



ARTS COUNCIL OF NEW ZEALAND TOI AOTEAROA

# 2009 annual report

pūrongo ā tau

PRESENTED TO THE HOUSE OF REPRESENTATIVES  
PURSUANT TO THE CROWN ENTITIES ACT 2004

for the year ended 30 June

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November 2009, 1,000 copies

Design and production by Mission Hall Creative

In accordance with section 150(3) of the Crown Entities Act 2004, this *Annual Report* of the Arts Council of New Zealand Toi Aotearoa for 2008/09 is presented to the House of Representatives.

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Alastair Carruthers  
Chair, Arts Council  
30 October 2009



Alick Shaw  
Arts Council member  
30 October 2009

IN ACCORDANCE WITH SECTION 149 OF THE CROWN ENTITIES ACT 2004,  
I PRESENT THIS STATEMENT OF INTENT TO THE HOUSE OF REPRESENTATIVES.





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# Our Chairman and Chief Executive Review the Year



While this report focuses on the work of Creative New Zealand, little of what we do happens alone.

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During 2008/2009 we have invested in projects, organisations and people alongside many others.

Local authorities partnered with us to deliver the Creative Communities Scheme which supports hundreds of grass-roots projects across New Zealand. Sponsors, trusts, philanthropists and other government agencies (including the New Zealand Film Commission and Ministry of Research, Science and Technology) also helped support 35 recurrently funded organisations and hundreds of arts projects. Overseas partners enabled us to deliver nine international residencies in communities as diverse as Washington, Samoa and Berlin.

Creative New Zealand was delighted to contribute to the successful passage of the Auckland Regional Amenities Funding Act, which secured a more appropriate level of regional support for performing arts organisations throughout Auckland. We also acknowledge the critical contributions of Auckland City Council and the ASB Community Trust, who secured bridging funding for the NBR New Zealand Opera and Auckland Philharmonia Orchestra.

Independent research published late in 2008 on New Zealanders and the arts pointed to the increasingly positive public interest in the arts and their value to New Zealanders. The majority of New Zealanders, 86 percent aged 15+ are involved in the arts as attendees and/or participants, and 78 percent say that the arts are help define who we are as New Zealanders, up from 75 percent in 2005).<sup>1</sup>

Difficult economic times have not diminished New Zealanders' appetite for the arts but have reduced third party revenue (such as trust money and sponsorships).

In the year to 30 June 2009, Creative New Zealand increased its level of investment in grants and initiatives, to help offset reduced investment from elsewhere. Creative New Zealand has continued to work closely with arts organisations to help them survive and grow. This assistance happens via grants, governance

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<sup>1</sup> New Zealanders and the arts: Attitudes, attendance and participation in 2008 <http://www.creativenz.govt.nz/Portals/0/publications/NZers-and-the-arts-2008.pdf>

support, leadership training, and audience development advice.

The improved contestable funding process, which offers new possibilities to artists, is a significant achievement introduced after extensive consultation and planning. Now 'quick response grants' are being processed in half the time and sector investment grants are allowing applicants to focus on the longer term development of their art forms.

Having defined our International Strategy this year, we will begin delivering it in 2009/10. The strategy's aim is to help our best artists from all art forms to present the work to the world and earn money in the process.

In 2009/10, Creative New Zealand will continue to review its long-term priorities to ensure the arts keep developing. We will withdraw investments that no longer work and spend these resources where they can achieve better value.

We thank our primary investors, the Ministry for Culture and Heritage and New Zealand Lottery Grants Board and their Ministers Hon Christopher Finlayson and Hon Nathan Guy for increased investment in our work and acknowledge and thank the many committed staff, appointed members, external/peer advisors, artists, partners, communities and artists who ensure the Creative New Zealand performs to the best of its ability.



**Alastair Carruthers**  
Chair, Arts Council



**Stephen Wainwright**  
Chief Executive



# Creative New Zealand's Role and Operating Environment

Te Taiao Whakahaere  
me te mahi a Toi Aotearoa

## Introduction

### Kupu Whakataki



### VISION

Creative New Zealand is a catalyst for the development of a flourishing arts environment in which New Zealanders value, support and are inspired by the arts.

### STATUTORY PURPOSE

Creative New Zealand is the national agency for the development of the arts. We invest resources in New Zealand arts for the long-term benefit of New Zealanders. Our statutory purpose is to encourage, promote and support the arts in New Zealand for the benefit of all New Zealanders, including both community and professional arts (Arts Council of New Zealand Toi Aotearoa Act 1994, the Act).

