ko Aotearoa me ōna* Toi research).

We also have an opportunity to start thinking about the systemic challenges facing the arts sector that COVID-19 has highlighted, including the precarious nature of the sector. We'll consider these issues in the context of our **Resilience** strategic focus area.

OUR PERFORMANCE FRAMEWORK FOR 2022/23

TĀ MĀTAU ANGA Ā-WHĀINGA MAHI I NGĀ TAU 2022/23

Measuring and reporting on progress in achieving our medium-term and long-term aspirations is critical to achieving our aims.

Our performance framework is based on our long-term strategic direction (Strategic Direction 2019–2029: *Te whakaputa hua ki te hunga o Aotearoa—Creating value for New Zealanders*).

Over 2022/23, we will review our performance framework to help us understand how we are achieving the goals in our strategic direction 2019–2029 and our progress under each of the three strategic focus areas identified in our *Statement of Intent 2022–2026*. We expect this to result in changes to our performance framework from 2023/24.

The performance framework in this statement of performance expectations outlines what we will be measuring in 2022/23. This will be a mix of measures that will provide a balanced picture of our performance. We will report against these measures in the *2022/23 Annual Report*.

Our measures are a combination of two main approaches.

- **Annual priorities:** through our annual priorities we'll focus on activities that link to the four perspectives of our strategic direction and to the strategic focus areas in our *Statement of Intent 2022–2026*, as well as our Te Kaupapa o Toi Aotearoa work programme.
- **Core activities:** these are more business-as-usual activities, such as running investment and grants programmes, delivering capability building initiatives, and carrying out advocacy or leadership activities. We have included internally focused measures because we aim to show how our internal operating capability directly contributes to the value we provide for our clients.

We will track our progress, report against our annual priorities and core activities, and talk about how these are helping us contribute to the change we're seeking in our medium-term strategy and long-term goals.

Over 2022/23, we will also monitor and report on progress against our strategies and policies. These strategies and policies contribute directly to our outcomes, and we will show how their implementation is progressing through our quarterly reporting to the Minister and in the *Annual Report 2022/23*.

We measure the broader results of our work under our outcomes. For example, the Greater public engagement with the arts outcome is shown by:

- New Zealanders participating in the arts (ie, reported participant numbers across our major funding programmes)
- New Zealanders experiencing high-quality arts (ie, audience numbers from activity funded through our major funding programmes).

We also monitor significant areas of interest that can be used to show change over time. For example, under the **Sector perspective** of *Creating value for New Zealanders*, we track sector health. This is an area not necessarily within Creative New Zealand's control but one where movement may prompt us to act.

We aim to improve the quality of our measures over time. The planned review of our performance framework will include how we can better track and report on progress against our major strategies, including the *Investment Strategy Te Ara Whakamua*, *Te Hā o ngā Toi—Māori Arts Strategy* and the *Pacific Arts Strategy*.

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 the creation of public value through the *Creating value for New Zealanders* model.

OUR PERFORMANCE FRAMEWORK FOR 2022/23

TĀ MĀTAU ANGA Ā-WHĀINGA MAHI I NGĀ TAU 2022/23

Mana and support perspective

<p>Strategic perspective and goal From our strategic direction for 2019–2029</p>	<p>How will we create value for New Zealanders? We'll create long-term value through the four strategic perspectives of <i>Creating value for New Zealanders</i></p>	<p>How will we know we're successful? We'll monitor the impact of our work to measure our success</p>
<p>Mana and support perspective goal: We grow the confidence of others in us and attract greater resources for the arts, recognising their contribution to the wellbeing of New Zealanders</p>	<p>Mana and support perspective</p> <p>Our external operating environment: The mechanisms and entities that guide our strategic intentions and whose support influences our resources and authority</p>	<p>Indicators of confidence in Creative New Zealand's performance</p> <p>Maintain or improve audit management ratings for management control, financial systems and service performance information</p> <p>Percentage of clients who are satisfied with the overall service received from Creative New Zealand</p> <p>Rating on the Colmar Brunton Public Sector Reputation Index</p>

Creative New Zealand Perspective

Strategic perspective and goal From our strategic direction for 2019–2029	How will we achieve our goals? We'll create long-term value through the four strategic perspectives of <i>Creating value for New Zealanders</i>	How will we know we're successful? We'll monitor the impact of our work to measure our success	
Creative New Zealand perspective goal: We have the strategies, services and operational capacity to drive the development of the arts in New Zealand for the benefit of all New Zealanders	CREATIVE NEW ZEALAND PERSPECTIVE		
	Our deliverables – What we do to deliver on our strategic intentions	Core activity measures	Annual priorities - these link to the Statement of Intent 2022–2026 strategic focus areas
	Investing in the arts – Investing in artists, art practitioners and arts organisations and their projects in a fair, transparent and strategic way	Percentage of Tōtara and Kahikatea organisations that meet or exceed performance expectations set out in funding agreements Percentage of completed projects that meet or exceed expectations in funding agreements	Implementing the Remuneration Policy for Artists and Arts Practitioners Supporting the development of digital capability in the arts, creative and cultural sectors
	Developing the arts – Developing the arts sector's capacity to succeed and undertaking initiatives to develop the arts	Percentage of clients who agree capability building programmes align with their needs and priorities Percentage of clients who rank capability building initiatives as extremely or very effective, relevant and helpful Percentage of completed projects for targeted initiatives to develop the arts delivered to the sector that have met or exceeded our expectations	Increasing our understanding of the role of the arts and ngā toi in contributing to the wellbeing of New Zealanders Monitoring the sustainability of arts, culture and creative sector careers
	Advocating for the arts – Promoting the value of the arts and empowering the arts sector to make the case for the arts	Percentage of advocacy actions described in the annual advocacy action plan that have met or exceeded our expectations	
	Leadership in the arts – Providing leadership to ensure the arts sector is well positioned collectively to respond to change	Overall participant satisfaction with Creative New Zealand-led events Number of Creative New Zealand-commissioned research projects that advance knowledge or discussion about the arts in New Zealand	
	Partnering for the arts: Developing reciprocal relationships and partnerships that increase the impact of our collective work for the arts (new)	A performance measure for Partnering for the arts will be developed in 2022/23	

Strategic perspective and goal From our strategic direction for 2019–2029	How will we achieve our goals? We'll create long-term value through the four strategic perspectives of <i>Creating value for New Zealanders</i>	How will we know we're successful? We'll monitor the impact of our work to measure our success	
CREATIVE NEW ZEALAND PERSPECTIVE			
	Our deliverables – What we do to deliver on our strategic intentions	Core activity measures	Annual priorities - these link to the Statement of Intent 2022–2026 strategic focus areas
	Our resources – The capability and capacity we have to deliver on our strategic intentions		
	Public money	Total level of investment by Creative New Zealand in the arts Maintain operating costs in line with policy set by the Arts Council (being between 15% and 16% of total expenditure)	
Creative New Zealand perspective goal: We have the strategies, services and operational capacity to drive the development of the arts in New Zealand for the benefit of all New Zealanders	Our people and expertise	Improve on the Workplace survey overall performance index	Advancing our Te Kaupapa o Toi Aotearoa programme - aimed at ensuring Creative New Zealand has the organisational culture, competencies and practices to enable it to meet its aspirations under Te Tiriti o Waitangi and adopt a multi-lensed approach to how we work
	Our operational capacity	Percentage of funding decisions made within specified timeframes Percentage of applications externally assessed Developing our Accessibility Policy and implementing a programme of work aimed at ensuring our services are accessible to and reflective of different communities	
	Our internal operating environment – The strategies and policies that guide our work and collectively form our strategic intentions as set by the Arts Council		
	The strategies and policies that guide our work and collectively form our strategic intentions	Deliver actions set out in approved implementation plans for key kaupapa-based strategies: <ul style="list-style-type: none"> • <i>Te Hā o ngā Toi—Māori Arts Strategy 2019–2024</i> • <i>Pacific Arts Strategy 2018–2023</i> 	

