

Briefing to the Incoming Minister for Arts, Culture & Heritage



November 2017

Introduction

E puāwai ana ngā toi i Aotearoa. Ia ra, kei ngā tōpito o te motu, e ngākau nui ana ngā toi ki runga i te tauoranga o ngā tangata o Aotearoa. E tu kaha ana a Toi Aotearoa te tari whakapakari toi, ki te tautoko i te hunga e mahitahi ana i nga toi. Mai te rua rāngai puoro ki ngā whare whakaairi toi, ngā whare hāpori, me ngā marae, e whakamanawa, whakahau, me te tautoko ana matou i ngā toi mo te painga o tatou katoa o Aotearoa.

The arts are thriving in New Zealand. Every day, in every corner of the country, the arts have a meaningful impact on the lives of New Zealanders. As Aotearoa's national arts development agency, we stand proudly behind those involved in the arts. From orchestra pits and art galleries to community halls and marae, we encourage, promote, and support the arts for the benefit of all New Zealanders.

Congratulations on becoming Prime Minister and the Minister for Arts, Culture and Heritage. This brings an enormous amount of mana to the arts and to a passionate and hard-working arts sector.

The following briefing provides a high-level overview of:

- the arts in Aotearoa, including the New Zealand arts sector, Creative New Zealand's role and the challenges ahead
- how we're responding to these challenges, including our work in funding the arts, developing the arts, advocating for the arts, and improving our services and our organisation
- background information on Creative New Zealand – our role, purpose, structure, expenditure distribution and governance.

This briefing requires no urgent decisions or actions.

Creative New Zealand can provide you with further information on matters of interest in this briefing. We look forward to discussing the briefing with you at your earliest convenience, and to working with you to build stronger arts communities, artists and organisations, and greater public engagement with the arts.

Nāku iti noa, nā



Michael Moynahan

Chair, Arts Council



Caren Rangī

Deputy Chair, Arts Council

Mā te mahitahi, ka tipu nga toi mō te kato

By working together we can grow the arts for everyone

Ia manuia le fai o le faiva

May the fishing go well

Creative New Zealand in 2016/17

Our vision:

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

\$40.4 Million

Directly invested in the arts

1.28 Million

Attendances at the arts

226,651

Participants in the arts

220

Artists and organisations presenting internationally

319

New artworks funded

81

Organisations in our Investment programmes

67/67

Territorial authorities who distribute funding through the Creative Communities Scheme

88%

New Zealanders who believe “the arts are good for you”

100%

Funded projects that are completed

71%

Of total revenue from the New Zealand Lottery Grants Board

14.5%

Operating costs as percentage of total expenditure

45.5 FTE

Full-time equivalent staff in Wellington, Auckland and Christchurch

Our purpose:

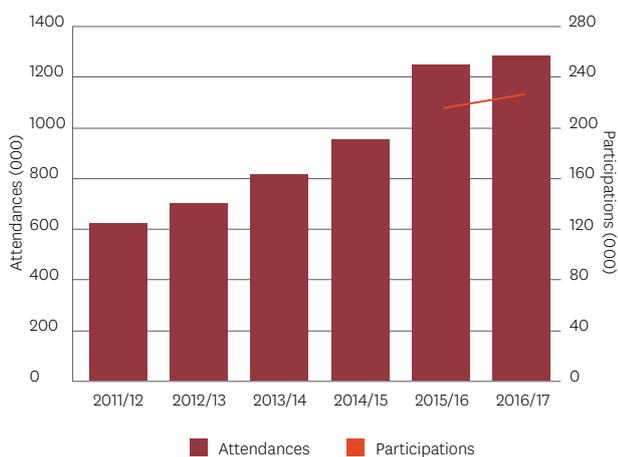
To **encourage, promote** and **support** the arts in New Zealand, for the benefit of all New Zealanders

The Arts in Aotearoa

1. The arts possess immense value, both in and of themselves and as contributors to strong and prosperous communities. This value enriches those New Zealanders who experience or participate in them.
2. The importance of this broader value means the arts should not be considered in isolation. Rather, they should be seen as a powerful enabler and influencer on health and well-being, education, economic development and the value contributed by the wider creative sector.