In achieving this purpose, Creative New Zealand is required to do the following things (section 5):

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



## WHAT WE ARE TRYING TO ACHIEVE

Creative New Zealand's *Strategic Plan 2007–2010* identifies the outcomes it is seeking to achieve on behalf of all New Zealanders.<sup>2</sup> These outcomes are listed below:

### OUTCOME 1 NEW ZEALANDERS ARE ENGAGED IN THE ARTS

### OUTCOME 2 HIGH-QUALITY NEW ZEALAND ART IS DEVELOPED

### OUTCOME 3 NEW ZEALANDERS HAVE REGULAR ACCESS TO HIGH-QUALITY ARTS EXPERIENCES

### OUTCOME 4 NEW ZEALAND ARTS GAINS INTERNATIONAL SUCCESS

For each outcome, several 'impacts' have been identified. Impacts are descriptions of the differences Creative New Zealand is seeking to make for New Zealanders in the arts environment in New Zealand.

## WHAT WE DO

Creative New Zealand contributes to the achievement of its outcomes and impacts by delivering three core services.

### FUNDING FOR ARTISTS, PRACTITIONERS AND ORGANISATIONS

The first service is **Funding for artists, practitioners and organisations**. Eighty percent of Creative New Zealand's approximately \$40 million budget is distributed to the community through funding or grants. We provide assistance through four key funding programmes:

**Recurrent Funding:** Creative New Zealand's investment in this programme supports the development of a sustainable infrastructure in the arts sector by funding key arts organisations for a fixed term. With our support, organisations are able to plan one-, two- or three-year programmes of activity. Thirty-five organisations were supported through this initiative in 2008/09.

Arts organisations must be invited to apply for recurrent funding by the Arts Board or Te Waka Toi (Māori Arts Board). To be considered, organisations must have a close alignment with Creative New Zealand's outcomes, and a proven track record of Creative New Zealand contestable project funding (usually at least three years). They must also have a strong governance and management structure, and a reputation for delivering quality arts activities or services.

We regularly monitor the performance of the organisations throughout the year, and work with them to improve their performance.

**Contestable Funding:** Creative New Zealand provides contestable funding through a range of programmes, selecting the best artists, practitioners and organisations and their projects.

<sup>2</sup> Arts Council of New Zealand Toi Aotearoa Strategic Plan 2007–2010 available at [www.creativenz.govt.nz](http://www.creativenz.govt.nz)

In February 2009 a new contestable funding model was implemented with funding allocated through four new pathways – *Quick Response, Arts Grants, Arts Investments and Sector Investments* – to projects that had applied to the Arts Board, Te Waka Toi and the Pacific Arts Committee.

When making all contestable funding decisions the three funding bodies' priority is artistic quality. Another key aspect considered by the contestable funding assessment process is how effectively a project will achieve one, or more, of the results ("impacts") that Creative New Zealand is seeking.

1. The quality of projects funded through Quick Response Grants, Arts Grants, Arts Investments and Sector Investments is assessed by Creative New Zealand staff. Arts Grants, Arts Investments and Sector Investments projects are also assessed by external peer assessors.

Where relevant, projects are also assessed for their contribution to cultural diversity, innovation and community arts participation and how they meet one or more of Creative New Zealand's outcomes.

**Creative Communities Scheme:** Established in 1995, the Creative Communities Scheme is a small-grants scheme that supports community arts projects and activities that take place within the local area of a territorial authority (TA). In contrast to the previous two funding programmes, Creative New Zealand devolves the funding to 73 local authorities which administer the scheme themselves or through suitable third parties.

Applications for community arts funding are considered by local assessment committees. Their funding decisions are made on the basis of criteria set by Creative New Zealand that, among other things, seek to promote the uniqueness and cultural diversity of local communities.

**International Funding:** Through International Funding, Creative New Zealand identifies opportunities to market and present New Zealand work internationally at key events and markets. Creative New Zealand selects and invests in

individual artists, practitioners, organisations or clusters of artists through a range of initiatives, including support for artists to tour, exhibit or perform internationally, or support for a New Zealand work to be performed by an overseas artist or company. This might happen, for example, after a New Zealand artist or work has appeared at a trade fair overseas, or after a particular market-development initiative.

## CAPABILITY-BUILDING FOR ARTISTS, PRACTITIONERS AND ORGANISATIONS

The second key service Creative New Zealand provides is **Capability-building for artists, practitioners and organisations.**

Creative New Zealand's national oversight of the arts sector allows it to target initiatives and increase the skills and knowledge of arts practitioners so that they can become more effective and efficient. Capability-building is provided in several areas including leadership, governance, internal organisational systems and processes, audience development, market development, and to support international engagement. Capability initiatives were provided through two key programmes in 2008/09.