Strategic perspective and goal From our strategic direction for 2019–2029	How will we achieve our goals? We'll create long-term value through four perspectives	How will we know we're successful? We'll monitor the impact of our work to measure our success
Sector perspective goal: We work collaboratively with others developing a dynamic and resilient arts sector, and building support for New Zealand arts in Aotearoa, Te Moana-nui-a-Kiwa and the world.	Sector perspective	Indicators of sector health and performance
	The sector: The artists and arts organisations, collaborators and partners we work with and who contribute to our outcomes	Artistic health Tōtara and Kahikatea organisations meet or exceed expectations for quality of artistic programme
		Financial health Percentage of Tōtara and Kahikatea organisations that meet or exceed expectations for financial health measures
		Funding Average private support (sponsorship, philanthropy, and trust funding) per investment organisation
		Our relationships Number of active relationships (including co-investment, regular meetings, shared projects) Creative New Zealand maintains with organisations or collectives that have shared interests, including government, local government, trusts, and other partners

Outcomes and Values perspective

<p>Strategic perspective and goal</p> <p>From our strategic direction for 2019-2029</p>	<p>How will we create value for New Zealanders?</p> <p>We'll create long-term value through the four strategic perspectives of Creating value for New Zealanders</p>	<p>How will we know we're successful?</p> <p>We'll monitor the impact of our work to measure our success</p>
OUTCOMES AND VALUE PERSPECTIVE		
<p>Outcomes and value perspective goal:</p> <p>We can clearly articulate how our work and engagement in the arts deliver value for all New Zealanders</p>	<p>Our outcomes – The difference we want our work to make</p>	<p>Outcome measures</p>
	<p>Stronger arts</p>	<p>High-quality New Zealand art is developed</p> <p>Number of new New Zealand works developed</p> <hr/> <p>New Zealand arts gain international success</p> <p>Number of individuals and organisations funded by Creative New Zealand to engage internationally</p> <p>Number of international arts activities and events funded by Creative New Zealand</p>
	<p>Greater public engagement with the arts</p>	<p>New Zealanders participate in the arts</p> <p>Number of participants in arts activities funded by Creative New Zealand</p> <hr/> <p>New Zealanders experience high-quality arts</p> <p>Number of attendances at arts activities and events funded by Creative New Zealand</p>
	<p>Stronger arts sector</p>	<p>New Zealand's arts sector is resilient</p> <p>Percentage of Tōtara and Kahikatea organisations that meet or exceed expectations set in their funding agreements across the three dimensions of: quality of artistic programme, financial health, organisational health</p> <hr/> <p>New Zealand arts are valued and supported</p> <p>Average percentage of 'other' (non-Creative New Zealand) investment across the Tōtara and Kahikatea organisations'</p> <p>Index rating for how New Zealanders perceive the value of the arts to New Zealand (<i>New Zealanders and the Arts</i> survey data)</p>

OUR FOCUS AND PERFORMANCE FOR 2022/23

TŌ MĀTAU ARONGA MATUA I NGĀ TAU 2022/23

Mana and support perspective



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

This perspective recognises the entities and mechanisms that grant us the legitimacy and authority we need to do our work and whose support influences our resources.

How will we measure progress under this goal?

We will monitor feedback from Audit New Zealand, the arts sector (including applicants to Creative New Zealand) and the New Zealand public. In 2022/23, we will also work to improve how we monitor Manatū Taonga Ministry for Culture and Heritage satisfaction with the quality of service and support provided by Creative New Zealand.

Ref.	Measure/ indicator	2020/21 Actual	2021/22 Target	2022/23 Target	Rationale
1.1	Audit management ratings for management control, financial systems and service performance information	Very good Very good Good	Very good Very good Very good	Very good Very good Very good	This demonstrates the confidence held in us by those we are externally accountable to.
1.2	Overall satisfaction with Creative New Zealand's service	65%	≥65%	≥68%	This measures our reputation in the sector, particularly with applicants.
1.3	Rating on the Colmar Brunton Public Sector Reputation Index	106	≥103	≥104	This measures our reputation with the New Zealand public.

Creative New Zealand perspective



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

This perspective recognises the importance of having strategies and policies to guide our work and the capability and capacity to deliver on our strategic intentions. This perspective is influenced by our external operating environment and, in turn, influences how we support and engage with the sector.

Our internal operating environment describes the strategies and policies that collectively form our strategic intentions as set by the Arts Council. It includes our Strategic Direction 2019–2029: *Te*

whakaputa hua ki te hunga o Aotearoa Creating value for New Zealanders, alongside the strategies and policies we have developed with the sector (see page 18). These strategies and policies guide how we manage our resources, deliver programmes and initiatives, and collaborate with others.

Our resources describe the capability and capacity we have as an organisation to deliver on our strategic intentions. This includes the public money we receive, our people and expertise, and our operational capacity.

Our deliverables are what we will do to meet our goals and contribute to our outcomes. We have five deliverables, as explained below.

<p>Investing in the arts</p>	<p>Investing in artists, art practitioners, and arts organisations and their projects in a fair, transparent, and strategic way.</p> <p>Creative New Zealand funding supports professional development opportunities as well as the creation, presentation and distribution of art throughout New Zealand and overseas. We will deliver most of our funding through our main investment programmes.</p> <p>Over 2022/23, we will:</p> <ul style="list-style-type: none"> • deliver investment to programmes and initiatives that support the sector to recover from the impact of COVID-19 • deliver investment to support the implementation of <i>Te Hā o ngā Toi—Māori Arts Strategy 2019–2024</i> and the <i>Pacific Arts Strategy 2018–2023</i>.
<p>Developing the arts</p>	<p>Developing the arts sector’s capacity to succeed and undertaking initiatives to develop the arts.</p> <p>Creative New Zealand provides opportunities for arts organisations, individual artists and practitioners to build their skills and capability, with the goal of developing the arts sector’s capacity to succeed.</p> <p>Over 2022/23, we will:</p> <ul style="list-style-type: none"> • focus on delivering capability building funding and initiatives to support the needs of individual artists and arts practitioners. • finalise a digital arts commissioning and capability initiative with funding from the Cultural Sector Capability Fund • continue to adapt our international programme to build sector capability and networks to operate in the 2022/23 context.

<p>Advocating for the arts</p>	<p>Promoting the value of the arts and empowering the arts sector to make the case for the arts.</p> <p>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.</p> <p>Over 2022/23, we will:</p> <ul style="list-style-type: none"> • implement ongoing national arts advocacy campaigns and engagement mahi, public-facing and arts community-focused, including continued media advocacy • advocate to, and work with, local government given its mandate for improving communities’ social and cultural wellbeing • talk about the value of the arts, with a focus on their positive effects on the social wellbeing of communities • work with Te Rōpū Mana Toi (Creative New Zealand’s arts advocacy advisory group) to help prioritise and advance major advocacy work and look to refresh our advocacy strategy.
<p>Leadership in the arts</p>	<p>Providing leadership to ensure the arts sector is well positioned collectively to respond to change</p> <p>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.</p> <p>We encourage those in the sector to work together, to organise and discuss issues and goals through gatherings such as the Board Chair event, develop the research, strategies and policies that seek to advance the arts, and provide advice to government on matters affecting our functions.</p> <p>Over 2022/23, we will:</p> <ul style="list-style-type: none"> • lead engagement with artists, communities, the sector and stakeholders to identify significant impacts, issues and opportunities, including through our Board Chair event. • promote and develop new research to provide insights to support the arts sector to respond to challenges and opportunities.
<p>Partnering for the arts</p>	<p>Developing reciprocal relationships and partnerships that increase the impact of our collective work for the arts</p> <p>Creative New Zealand develops reciprocal relationships and partnerships that increase the impact of its collective work for the arts. Partnerships may focus on short-term kaupapa-based initiatives or enduring relationships that recognise long-term value.</p> <p>This is consistent with Te Kaupapa o Toi Aotearoa, and our Waka Hourua model. It recognises that we increasingly need to work with others to grow our resources, achieve our goals and give legitimacy to how we work.</p> <p>Over 2022/23, we will:</p> <ul style="list-style-type: none"> • develop an approach to partnering in the arts, including identifying priority areas for partnership development • develop new partnerships with organisations and others with shared objectives that increase our collective impact, including co-investment opportunities

How we will measure progress under this perspective

Our work under this perspective is a combination of:

- annual priorities: a mix of new projects and ongoing work that support our three strategic focus areas
- core activities: programmes and initiatives offered year on year, such as providing funding programmes, delivering capability building initiatives and carrying out advocacy work, for example submissions.