New Zealand’s arts sector

3. The arts in New Zealand are in good shape. We’re seeing more New Zealand work being created and developed and more international success for our artists and arts companies.
4. New Zealanders’ attitudes to the arts continue to lift over time. In 2014, our triennial *New Zealanders and the arts* research showed that:
 - 85 percent agreed that New Zealand arts are of high quality
 - 82 percent agreed that the arts help improve New Zealand society
 - 74 percent agreed that the arts should receive public funding.
5. These positive attitudes translate into positive action. More New Zealanders are participating in the arts and there is strong growth in audience numbers.



6. We are encouraged by the enthusiasm and confidence of a productive arts sector, whose creative output is both flourishing and being well-received, at home and abroad.

Creative New Zealand’s role

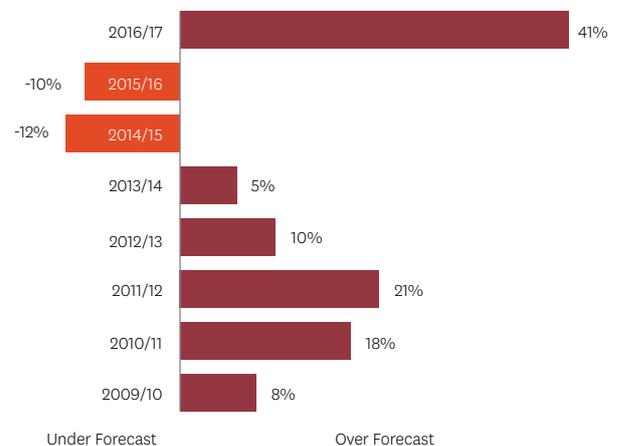
7. Creative New Zealand is Aotearoa’s national arts development agency. It is mandated by the Arts Council of New Zealand Toi Aotearoa Act 2014 (the Act) to encourage, promote and support the arts in New Zealand, for the benefit of all New Zealanders.
8. The Act defines arts as ‘all forms of creative and interpretative expression’. We fund a wide variety of artforms – craft/object art, dance, interarts, literature, multi-disciplinary arts, music, theatre and visual arts – along with ngā toi Māori (Māori arts) and Pacific arts.
9. The medium-term strategic direction set out in our Statement of Intent 2016–2021 continues Creative New Zealand’s vision for *dynamic and resilient New Zealand arts, valued in Aotearoa and internationally*. A copy of this strategic direction is at the back of this briefing. We work towards the following outcomes to bring this vision to life:
 - **Stronger arts communities, artists and organisations**, as shown by:
 - high-quality New Zealand art is developed
 - New Zealand arts gain international success
 - **Greater public engagement with the arts**, as shown by:
 - New Zealanders participate in the arts
 - New Zealanders experience high-quality arts.
10. Creative New Zealand’s principal work is around investing in the arts. This investment is made through a variety of programmes, from devolved community funding, to one-off grants for artists, arts practitioners and arts organisations, to multi-year investment programmes for New Zealand’s leading arts organisations. In 2016/17, investing in the arts accounted for 82 percent of our total expenditure. Further details about our programmes can be found on page 10.

11. In addition to providing funding, we also provide opportunities for arts organisations, individual artists and practitioners to build their skills and capability. This work is delivered primarily through the capability building programme, special opportunities funding and expert staff advice. In 2016/17, capability building accounted for 2.5 percent of Creative New Zealand's total expenditure.
12. We also provide research and resources to the arts sector and advocate for the arts, to the public and a range of groups and organisations. Our advocacy work includes making submissions on issues affecting the arts sector and collaborating with other agencies on areas of mutual interest. In 2016/17, advocacy accounted for 0.4 percent of total expenditure.