### **Arts Organisation Development Programme:**

This programme delivers capability-building initiatives aimed at increasing the skills of arts organisations and practitioners, including arts leadership.

The delivery of this programme is specific and targeted, and does not usually involve a contestable funding process.

**Audience Development Programme:** This programme of work delivers strategic initiatives that aim to encourage arts organisations and individuals to build dynamic and sustainable audience relationships.

The programme offers advice, insight and audience intelligence through research, capability-building initiatives and coaching consultancies. The programme involves experts working alongside practitioners to develop strategies for attracting new audiences and

retaining existing audiences and to gather data to help organisations benchmark their performance.

The delivery of this programme is specific and targeted, and does not usually involve a contestable funding process.

## ADVOCACY FOR THE ARTS

The third key service Creative New Zealand provides is **Advocacy for the arts**. The primary aim of our advocacy programme is to raise awareness of the role and contribution of the arts, and of key issues affecting the sector, and also to seek to change the environment for the benefit of the arts.

The types of activity included in our advocacy programme include carrying out research for the arts sector, developing strategic partnerships to increase support for the arts, participating in cross-government initiatives, and, where relevant, making submissions on issues affecting the arts sector or Creative New Zealand.

All Creative New Zealand staff play a role in advocating for and promoting the arts. An example of our advocacy work is the three-yearly research into New Zealanders and the arts, which explores New Zealanders' attitudes, attendance and participation in the arts.<sup>3</sup> There is potential for Creative New Zealand to play a greater role in promoting the value of the arts, and we will work towards this over the coming years.

Creative New Zealand's main office is in Wellington, with regional offices located in Auckland (Northern Region) and Christchurch (Southern Region). These offices assist the organisation to present a national perspective on the arts.

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<sup>3</sup> Further information about this research, which was undertaken in 2005 and 2008, can be found at [www.creativenz.govt.nz](http://www.creativenz.govt.nz)

# The Year in Review

Te tirohanga o tenei tau

## Highlights and Achievements

Nga Miramira me nga whakatutu kitanga



During 2008/09, Creative New Zealand invested time and resources into its four key strategic priorities. Through this we contribute to our vision of a flourishing arts environment in which New Zealanders value, support and are inspired by the arts. We have captured in this report the key areas of focus and achievements for the year under each strategic priority.

In addition, every year we do an enormous amount of work providing funding, capability-building and advocacy and advice services for the sector, or what we call 'business as usual'. Over 2008/09, there were:

- 11** contestable funding rounds completed
- 1,264** contestable funding applications processed
- 15** contestable funding assessment panels managed
- 436** grants awarded through the Contestable Funding programme
- 540** projects acquitted<sup>4</sup>
- 12** bursaries, scholarships and residencies awarded
- 5** events managed
- 19** awards presented
- 73** partnerships with local authorities
- 35** relationships with professional arts organisations
- 30** international visitors hosted
- 9** capability-building programmes delivered to the arts sector
- 21** Creative New Zealand council and funding board meetings serviced
- 5** publications produced

<sup>4</sup> A project is acquitted when a project completion report has been received. A project may not be completed in the same year as it is funded.

Creative New Zealand invested **\$32,865,000** in artists, arts practitioners and arts organisations in 2008/09 through a range of programmes, compared with \$31,289,000 in the previous year. Figure 1 below illustrates increasing expenditure on grants and initiatives by Creative New Zealand since 2001/02 while operating costs have remained constant. Figure 2 presents the distribution of investment across Creative New Zealand's key programmes in 2008/09.