Annual priorities and measures (achievement results)

Ref.	Annual Priority	Link to strategic focus area	Key actions 2022/23	Achievement result 2022/23
Deliverables				
Investing in the arts				
AP.1	Implementing the Remuneration Policy for Artists and Arts Practitioners	Resilience	<ul style="list-style-type: none"> • Review remuneration guidance for Arts Grants • Develop clear expectations of organisations in our Investment programmes (Toi Tōtara Haemata and Toi Uru Kahikatea) • Review the policies for the payment of assessors under the Creative Communities Scheme 	<ul style="list-style-type: none"> • The arts sector has a clear understanding of the remuneration policy and relevant guidelines.
Developing the arts				
AP.2	Supporting the development of digital capability in the arts, creative and cultural sectors	Resilience	<ul style="list-style-type: none"> • Advance the digital commissioning and capability initiative, subject to funding targets being achieved • Continue support for individual practitioners through the Building Business Capability for Individual Practitioners Fund 	<ul style="list-style-type: none"> • A digital capability initiative is implemented by 30 June 2023, subject to securing required funding. • Investment is delivered through the Building Business Capability for Individual Practitioners Fund in 2022/23.
Advocating for the arts				
AP.3	Increasing our understanding of the role of the arts and ngā toi in contributing to the wellbeing of New Zealanders	Wellbeing	<ul style="list-style-type: none"> • Develop a research approach to understanding the value of the arts and ngā toi to New Zealanders 	<ul style="list-style-type: none"> • Research approach developed and research is started.

Ref.	Annual Priority	Link to strategic focus area	Key actions 2022/23	Achievement result 2022/23
Deliverables				
Leadership in the arts				
AP.4	Monitoring the sustainability of arts, culture and creative sector careers	Resilience	<ul style="list-style-type: none"> Communicate summary findings of the Arts Sector Remuneration Report (commissioned from Strategic Pay) Start a repeat of A Profile of Creative Professionals research into the working lives of creative professionals 	<ul style="list-style-type: none"> Research insights produced are useful to the sector and stakeholders and serve to advance discussion about the arts in New Zealand.
Our resources				
Our people and expertise				
AP.5	Advancing Te Kaupapa o Toi Aotearoa, aimed at ensuring we have the organisational culture, competencies and practices to enable us to meet our aspirations under Te Tiriti o Waitangi and adopt a multi-lensed approach to how we work	Access, inclusion and equity	<ul style="list-style-type: none"> Completing Pou 2 of the Te Kaupapa o Toi Aotearoa programme: Building organisational baseline capacity to be multi-lensed Starting Pou 3: Embedding Te Kaupapa into key governance and management policies and behaviour Implementing the Toi Tipu Toi Rea Pilot – trialling new ways of working with the sector in the context of Te Kaupapa o Toi Aotearoa 	<ul style="list-style-type: none"> Feedback from staff through engagement surveys shows a commitment to, and greater understanding of, the main elements of Te Kaupapa o Toi Aotearoa. A review of key governance and management policies has started. Positive feedback from the sector on pilot principles and processes.
Our operational capacity				
AP.6	Implementing a programme of work aimed at ensuring our services are accessible to and reflective of different communities	Access, inclusion and equity	<ul style="list-style-type: none"> Developing an accessibility policy aimed at ensuring our services are accessible to, and inclusive of, deaf and disabled artists and practitioners and communities Implementing a new application portal that meets accessibility standards 	<ul style="list-style-type: none"> Positive feedback from stakeholders and the sector on accessibility policy principles and guidelines. The Creative New Zealand application portal meets accessibility standards and receives positive feedback from applicants.

Core activity measures

Ref.	Name	2020/21 Actual	2021/22 Target	2022/23 Target	Rationale
Deliverables					
Investing in the arts: Investing in artists, art practitioners and arts organisations, and their projects, in a fair, transparent and strategic way					
2.1	Tōtara and Kahikatea investment organisations meet or exceed expectations against performance expectations set out in individual funding agreements (overall performance of Tōtara and Kahikatea organisations)	91.5%	≥96%	≥96%	Calculates the average percentage of 'met' or 'exceeded' expectations across the organisations, to measure their overall performance for the period.
2.2	Completed projects meet or exceed expectations set in funding agreements	98.2%	99%	≥99%	Reports on 'met' or 'exceeded' expectations for project-based funding: Project-funded Kahikatea clients; Grants and special opportunities; International and capability building programme grants; and other project-based funding.
Developing the arts: Developing the arts sector's capacity to succeed and undertaking initiatives to develop the arts					
2.3	Clients agree the capability building programme aligns with their needs and priorities	91%	90%	N/A	We will not be offering a tailored programme of initiatives to arts organisations this year.
2.4	Clients rank capability building initiatives as extremely or very effective, relevant and helpful	79%	≥75%	N/A	The focus of the capability building and initiatives programme in 2022/23 is to support individual artists and arts practitioners through funding including the Building Business Capability Fund. Sector feedback will be available through the annual customer satisfaction survey.
2.5	Capability building initiatives delivered to the sector that met or exceeded our expectations	89.4%	≥92%	N/A	
Advocating for the arts: Promoting the value of the arts and empowering the arts sector to make the case for the arts					

2.6	Annual advocacy actions that meet or exceed our expectations	83%	≥75%	≥75%	Measures assessment of the immediate results of individual advocacy actions for the period.
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Leadership in the arts: Providing leadership to ensure the arts sector is well positioned collectively to respond to change

2.7	Overall participant satisfaction with Creative New Zealand-led events	85%	≥73%	≥73%	Measures participant satisfaction with key Creative New Zealand events.
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Our resources

Public money

2.9	Total level of investment by Creative New Zealand in the arts	\$80.358 million	\$75.250 million (forecast)	\$69.419 million (budget)	Measures actual investment delivered for the period against budget.
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2.10	Maintain operating costs in line with policy set by the Arts Council	12%	≤16%	≤16%	Arts Council policy sets the operating costs between 15 percent and 16 percent of total expenditure.
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Our people and expertise

2.11	Improve on Workplace survey overall performance index	74.8%	≥75%	≥75%	Averages survey section scores, covering areas like quality and performance focus, communication and co operation, and learning and development.
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Our operational capacity

2.12	Funding decisions are made within specified timeframes	100%	100%	100%	These measures demonstrate timeliness and fairness within our funding decision-making processes and reflect the service standards we uphold for applicants.
2.13	Percentage of applications externally assessed	100%	100%	100%	

Budget 2020-funded initiative measures

The Government's Budget 2020 saw the establishment of the Arts and Culture COVID Recovery Programme. Along with baseline funding, Creative New Zealand received additional funding to deliver (or contribute to the delivery of) specific initiatives.

Most of the initiatives are now finished, but the Pasifika Festivals Initiative is ongoing. We received \$12 million over three years to deliver this initiative, and in 2022/23 we will continue its delivery and monitor our progress through quarterly reporting to the Minister of Arts, Culture and Heritage.