The challenges ahead

13. Over the past decade, we've been the fortunate recipient of increased public funds, largely through an upswing in revenue from the New Zealand Lottery Grants Board (NZLGB) over time (we receive 15 percent of Lotto NZ's profits each year, via the NZLGB). The Crown's investment via Vote Arts Culture & Heritage has remained static at \$15.689 million per annum since 2008/09.
14. As welcome as increases in lotteries funding are, there are difficulties in the predictability of lotteries forecasts from Lotto NZ, and **revenue often fluctuates** (see graph). As a result, we've had to use some of our reserves and implement policies to soften these shifts. Although we've been largely successful at this, it has prevented us from undertaking more proactive, ambitious work in recent times. The excellent lotteries result in 2016/17 (at \$40.5 million this was \$9.57 million more than we received in 2015/16) will allow us to start off some of this work, including on a new youth arts initiative.
15. New Zealand is rapidly changing, becoming more diverse and continuing to grow, particularly in Auckland. Our mandate is **delivering for the benefit of all New Zealanders** and is one we take very seriously. For us, it means careful consideration of how we invest,

Difference between forecast and actual revenue for NZLGB



- to ensure a healthy diversity in the arts which reach our many communities. These include Māori, Pasifika, regional New Zealand, youth and other diverse groups.
16. The arts in New Zealand will be more resilient if they can draw on the widest range of available funding and support. Creative New Zealand plays an important role in **broadening support for the arts** to ensure the arts can flourish both in Aotearoa and internationally.
17. As the national arts development agency, we're in a unique position to advocate for the value of the arts. While this has always been a part of our mandate, the arts sector has noted **the need for a strong voice for the arts**. They've asked that we partner with them to show stronger, more visible leadership in this area and act as a more powerful advocate for the arts.
18. The continually evolving arts sector means we work in **an ever-changing environment**. As an organisation we're working to improve how we operate, to match the needs of the arts sector and the interests of other partners and stakeholders.
19. Despite the challenges in front of us, we're ambitious for the arts. As we look towards 2021 – the term of our current strategy – we're working to better answer the challenges and opportunities that lie ahead. How we plan to respond to these challenges is outlined in the next section.

How we're responding to these challenges

Investing in the arts

Our role	The challenges	How we're responding
Investing in the arts	Revenue often fluctuates	Working to minimise the impact of revenue changes (para 20)
	Delivering for the benefit of all New Zealanders	Implementing a new Investment Strategy (para 24) Enhancing our strategic support for Māori arts and Pacific arts(para 27)

Working to minimise the impact of revenue changes

20. In 2015/16, following a forecast reduction in revenue from the New Zealand Lottery Grants Board (NZLGB), Creative New Zealand proactively informed the arts sector of a likely downturn in funding. Although the final revenue picture recovered, it highlighted for the sector the volatility of all our funding. Arts organisations remain concerned about funding sustainability, despite the strong year we experienced in 2016/17.
21. In previous years, we've worked to soften the impact of financial pressures on the arts sector by using up some of our reserves, by winding up some of our trial or pilot initiatives, and by developing a new fiscal reserves policy. With NZLGB revenue in 2016/17 being significantly better than forecast (at \$40.5 million this was \$9.57 million more than we received in 2015/16), we've been able to replenish our reserves to better manage future fluctuations in revenue.
22. Creative New Zealand has actively managed these revenue fluctuations while maintaining an open and frank relationship with the arts sector about our ability

to invest in the arts. We're confident that we're now in a better position to manage future uncertainty within our current policies and practices.

23. However, we are ambitious in our vision for dynamic and resilient New Zealand arts. Further investment from the Crown, which has maintained its annual funding at \$15.689 million since 2008/09, would provide more revenue certainty. It would also allow us to achieve much more for the arts in Aotearoa.