FIGURE 1: CREATIVE NEW ZEALAND GRANTS AND INITIATIVES AND OPERATING COSTS 2008/09

Grants and initiatives and operating costs trends

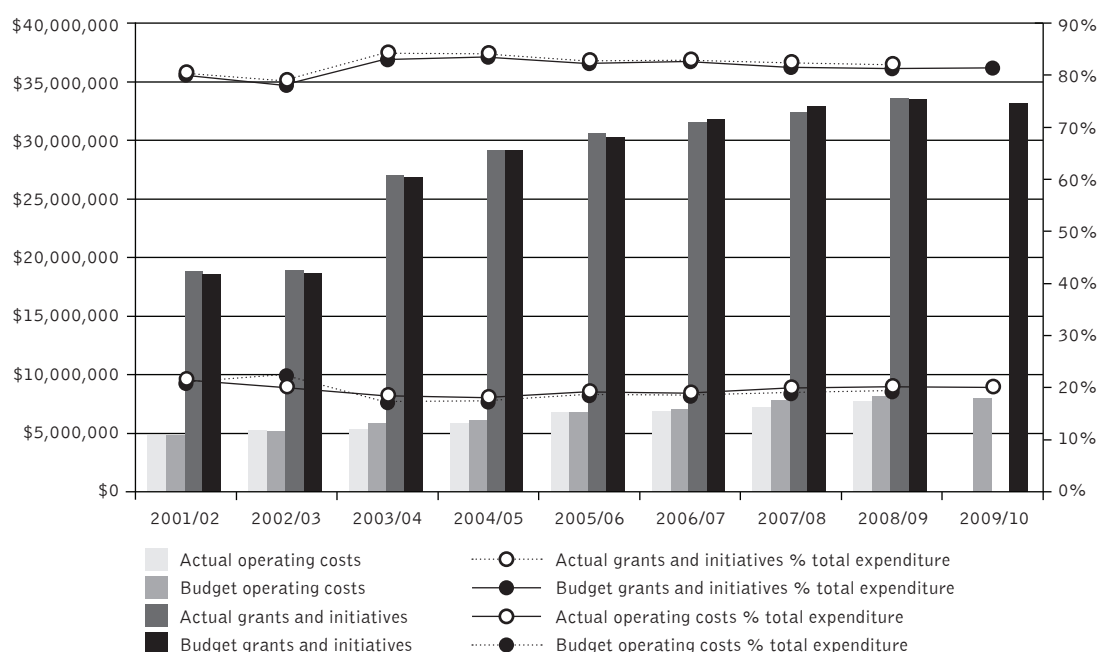
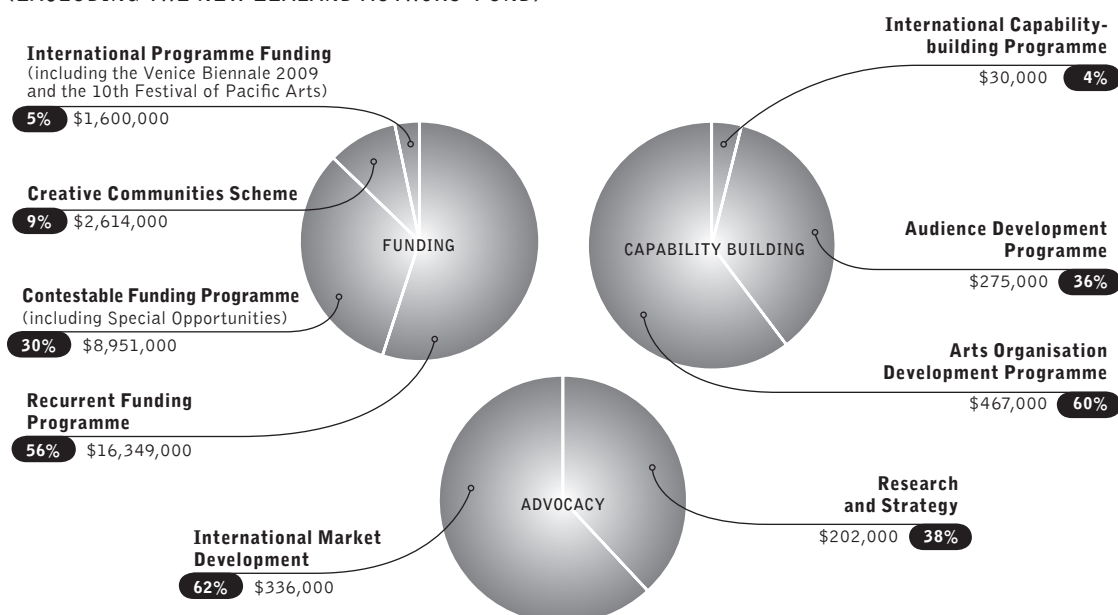


FIGURE 2: INVESTMENT PER CREATIVE NEW ZEALAND PROGRAMME 2008/09 (EXCLUDING THE NEW ZEALAND AUTHORS' FUND)



## **STRATEGIC PRIORITY ONE**

### **NEW ZEALANDERS ARE ENGAGED IN THE ARTS**

This strategic priority gives New Zealanders the opportunity to participate in, and have access to, the arts for the benefit of their communities. It has a particular focus on Māori, Pacific and diverse local communities.