We are also progressing a digital commissioning and capability initiative with funding received from the Cultural Sector Capability Fund.

Funding component	2022/23 budget	Outcomes sought	Performance measure 2022/23
Pasifika Festivals Initiative ⁵	\$4 million	<ul style="list-style-type: none"> Pasifika festivals experiencing financial hardships due to the direct impact of the COVID-19 pandemic remain viable. Pasifika festivals have the technical ability and management capability to operate in a COVID-19 environment. Key stakeholders that form part of the Pasifika festival ecosystem are considered in any funding considerations. 	<p>Percentage of completed projects that meet or exceed expectations as set out in funding agreements.</p> <p>In addition, a post-completion evaluation survey will be designed together with partners.</p>
Cultural Sector Capability Fund	\$2 million	<ul style="list-style-type: none"> The arts sector has the necessary industry, technical and business capability to meet the challenges of a COVID-19 environment. 	A digital capability initiative is implemented by 30 June 2023, subject to securing required funding.

⁵ Includes \$200,000 for operational costs across a three-year period.

Sector perspective



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

This perspective describes who we work with, for example, the players who help us achieve our outcomes and deliver value for New Zealanders. When we talk about ‘the sector’, we mean the

clients, collaborators and partners we work with. Our clients are the artists, arts practitioners and arts organisations that receive our funding and create artworks, deliver activities and provide services.

Under this perspective, we also track trends and developments across the sector. This helps us identify and respond to issues and bring the sector together to address challenges and respond to opportunities.

How we will measure progress under this perspective

Creative New Zealand supports 81 arts organisations through the Toi Tōtara and Toi Uru Kahikatea Investment programmes. Along with tracking trends and developments across the sector (page 39), we use these organisations as a proxy for the sector, and monitor artistic health, financial health and revenue streams.

Ref.	Indicator	2020/21 Actual	2021/22 Target	2022/23 Target	Rationale
Artistic Health					
3.1	Tōtara and Kahikatea organisations meet or exceed expectations for quality of artistic programme	100%	100%	100%	The quality of our Tōtara and Kahikatea organisations’ artistic programmes is a proxy measure of artistic quality in New Zealand. Maintaining excellence in this area has a material impact on the health of the sector.
Financial health					
3.2	Tōtara and Kahikatea organisations meet or exceed expectations for financial health	96%	≥98%	≥96%	Tōtara and Kahikatea organisations receive around two-thirds of Creative New Zealand’s investment in the arts. Their financial health is a proxy measure of the financial health of the arts sector.
Funding					
3.3	Average private support (sponsorship, philanthropy and trust funding) per investment organisation	62.1%	≥63%	≥63%	Increasing support from private investment indicates a valued and supported sector.

Ref.	Indicator	2020/21 Actual	2021/22 Target	2022/23 Target	Rationale
Our Relationships					
3.4	Number of active relationships (including co-investment, regular meetings, shared projects) Creative New Zealand maintains with organisations that have shared interests	159	≥175	≥175	Through our collaborations, we will share knowledge and resources with key partners to achieve our goal of developing a dynamic and resilient arts sector.

How we measure the state of the sector over time

To support the sector perspective indicators below, we monitor the following areas to gain a better understanding of the state of the sector and changes over time. These are not performance measures Creative New Zealand will be held accountable for, because change in these areas is often out of Creative New Zealand's control.

We monitor them over time to see where we can contribute through our programmes and advocacy and policy work. We will provide snapshots of sector trends in the Annual Report 2022/23.

These indicators also help us monitor the resilience of the sector, being one of our three strategic focus areas.

Trends monitored	Data source	Rationale
Employment		
Median chief executive salary in a small (arts) organisation compared with the not-for-profit median	Arts Sector Remuneration Report 2021 – biennial	This indicator shows pay rates within surveyed arts organisations versus the not-for-profit sector. While Creative New Zealand does not have a direct effect on salaries, its work in arts policy and advocacy, often in collaboration, aims to contribute to growth in the sector in these areas.
Median total income for creative professionals versus median total income for New Zealanders earning a salary or wage	Profile of Creative Professionals survey 2019 – biennial	In 2019, the median total income for New Zealanders earning a salary or wage was \$51,800. While Creative New Zealand does not have a direct effect on salaries, its work in arts policy and advocacy, often in collaboration, aims to contribute to growth in the sector in these areas. The next Profile of Creative Professionals Survey will be run in 2022/23.
Funding		
Annual level of local authority investment in 'culture'	Stats NZ local authority statistics – annual	These indicators provide a picture of funding to the arts through three main revenue streams: private investment and local and central government. Increasing support from all three areas indicates a valued and supported sector. Creative New Zealand will continue working in its advocacy and leadership roles to show the value of the arts.
Average annual government per person expenditure on arts	Creative New Zealand desk research – annual	
The market		
Percentage of New Zealanders in the market for culture	Audience Atlas Aotearoa 2020 survey – triennial	These indicators track the New Zealand public's appetite for arts in New Zealand. Through ensuring diversity and reach, access and dynamic arts, we aim to increase New Zealander's appetite for the arts in New Zealand.
Percentage of New Zealanders engaged in the arts	New Zealanders and the Arts—Ko Aotearoa me ōna toi 2020 survey – triennial	

Outcomes and value perspective



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

This perspective describes the difference we want our work to make: our outcomes. We achieve our outcomes by working with others, through investing in artists, arts practitioners and arts organisations

that deliver arts experiences and services to New Zealanders, and through our work developing, advocating for, providing leadership in the arts and partnering with others for greater impact.

This perspective also describes ways the arts create value and contribute to the wellbeing of New Zealanders; we term these ‘value of the arts statements’.

How we will measure progress under this perspective

Our outcome measures demonstrate our achievements for the year when reported in the 2022/23 Annual Report.

Ref.	Name	2020/21 Actual	2021/22 Target	2022/23 Target	Notes
Outcome: Stronger arts					
4.1	High-quality New Zealand art is developed: New New Zealand works are developed	7,382	≥3,500	≥3,500	This measure includes works funded through the Tōtara, Kahikatea and Grant’s investment categories. The target is affected by available funding, applications received and funding requested.
4.2	New Zealand arts gain international success: Individuals and organisations are funded by Creative New Zealand to engage internationally	45	50–80	50–80	These measures demonstrate New Zealand artists’ and arts organisations’ success on the world stage. This measure does not reflect online digital engagement.
4.3	New Zealand arts gain international success: International arts activities and events are funded by Creative New Zealand ⁶	884	200–250	≥450	

⁶ ‘Arts activities’ capture a variety of works that Creative New Zealand funds (for example, plays, concerts, dance performances, exhibitions, workshops, masterclasses, publications). ‘Events’ capture the number of opportunities audiences have to experience arts activities (for example, each time a play, concert, dance performance, workshop, masterclass occurs; each day an exhibition is open to the public; each sale or publication).

Ref.	Name	2020/21 Actual	2021/22 Target	2022/23 Target	Notes
Outcome: Greater public engagement in the arts					
4.4	New Zealanders participate in the arts: Participants in arts activities funded by Creative New Zealand	259,773	≥200,000	≥250,000	Participation includes the active involvement of individuals, groups and/or communities in the making or presentation of art. It applies to professional, emerging and non-professional artists, including those involved in cultural and recreational activities.
4.5	New Zealanders experience high-quality arts: Attendances at arts activities and events funded by Creative New Zealand	8,318,749	≥5,000,000	≥3,000,000 (online and in person attendance)	Attendance refers to audience numbers, including paid audiences, readers, viewers and attendances at free events.
Outcome: Stronger arts sector					
4.6	New Zealand's arts sector is resilient: Tōtara and Kahikatea organisations meet or exceed expectations set out in their funding agreements across three dimensions: quality of programme; financial health; organisational health	98.8%	≥100%	≥97.5%	Using our investment clients as a proxy for the arts sector, we can show a resilient arts sector.
4.7	New Zealand arts are valued and supported: Average percentage of 'other' (non-Creative New Zealand) investment across Tōtara and Kahikatea organisations	62.1%	≥63%	≥63%	Using our investment clients as a proxy for the arts sector, we can show support for the sector by monitoring the level of revenue organisations generate from sources other than Creative New Zealand.
4.8	Index rating for how New Zealanders perceive the value of the arts to New Zealand	59%	≥59%	≥59%	This rating is based on the results of three measures in the New Zealanders and the Arts 2020 survey. ⁷

⁷ 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.