Implementing a new Investment Strategy

24. Creative New Zealand regularly refines its investment to ensure the arts continue to develop in New Zealand for New Zealanders. To help with this, we're currently developing an Investment Strategy to systematically test the contribution of our key programmes to improving the resilience of artists and the country's arts infrastructure, and delivery to New Zealanders.
25. We'll use the Investment Strategy as the principal tool for guiding investment decisions in the arts sector, and improve the sector's understanding of the policies, guidelines and criteria that underpin investment decisions.
26. The strategy will enable us to refine our investment decisions and re-allocate resources based on transparent policies. The Arts Council expects to finalise the Investment Strategy at its December 2017 meeting.

Enhancing our strategic support for Māori arts and Pacific arts

27. Creative New Zealand's support for ngā toi Māori and Pacific arts is central to our work as the national arts development agency. As with all our investment, we continue to refine how we fund, develop and advocate for these treasured features of the arts in Aotearoa.
28. As part of the Organisational Development Project (para 40), a new Senior Manager, Māori Strategy & Partnerships has been appointed and will oversee a workplan that includes developing:

- a Māori Arts Strategy 2018–2021, guided by the Arts Council’s Māori Committee, to guide future investment in ngā toi Māori (to be finalised in mid-2018)
- Memoranda of Understanding with Te Matatini, Te Māngai Pāho, the Department of Internal Affairs and Te Papa (in addition to existing agreements with Te Puni Kōkiri and Te Taura Whiri | Te Reo Māori)
- a navigational tool to enable better access for Māori to funding, advice, training and research.

29. Like the arts sector as a whole, the needs of Pacific arts continue to grow and change. As such, we’re looking at our strategic approach to supporting Pacific arts, to ensure we continue to advance the aspirations of Pacific artists.

30. The Arts Council has agreed to develop a Pacific Arts Strategy 2018–2021, led by a working group including the Council’s Pasifika members. The current aim is for the strategy and an initial action plan to be finalised in mid-2018.

Developing the arts

Our role	The challenges	How we’re responding
Developing the arts	Broadening support for the arts	Growing local support from business and private funders (para 31)
		Developing New Zealand arts internationally (para 32)

Growing local support from business and private funders

31. The arts flourish from a broad support base, which we’re helping to develop over time. Introduced in 2016/17, our Arts Philanthropy and Partnerships Programme includes two funds.

- The Partnership Incentive Fund aims to support arts organisations to diversify sources of income, increase support from donors and business partnerships and develop their fundraising capability.

- The Fundraising for the Arts – Staff Placements Fund, a partnership between Creative New Zealand and Foundation North, offers selected arts organisations funding towards salary costs of a fundraising staff placement.

Developing New Zealand arts internationally

32. Our international programme spans a wide range of initiatives. Our Focus on Asia initiative provides New Zealand artists with more opportunities to present new work in Asia, exchange artistic and cultural practices, and develop audiences, markets and networks for New Zealand arts in targeted Asian countries. The initiative is currently focusing on South Korea, Japan, Taiwan, China and Singapore. The initiative started in 2014 with a commitment from Creative New Zealand of \$1.5 million.

33. We also support high-profile international events. These include the official New Zealand presentation at La Biennale di Venezia (the Venice Art Biennale), to be held next in 2019. The Biennale is the most prestigious event on the international contemporary visual arts calendar. Arts Council member Dame Jenny Gibbs DNZM has been appointed the Commissioner and Council member Karl Johnstone will be the Kaihautū of the 2019 presentation. They will announce the selected artist in early November 2017. Creative New Zealand has committed \$700,000 over two years to this project.

Advocating for the arts

Our role	The challenges	How we’re responding
Advocating for the arts	The need for a strong voice for the arts	Becoming a powerful advocate (para 34)
		Building our relationship with local government (para 37)

Becoming a powerful advocate

34. Through the process of refining our strategic direction in 2015/16, we heard from over 150 members of the arts sector, the wider arts community, arts funders and

other stakeholders. On the topic of advocacy, the sector indicated that advocating for the arts was important and that Creative New Zealand should look to show stronger leadership in this area. They also said it wasn't clear what we were doing to advocate for the arts, with much work seeming to happen 'behind the scenes'.