How we measure the value the arts create for New Zealanders

The statements below identify the ways the arts create value and add to the wellbeing of New Zealanders. These are not performance measures Creative New Zealand will be held accountable for, because change in these areas is often out of Creative New Zealand's control and is affected by many factors.

We will monitor trends to see where we might contribute through our programmes and advocacy and policy work. We will provide snapshots of sector trends in our annual report for 2022/23. The results of our New Zealanders and the Arts—Ko Aotearoa me ōna Toi and Audience Atlas Aotearoa research show New Zealanders' attitudes, attendance and participation in the arts, and this research is a valuable advocacy and development tool for the arts sector.

Value of the arts statements	Trends monitored	Data source
<p>The arts and ngā toi improve the wellbeing of New Zealanders</p> <p>The arts contribute to personal wellbeing.</p> <p>The arts contribute to healthier people.</p> <p>The arts contribute to education and skills development.</p> <p>The arts create a more highly skilled workforce.</p> <p>The arts develop creative people who provide new approaches to solving problems.</p>	<p>Life satisfaction correlated to engagement in cultural activity</p> <p>Rating for the 'arts improve how I feel about life in general'</p>	<p>Stats NZ General Social Survey – biennial</p> <p>New Zealanders and the Arts survey data 2020 – triennial</p>
<p>The arts and ngā toi strengthen whānau, communities and society</p> <p>The arts contribute to a sense of belonging, social inclusion and cohesion by actively connecting people and communities.</p> <p>The arts contribute to our identity as individuals, whānau, community(ies), and as a nation.</p> <p>The arts support a strong democracy.</p>	<p>Index rating for correlation of belonging to a group, club or organisation to a sense of life satisfaction and feeling that life is worthwhile</p> <p>Index rating for how engagement in the arts strengthens communities, society and our identity</p>	<p>Stats NZ General Social Survey – biennial</p> <p>New Zealanders and the Arts survey data 2020 – triennial</p>
<p>The arts sector contributes to prosperous and resilient communities</p> <p>The arts sector provides jobs and careers for artists and practitioners.</p> <p>The arts play a role in rejuvenating and making cities and communities great places to live.</p> <p>The arts contribute to New Zealand's economy.</p>	<p>Percentage of total employment (arts-related industries)</p> <p>Percentage of territorial authorities with an arts and culture policy</p> <p>Rating for the arts contribute positively to the economy</p> <p>Household spending on the arts</p> <p>Arts-related industries' contribution to gross domestic product</p>	<p>Stats NZ Census 2018 – five yearly</p> <p>Creative New Zealand survey data – annual</p> <p>New Zealanders and the Arts survey data 2020 – triennial</p> <p>Stats NZ Household Economic Survey – triennial</p> <p>Manatū Taonga Arts and Creative Sector Profile 2020</p>
<p>Ngā toi and the arts contribute to the wellbeing of Te Taiao (the natural world)</p> <p>Ngā toi and the arts can play a role in the culture change required to address environmental challenges such as climate change.</p>	<p>Work to confirm key trends will be carried out in 2022/23.</p>	<p>To be confirmed in 2022/23.</p>

FINANCIAL PLANNING AND PERFORMANCE IN 2022/23

TE WHAKAMAHERE PŪTEA ME TE WHAKATUTUKI MAHI I NGĀ TAU 2022/23

This section provides our prospective financial statements for 2022/23 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 2022 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 Statement of Performance Expectations 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:

- June 2021 – actual figures from the 2020/21 Annual Report
- June 2022 – forecast figures based on the actual figures as of 31 May 2022
- June 2023 – budget based on the budget approved by the Arts Council on 29 June 2022.

Financial planning and performance context

Forecast for 2021/22

Creative New Zealand expects to end the 2021/22 year with a net deficit of \$5.1 million, at the same level budgeted in the published Statement of Performance Expectations 2021/22. However, both revenue and expenses are forecast above those budgeted by \$11.8 million. These variances are mainly caused by higher revenue being distributed to the arts sector, as follows.

- Higher revenue received from the New Zealand Lottery Grants Board (NZLGB) by \$6 million. The budget was based on Lotto New Zealand's projections before the start of 2021/22. The final expected 2021/22 payment from the NZLGB was confirmed in July 2021 and revised during the year. For any financial year, the actual revenue from the NZLGB depends on the actual Lotto New Zealand profit for that year.
- Revenue from the Crown is higher than budgeted by \$4.6 million, resulting from:
 - Deferred 2020/21 revenue from the Crown related to unspent COVID-19 recovery response funding being \$2.3 million higher than budgeted (as detailed in Note 2).
 - Additional revenue from the Crown of \$5.5 million allocated in 2021/22 to provide short-term support to the arts sector in response to the COVID-19 Delta variant (\$5 million) and to deliver to programmes under the Mātauranga Māori Te Awe Kōtuku initiative (\$0.5 million).
 - Decreased by the forecast deferred 2021/22 revenue from the Crown of \$3.2 million related to unspent multi-year Covid-19 recovery funding for Cultural Sector Capability Fund and Pasifika Culture and Heritage Fund (as detailed in Note 2).
- Higher other revenue was received of \$1.2 million, related to the various project-related revenue from partners and donations (eg, Venice Biennale 2022, Moana Nui A Kiva Fund), higher grant retirements and interest revenue.

Forecast expenses for 2021/22 are below the overall investment Creative New Zealand made in the arts sector in 2020/21 (\$75.2 million compared with \$80.4 million), but significantly higher than in 2018/19, being the last pre-COVID year (as shown in figure 1). This increased investment includes the significant new Crown investment in Creative New Zealand of \$31.1 million in 2020/21 (\$3.4 million deferred to 2021/22) and \$12.2 million in 2021/22 (\$3.2 million deferred to 2022/23). How this money is being invested is detailed in note 2 on pages 56-57.

Our operating costs, having remained at around the same level for 11 years from 2007/08 to 2017/18, have increased in recent years as we've developed more specialist skills within the organisation.

- As a result of the increased investment in the sector in the past two years, we brought in additional resources to deliver the COVID-19 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).
- In addition to 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 enable 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 \$17.1 million at the end of 2021/22. 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 2. The depleted accumulated funds were increased in 2020/21 to \$22.2 million due to the welcome windfall from Lotto New Zealand profits.

Budget 2022/23

Dynamic planning and budgeting will continue to be the norm for Creative New Zealand, given the remaining uncertainty in our financial and operating environment (see page 23).

We have developed a relevant and affordable work programme for 2022/23 that reflects our strategic intentions, the ongoing COVID-19 context and remaining uncertainty in our operating environment. The plan and budget for 2022/23 were developed considering the following.

- Revenue from the NZLGB based on the updated Lotto NZ revenue projections for 2022/23, as advised in May 2022. The final expected 2021/22 payment from the NZLGB will be confirmed in July 2022 and revised during the year.
- Significantly higher inflation than we have experienced in recent times and the effect this will have on our operations and those we fund.
- Contracted budget of nearly \$20 million in 2022/23 that includes all of the Toi Tōtara Haemata Investment programme and specific tagged initiatives under the Government's Arts and Culture COVID Recovery Programme (eg, the Pasifika Festivals Initiative).
- A minimum equity level at \$6 million at the end of the second year of any budgeting cycle (equity policy agreed by the Arts Council in February 2021; this policy is designed to help reduce the organisation's exposure to adverse financial circumstances).