- 35. Now in place and being actioned, our Advocacy Strategy 2016–2021 is furthering our vision of *dynamic and resilient New Zealand arts, valued in Aotearoa and internationally* through three aims: New Zealanders are highly engaged with the arts; support for the arts is broadened; and the arts sector's voice is further empowered. Yearly work plans are developed to further these aims and to guide engagement with targeted stakeholders. Our priorities for 2017/18 are working with local government (see below) and Māori.
- 36. An opportunity exists for you, as Minister for Arts, Culture & Heritage, to be a powerful advocate for the arts, including with parliamentary colleagues and to the wider New Zealand public. We are keen to discuss opportunities in this space with you.

Building our relationship with local government

- 37. A key objective for Creative New Zealand is to strengthen our relationship with local government as a significant co-investor and funder of the arts. To do so, we've been developing our relationship with both Local Government New Zealand (as the national body representing local government), and a selection of key territorial authorities.
- 38. We undertook a research project this year to establish an estimate of spending on arts and culture by territorial authorities. This report estimated public investment in arts and culture at approximately \$1.2 billion in 2015/16, comprising approximately \$591 million from central government (excluding the New Zealand Lottery Grants Board) and an estimated \$580 million in operating expenditure across all 67 territorial authorities.

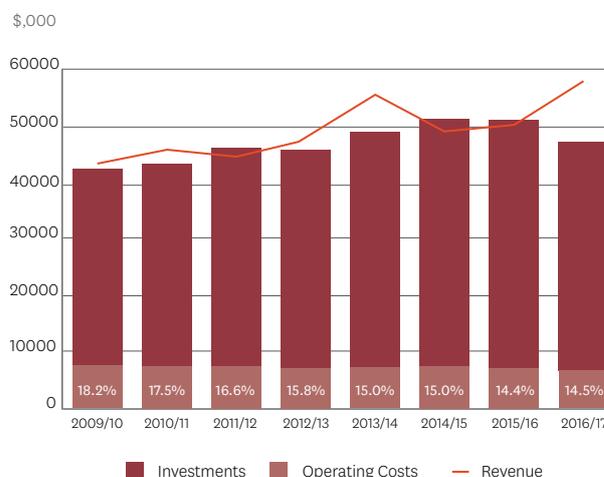
- 39. The significance of local government in delivering arts and culture services points to the desirability of greater collaboration. This will help ensure both spheres of government are working in complementary ways and that opportunities to work together to advocate for the value of arts and culture are explored.

Improving our services and our organisation

Our role	The challenges	How we're responding
Improving our services and our organisation	An ever-changing environment	Enhancing our operating model (para 40)

Enhancing our operating model

- 40. Creative New Zealand is currently undertaking an Organisational Development Project that is focused on how we can best position ourselves for future success.
- 41. This project will see changes to our internal processes so we are better aligned with the changing shape of our investment. This includes an increased emphasis on placing external expertise at the heart of our funding processes, and roles which are more dedicated to evolving art practices. Our research capacity and capability will also be enhanced, as will our responsiveness to Māori.



42. The Arts Council has endorsed the project's direction, which is expected to slightly increase the percentage of operating costs to revenue (these having remained constant at around 15 percent or less since 2013/14, see graph).
43. The project will also see a small increase in the number of full-time equivalent employees working for Creative New Zealand, in order to deliver our enhanced functions. The intention is for all staff to be in their new roles by the start of the 2018 calendar year.

Background Information

About Creative New Zealand

44. The Arts Council of New Zealand Toi Aotearoa (which operates under the trading name of Creative New Zealand) is an autonomous Crown entity continued by the Arts Council of New Zealand Toi Aotearoa Act 2014 (the Act).
45. As an autonomous Crown entity, Creative New Zealand must have regard to government policy when directed by the responsible Minister. Under the Act, the Minister may not direct Creative New Zealand in relation to cultural matters. Under section 107 of the Crown Entities Act 2004, Creative New Zealand is also subject to directions to support a whole of government approach.
46. We carry out our statutory functions with funds provided by the Government through Vote: Arts, Culture and Heritage and the New Zealand Lottery Grants Board (NZLGB). Vote funding accounts for approximately 30 percent of Creative New Zealand's revenue, with NZLGB contributing approximately 70 percent.

Our role

47. As the national arts development agency, we invest in, develop and advocate for the arts – working to encourage, promote, and support the arts in New Zealand for the benefit of all New Zealanders. This is our statutory purpose, set out in our Act.
48. We deliver services under one output class: Promotion and Support of the Arts. We have three service delivery areas:
- **investing in the arts**
 - **developing the arts**
 - **advocating for the arts**
- which deliver to the following outcomes:
- **Stronger arts communities, artists and organisations**, as shown by:
 - high-quality New Zealand art is developed

- New Zealand arts gain international success

- **Greater public engagement with the arts**, as shown by:
 - New Zealanders participate in the arts
 - New Zealanders experience high-quality arts.

49. An overview of Creative New Zealand's strategic direction for 2016–2021 is at the back of this briefing.

Our purpose

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

Our structure

51. Creative New Zealand's governing board is the 13-member Arts Council. The Council is responsible for setting the policy and strategic direction of Creative New Zealand; allocating budgets for funding programmes and initiatives; making funding decisions

on key investment programmes; and monitoring the overall performance of Creative New Zealand.

52. As at 31 October 2017, Creative New Zealand has 47 staff (45.47 full-time equivalent staff) based in Wellington, Auckland and Christchurch. This spread helps us have a national perspective on the arts.

Our expenditure in 2016/17

Service Delivery Area	Description	% Total Expenditure	\$ million
INVESTING IN THE ARTS			
Investment programmes	Arts Leadership Investment (Toi Tōtara Haemata) and Arts Development Investment (Toi Uru Kahikatea) programmes – supporting arts organisations for periods of up to five years	52.95%	\$25.131m
Grants and special opportunities	Project-based support for arts organisations and individual artists and arts practitioners (including Arts Grants and Quick Response Grants)	16.55%	\$7.855m
Creative Communities Scheme	Small grants scheme supporting participation in the arts at a local level. Funding is devolved to the 67 territorial authorities to distribute in their local communities	7.16%	\$3.400m
International programme funding	Includes support for the Venice Biennale and artists touring or presenting overseas	4.39%	\$2.083m
Other funding	Auckland Theatre Company capital grant (one-off)	1.06%	\$0.504m
DEVELOPING THE ARTS			
	Initiatives designed to build capability in artists and arts organisations to extend skills, build markets, develop audiences and engage internationally	2.52%	\$1.198m
ADVOCATING FOR THE ARTS			
	Cost of research and sponsorship work	0.41%	\$0.195m
OPERATING COSTS			
	Personnel expenses, depreciation and amortisation, net losses on disposal of assets, other expenses	14.95%	\$7.097m

Arts Council membership

53. The Minister for Arts, Culture & Heritage appoints the members of the Arts Council, along with the Chair and Deputy Chair. A list of current Council members appears overleaf.

54. Under the Act, the Council has a minimum of four members with knowledge of ngā toi Māori (Māori arts), te ao Māori (a Māori world view) and tikanga Māori (Māori protocol and culture). These members are appointed in consultation with the Minister for Māori Development. Under our Act, they form a committee 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 Arts Council members are appointed with knowledge of the arts and the traditions or cultures of Pasifika in New Zealand, in consultation with the Minister for Pacific Peoples.