As the one-off COVID-response funding comes to an end, the 2022/23 budgeted overall investment into the arts sector is decreasing to \$69.4 million; this is still significantly higher than in 2018/19, being the last full pre-COVID-19 year, as shown in figure 1 and figure 3.

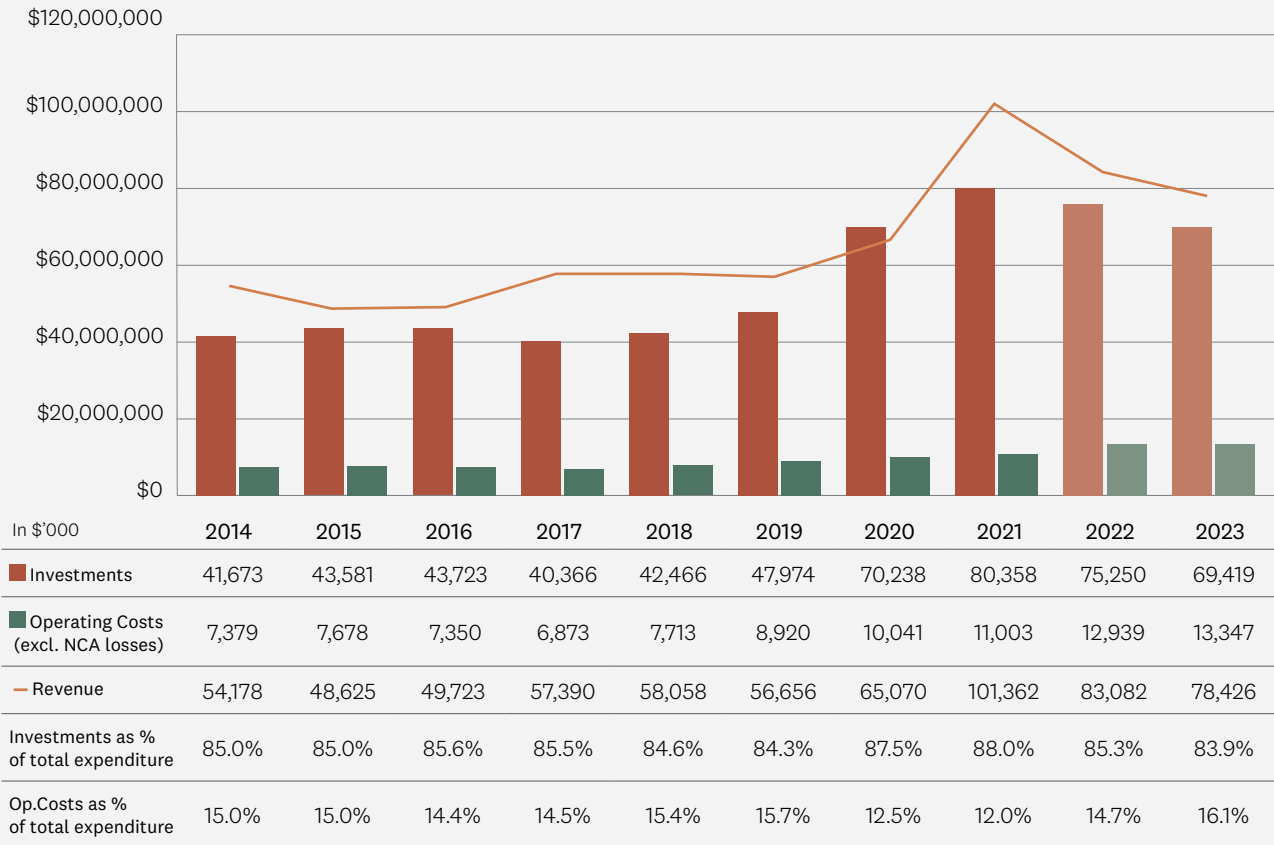
Our operating costs are close to the 2021/22 level, with provision for inflation, particularly in salaries and property leases. Because of the increased sector investment in the past three years, our operating costs were well below the minimum range of our operating cost policy range of 15 percent to 16 percent of total expenses, at around 13 percent. Operating costs are provisionally projected to exceed the operating cost policy range in 2022/23 at 16.1 percent. This position will be reviewed as revenue is confirmed and the consequences of our operating context, including the ongoing COVID-19 pandemic, become clearer.

Because of the significant investment we made in our initial 2020 COVID-19 emergency response, and our reduced reserves, we'll have limited financial flexibility over the next four years.

Creative New Zealand will continue with its dynamic approach to planning and budgeting, with the next budgets developed around August 2022, to reflect Lotto New Zealand's profit targets for 2022/23 and any wash-up payment for 2021/22 (generally advised in August).

the Arts, Culture and Heritage portfolio, and how they contribute to the creation of public value through the Creating value for New Zealanders model.

Figure 1: Revenue and expense trends 2013/14–2022/23



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.

2022 = forecast result for 2019/20
2023 and 2024 = current budgets for 2022/23

Figure 2: Surplus/(deficit), minimum equity and accumulated funds 2013/14–2022/23

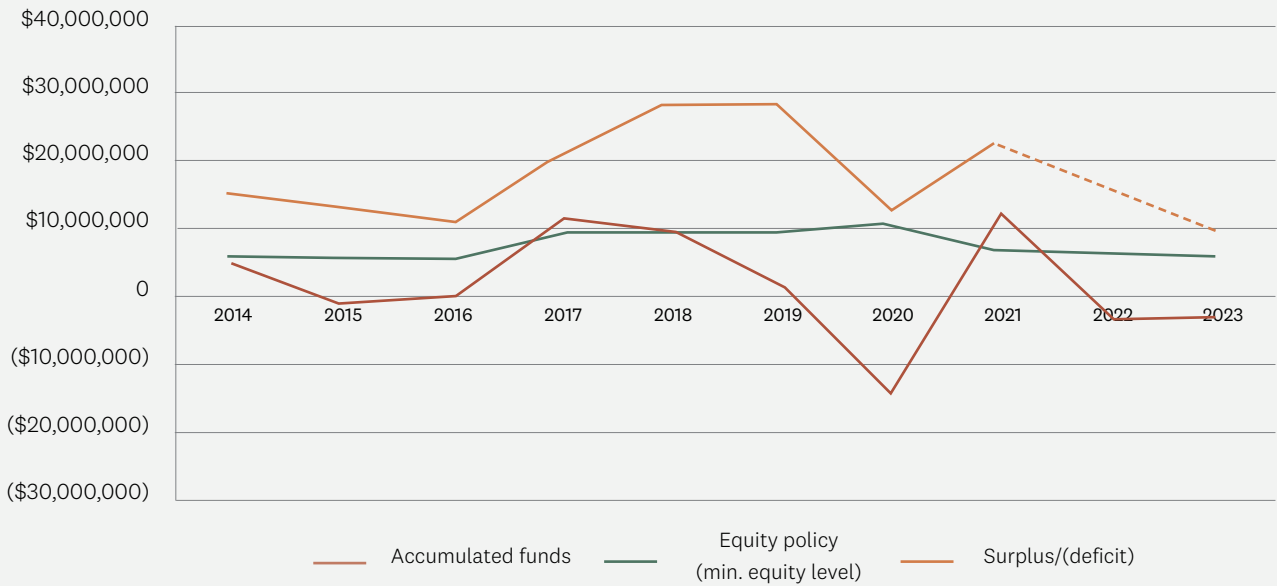
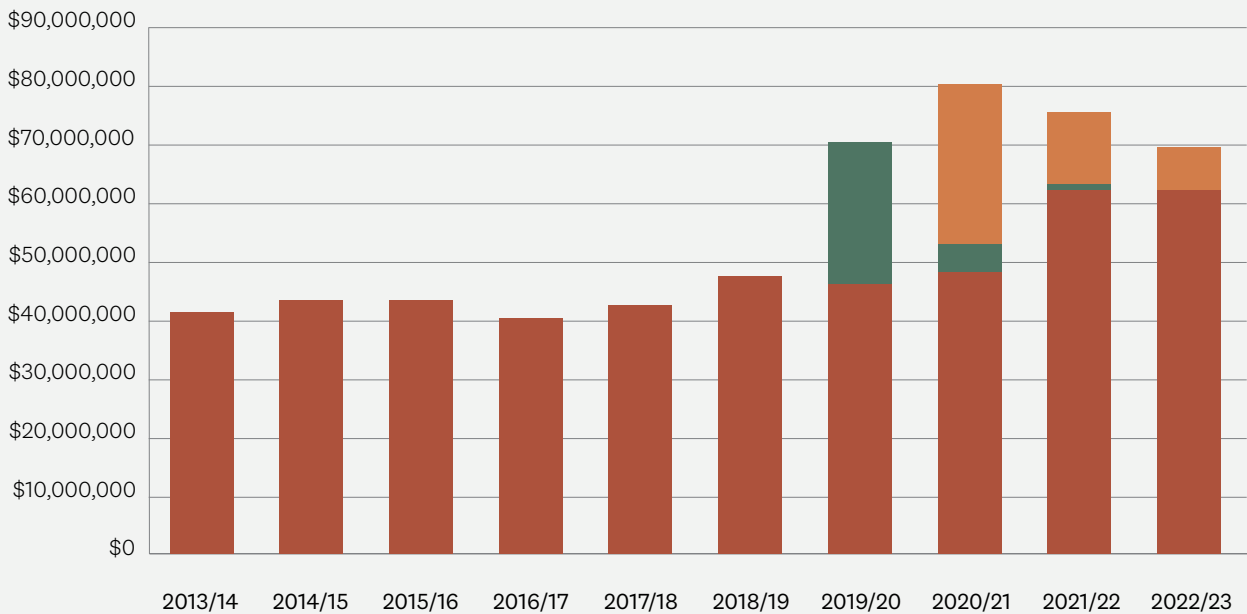


Figure 3: Investment into the arts sector 2013/14–2022/23 – COVID-19 and non-COVID-19 specific



	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
■ Creative NZ Investment (non-COVID-19 specific)	\$41,672	\$43,580	\$43,723	\$40,367	\$42,466	\$47,973	\$46,536	\$48,904	\$62,628	\$62,430
■ Creative NZ investment (COVID-19 Specific)	-	-	-	-	-	-	\$23,676	\$4,400	\$716	-
■ Crown COVID-19 specific investment	-	-	-	-	-	-	-	\$27,054	\$11,906	\$6,988

PROSPECTIVE FINANCIAL STATEMENTS

WHAKATAKOTO PŪRONGO PŪTEA

Prospective statement of financial performance

for the year ending 30 June

	Note	ACTUAL 2021 \$000	FORECAST 2022 \$000	BUDGET 2023 \$000
Revenue				
Revenue from the Crown	2	44,402	29,086	23,877
Revenue from the New Zealand Lottery Grants Board		55,625	52,500	53,895
Interest revenue		234	408	440
Other revenue		1,101	1,088	214
TOTAL REVENUE		101,362	83,082	78,426
Expenses				
Investing in the arts	3	65,985	67,068	58,520
Developing the arts	3	13,709	6,734	8,492
Advocating for the arts	3	609	1,375	1,722
Leadership in the arts	3	55	73	685
Partnering for the arts	3	-	-	-
		80,358	75,250	69,419
Operating Costs				
Personnel expenses		7,923	8,825	9,375
Depreciation and amortisation		410	407	459
Other expenses		2,670	3,707	3,513
		11,003	12,939	13,347
TOTAL EXPENSES		91,361	88,189	82,766
NET OPERATING SURPLUS / (DEFICIT)		10,001	(5,107)	(4,340)

Prospective statement of comprehensive revenue and expense

for the year ending 30 June

	ACTUAL 2021 \$000	FORECAST 2022 \$000	BUDGET 2023 \$000
Net operating surplus/(deficit) for the year	10,001	(5,107)	(4,340)
Other comprehensive revenue and expense			
Revaluation of works of art	746	210	-
Total other comprehensive revenue and expense	746	210	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	10,747	(4,897)	(4,340)

Prospective statement of changes in net assets/equity

for the year ending 30 June

	ACTUAL 2021 \$000	FORECAST 2022 \$000	BUDGET 2023 \$000
Total equity as at 1 July	14,074	24,821	19,924
Net operating surplus/(deficit) for the year	10,001	(5,107)	(4,340)
Other comprehensive revenue and expense	746	210	-
Total comprehensive revenue and expense	10,747	(4,897)	(4,340)
TOTAL EQUITY AS AT 30 JUNE	24,821	19,924	15,584

Prospective statement of financial position

as at 30 June

	ACTUAL 2021 \$000	FORECAST 2022 \$000	BUDGET 2023 \$000
ASSETS			
Current assets			
Cash and cash equivalents	9,210	9,085	6,542
Investments in term deposits	22,000	18,000	12,000
Receivables	20,209	14,556	13,775
Prepayments	157	360	200
Total current assets	51,576	42,001	32,517
Non-current assets			
Property, plant and equipment	514	730	690
Works of art	1,773	1,983	1,983
Intangible assets	967	683	564
Total non-current assets	3,254	3,396	3,237
TOTAL ASSETS	54,830	45,397	35,754
LIABILITIES			
Current liabilities			
Grants payable	24,983	20,584	19,000
Payables and deferred revenue	4,334	4,246	569
Employee entitlements	553	523	500
Total current liabilities	29,870	25,353	20,069
Non-current liabilities			
Lease incentive	57	38	19
Employee entitlements	82	82	82
Total non-current liabilities	139	120	101
TOTAL LIABILITIES	30,009	25,473	20,170
NET ASSETS	24,821	19,924	15,584
EQUITY			
Accumulated funds	22,237	17,130	12,790
Revaluation reserves	1,773	1,983	1,983
Restricted reserves (special purpose funds)	811	811	811
TOTAL EQUITY	24,821	19,924	15,584

Prospective statement of cash flows

for the year ending 30 June

	ACTUAL 2021 \$000	FORECAST 2022 \$000	BUDGET 2023 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Revenue from the Crown	47,762	28,889	20,210
Revenue from the New Zealand Lottery Grants Board	51,509	57,874	54,670
Interest received	324	398	446
Grant retirements and gains	517	381	150
Other revenue	439	687	14
Net goods and services tax	888	238	-
Cash was applied to:			
Payments of grants	(74,411)	(79,578)	(70,953)
Payments to employees	(7,921)	(8,855)	(9,398)
Payments of operating expenses	(2,482)	(3,820)	(3,382)
Net goods and services tax	-	-	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	16,625	(3,786)	(8,243)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Terms deposits maturing (with maturities over 3 months)	10,000	22,000	18,000
Cash was applied to:			
Purchase of property, plant, equipment and intangible assets	(108)	(339)	(300)
Investment in term deposits (with maturities over 3 months)	(22,000)	(18,000)	(12,000)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(12,108)	3,661	5,700
NET INCREASE (DECREASE) IN CASH HELD	4,517	(125)	(2,543)
Cash and cash equivalents at the beginning of the year	4,693	9,210	9,085
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	9,210	9,085	6,542

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

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 that no conditions are attached to the 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). The funding is recognised as revenue at the point of entitlement. The fair value of revenue from the Crown has been determined to be equivalent to the amounts due in the funding arrangements.