55. More information on Arts Council members is available on Creative New Zealand's website at: www.creativenz.govt.nz/about-creative-new-zealand/our-council



MICHAEL MOYNAHAN | CHAIR

Wellington/Auckland

First Appointed: 1 May 2017 as Chair,
15 December 2014 as Member

Term Expires: 30 April 2020



CAREN RANGI | DEPUTY CHAIR

Hawke's Bay/Pasifika representative

First Appointed: 1 May 2017 as Deputy
Chair, 1 May 2014 as Member

Term Expires: 30 April 2020



SUZANNE ELLISON

Otago/Māori representative

First Appointed: 1 May 2014
Term Expires: 30 April 2018



ANDREW CAISLEY

Auckland

First Appointed: 1 July 2015
Term Expires: 30 June 2018



LUAMANUVAO WINNIE LABAN, QSO

Wellington/Pasifika representative

First Appointed: 1 May 2014
Term Expires: 30 June 2018



DEAN WHITING

Wellington/Māori representative

First Appointed: 18 August 2017
Term Expires: 31 August 2018



MICHAEL PRENTICE

Christchurch

First Appointed: 1 May 2014
Term Expires: 30 April 2019



PROFESSOR TAIARAHIA BLACK

Whakatāne/Māori representative

First Appointed: 1 July 2016
Term Expires: 30 June 2019



DAME JENNY GIBBS DNZM

Auckland

First Appointed: 1 July 2016
Term Expires: 30 June 2019



KARL JOHNSTONE

Gisborne/Māori representative

First Appointed: 1 July 2016
Term Expires: 30 June 2019



ROGER KING

Hawke's Bay

First Appointed: 1 July 2016
Term Expires: 30 June 2019



WAYNE P. MARRIOTT JJP

Whakatāne

First Appointed: 1 May 2014
Term Expires: 30 June 2019



GARTH GALLAWAY

Christchurch

First Appointed: 1 May 2017
Term Expires: 30 April 2020

Our strategic direction for 2016-2021

OUR FUTURE

Titiro whakamua

OUR VISION
What we want to achieve overall

DYNAMIC AND RESILIENT NEW ZEALAND ARTS, VALUED IN AOTEAROA AND INTERNATIONALLY

CULTURAL SECTOR VISION
New Zealand's distinctive culture enriches our lives

OUR OUTCOMES
The difference we want our work to make

STRONGER ARTS COMMUNITIES, ARTISTS AND ORGANISATIONS
as shown by
High-quality New Zealand art is developed
New Zealand arts gain international success

GREATER PUBLIC ENGAGEMENT WITH THE ARTS
as shown by
New Zealanders participate in the arts
New Zealanders experience high-quality arts

CULTURAL SECTOR OUTCOMES
Create: Cultural and sporting activity flourishes in New Zealand
Engage: Engagement in cultural and sporting activities is increasing
Preserve: Our heritage can be enjoyed by future generations
Excel: Artists, athletes and organisations achieve excellence

OUR FOCUS

Te arotahi

OUR GOALS
(supported by objectives)
What we want to achieve by 2021

OUR DELIVERABLES
What we do to support our goals/objectives

We regularly refine our investment to ensure the arts continue to develop in New Zealand for New Zealanders
EXTERNAL FOCUS

We develop the arts sector's capacity to succeed
EXTERNAL FOCUS

We are a powerful advocate for the arts
EXTERNAL FOCUS

We improve service delivery and systematically look afresh at how best to deliver activities with and for the arts sector
EXTERNAL/INTERNAL FOCUS

We become a more focused, higher-performing, learning organisation
INTERNAL FOCUS

CULTURAL SECTOR PRIORITIES
Fostering inclusive New Zealand identity
Supporting Māori cultural aspirations
Front footing transformative technology
Improving cultural asset sustainability
Measuring and maximising public value

OUR FOUNDATION

Te tūāpapa

OUR PURPOSE
Our reason for being, as set out in our Act
To encourage, promote and support the arts in New Zealand, for the benefit of all New Zealanders

OUR VALUES
The core principles that guide our work
Mana Toi · Tauīwi · Mana Māori · Mana Pasifika · Manihāhi · Te Taunata · Taoututu · Manaakitanga

Supported by the New Zealand government through