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.

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 those 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 Creditors and other payables

Short-term creditors and other payables are recorded at the amount payable. The amounts are unsecured and 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 2022/23 is based on Lotto New Zealand's projections in May 2022. The final expected 2021/22 payment from the NZLGB will be confirmed in July 2022 and revised during the year.

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 2021 \$000	FORECAST 2022 \$000	BUDGET 2023 \$000
Vote: Arts, Culture and Heritage – core funding	16,689	16,689	16,689
COVID-19 response funding*			
Core infrastructure and arts delivery	24,187	813	-
Cultural Sector Capability Fund*	34	267	1,699
Pasifika Festivals Initiative	2,453	4,058	5,489
Mātauranga Māori Te Awe Kōtuku Initiative	1,039	2,259	-
Delta relief	-	5,000	-
	44,402	29,086	23,877

*Creative New Zealand received significant one-off investment from the Crown of \$31.073 million in 2020/21 through Budget 2020. Due to the attached conditions of the funding, in 2020/21, Creative New Zealand recognised deferred revenue in the Statement of Financial Position of \$3.360 million for the unspent funds. These were expended in 2021/22 and recognised as revenue in the Statement of Financial Performance.

The 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 2020/21)

- 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 over two years)
- 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 to develop their capability so they can operate in a COVID-19 environment (\$4 million per year over three years)
- 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 2020/21 and \$1.755 million in 2021/22).

Further \$5.47 million of the COVID-19 response funding was allocated in 2021/22:

- to deliver to programmes under the Mātauranga Māori Te Awe Kōtuku initiative, in particular: to boost the existing Toi Ake contestable fund to support the retention of mātauranga and heritage ngā toi Māori artforms (\$0.47 million),
- to provide **short-term support to the arts sector in response to the COVID-19 Delta variant** (\$5 million).

	Deferred revenue from 2021 \$000	Allocation for 2022 \$000	Forecast deferred revenue in 2022 \$000	Forecast revenue 2022 \$000
Core infrastructure and arts delivery	813	-	-	813
Cultural Sector Capability Fund	966	1,000	(1,699)	267
Pasifika Festivals Initiative	1,547	4,000	(1,489)	4,058
Mātauranga Māori Te Awe Kōtuku Initiative	34	2,225	-	2,259
Delta relief	-	5,000	-	5,000
	3,360	12,225	(3,188)	12,397

3. Expenditure by investment category

	ACTUAL 2021 \$000	FORECAST 2022 \$000	BUDGET 2023 \$000
INVESTING IN THE ARTS			
Toi Tōtara Haemata Investment programme	15,888	16,088	16,084
Toi Uru Kahikatea Investment programme	15,810	15,883	18,884
Grants and special opportunities	10,035	19,273	13,003
Creative Communities Scheme	3,943	3,945	3,995
International programme	182	1,411	1,265
Initiatives and pilots	-	-	-
COVID-19 emergency response			
Toi Tōtara Haemata short-term relief	166	-	-
Toi Uru Kahikatea short-term relief	164	-	-
Grants and special opportunities – Arts Continuity Grants	4,040	-	-
Initiatives and pilots – Emergency Relief Grants	30	-	-
COVID-19 Crown funding*			
Toi Tōtara Haemata – Resilience Fund**	734	813	-
Toi Uru Kahikatea – Resilience Fund**	293	503	-
Creative Communities Scheme	1,764	1,000	-
Grants and special opportunities – Arts Grants	10,127	3,400	-
Grants and special opportunities – Mātauranga Māori Te Awe Kōtuku	470	980	-
Initiatives and pilots – Pasifika Festivals Initiative	2,339	3,772	5,289
	65,985	67,068	58,520

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.

* This includes the significant new Crown investment in Creative New Zealand of \$31.073 million in 2020/21, \$12.225 million in 2021/22 and \$4.0 million in 2022/23. Some of this has been provisioned to go towards resources needed to help with the administration of this investment: operating costs (\$0.659 million in 2020/21, \$0.492 million in 2021/22 and \$0.2 million in 2022/23).

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

	ACTUAL 2021 \$000	FORECAST 2022 \$000	BUDGET 2023 \$000
DEVELOPING THE ARTS			
Capability building – national programme	–	749	984
International programme – capability building	313	507	555
Initiatives and pilots	2,069	3,325	5,254
COVID-19 Crown funding*			
Toi Tōtara Haemata – Adaptation Fund	2,453	733	–
Toi Uru Kahikatea – Adaptation Fund	3,516	79	–
Capability building – Capability Fund (Tōtara and Kahikatea)	636	–	–
Capability building – Revenue Generation Fund (Tōtara and Kahikatea)	2,970	–	–
Capability building – Cultural Sector Capability Fund	–	101	1,699
Initiatives and pilots – Ngā Toi a Rohe (Arts in the Regions) Fund	1,194	–	–
Initiatives and pilots – Mātauranga Māori Te Awe Kōtuku (Tārai Waka and Taonga Pūoro)	558	1,240	–
	13,709	6,734	8,492
ADVOCATING FOR THE ARTS			
Advocacy	609	1,375	1,722
	609	1,375	1,722
LEADERSHIP IN THE ARTS			
Capability building – national programme	55	3	120
Advocacy	–	70	565
	55	73	685
PARTNERING FOR THE ARTS***			
	–	–	–
	–	–	–
	–	–	–

* This includes the significant new Crown investment in Creative New Zealand of \$31.073 million in 2020/21, \$12.225 million in 2021/22 and \$4.0 million in 2022/23. Some of this has been provisioned to go towards resources needed to help with the administration of this investment: operating costs (\$0.659 million in 2020/21, \$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

ABOUT CREATIVE NEW ZEALAND AND THE ARTS COUNCIL

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.

We have a commitment 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.

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 our reason for being, as 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 effectively align with our **five deliverables**:

- Investing in the arts
- Developing the arts
- Advocating for the arts
- Leadership in the arts
- Partnering for the arts **NEW**

We discuss these deliverables in more detail on page 31 and 32.

Our values

Our eight values describe the actions and behaviour 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 ensure arts opportunities 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 Pasifika 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

Te Waka Toi Pātaka

Te Waka Toi Pātaka – our Mātauranga Māori Framework – enables a Māori worldview to guide how we work and make decisions.⁵

Developed in 2018, Te Waka Toi Pātaka anticipates a wider view of wellbeing, incorporating 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:

Manahau – resilience

Kawenga – our collective responsibilities to nurture and protect the arts and culture for future generations

Whakarite – balance – the relationship between the past and present and the importance of engagement and connection

Hononga Whenua – connection to Papatūānuku and those things that anchor us together

Whanaketanga – development, including adaption and innovation

Hononga Tīpuna – whakapapa and the ancestral connections that make our artforms distinctive

Maitanga – 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

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 streams: General, Māori and Pacific. Proposals are assessed on their appropriateness to the artform and programme criteria.

Applications to the Māori and Pacific streams 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.

8 Te Waka Toi Pātaka is described in more detail in *Te Hā o ngā Toi—Māori Arts Strategy*. Available on our website.

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

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

To complement our funding and development work, we also 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 Ministers; Manatū Taonga Ministry for Culture and Heritage; the New Zealand Lottery Grants Board Te Puna Tahua; 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 pou (pillars), which broadly describe the Council's different 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 wide 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, 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.

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.

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 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 does not currently have specific measures in place to evaluate its environmental impact, including around greenhouse gas emissions. Further work in this area will be undertaken over the period of this *Statement of Intent*.

Our staff

We rely on having a skilled and engaged staff to achieve our strategic intentions. As of the end of June 2022, we have 78 staff (76.6 full-time equivalent staff), based in Auckland, Wellington, Christchurch, Dunedin and across other centres (as 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 a range of 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 reflects 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.



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