#### **OBJECTIVE 1**

### **Strong Māori arts**

We will invest in Māori communities strengthening and building cultural identity through the arts.

---



Christina Wirihana welcomes visitors to the Toi Māori Small Treasures Exhibition in San Francisco, USA in October 2008.

## WHAT WE DID

Te Waka Toi was responsible for supporting Māori artists and arts through the *Strong Māori Arts* objective in 2008/09. It did this by offering grants, developing initiatives and liaising with hapū and iwi.

The key initiative completed by Te Waka Toi in 2008/09 in consultation with Māori was the **Health of Māori Heritage Arts** research. The purpose of this research was to provide greater clarity and insight into the health of Māori heritage arts in Aotearoa New Zealand, and help inform Creative New Zealand on how it can best target support and funding for Māori heritage arts from 2010. Results of the research will be published in early 2010.

Te Waka Toi funded three recurrently funded organisations – *Kahurangi Māori Dance Trust*, *Taki Rua Productions* and *Toi Māori Aotearoa*.<sup>5</sup> All three organisations contributed directly to the objective *Strong Māori Arts*.

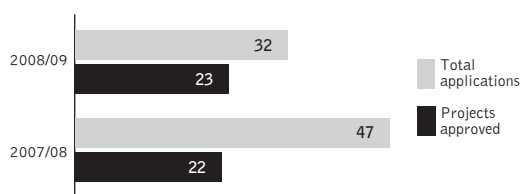
Contestable funding was allocated through the *Heritage Arts*, *Te Reo*, and *Toi Ake* funding programmes in 2008. In February 2009 a new contestable funding model was implemented with funding allocated through four new pathways – *Quick Response*, *Arts Grants*, *Arts Investments* and *Sector Investments* – to projects that had applied to Te Waka Toi and contributed to *Strong Māori Arts*.

<sup>5</sup> Taki Rua Productions is co-funded by the Arts Board and Te Waka Toi.

Refer to [www.creativenz.govt.nz](http://www.creativenz.govt.nz) for a full list of contestable and recurrent funding grants in 2008/09.

## HOW WE PERFORMED

FIGURE 3: **STRONG MĀORI ARTS APPLICATIONS AND PROJECTS APPROVED THROUGH THE CONTESTABLE FUNDING PROGRAMME 2008/09**



Applications to Te Waka Toi declined in 2008/09 compared with 2007/08 yet funding support remained constant. Te Waka Toi supported **23** projects with grants totalling **\$444,083** awarded to artists, arts practitioners and arts organisations in 2008/09. This was compared with \$477,961 in 2007/08 however 2008/09 figures can not be directly compared to the previous year as a new contestable funding model was implemented in February 2009. A decrease in applications may also be a result of Māori artists focusing on the Festival of Pacific Arts in July 2008.

A total of **27** projects funded through the *Heritage Arts*, *Te Reo* and *Toi Ake* funding programmes in 2008/09 and previous years were acquitted in 2008/09.

## WORKING TOGETHER 2008/09

**Montana New Zealand Book Awards 2009:** Creative New Zealand and Montana New Zealand are the principal sponsors of the Montana New Zealand Book Awards. A short story collection written in **te reo Māori** made history at the 2009 awards, winning the Māori Language prize. Editors Piripi Walker and Huriana Raven received a \$5,000 prize for their book **Te Tū a Te Toka: He Ieretanga nō ngā Tai e Whā**. This is the first time that books were entered specifically for the Māori Language Award. The Māori Language Award is important, because it acknowledges the viability of te reo Māori in the wider world of New Zealand writing, and it gives writers and publishers an incentive to write for a growing audience of te reo Māori readers.



## OBJECTIVE 2

### Strong Pacific arts

We will invest in Pacific communities, strengthening and building cultural identity through the arts.

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Tanonga Puoro artists Horomona Horo and James Webster at the 10th Festival of Pacific Arts, American Samoa, 2008.  
PHOTOGRAPH BY QIANE CORFEILD MATATA

## WORKING TOGETHER 2008/09

**The Fulbright – Creative New Zealand Pacific Writer's Residency:** This residency was awarded in 2008/09 to writer David Young. The residency was set up in 2004 by the Arts Board of Creative New Zealand in partnership with Fulbright New Zealand in 2004. It enables a New Zealand writer of Pacific heritage to work at the University of Hawai'i for three months on a creative writing project exploring Pacific identity, culture or history. Hawai'i has been identified as a strategic location for artists and is considered the hub of Pacific writing, with numerous universities, library resources, networks, writers' forums and publishers.

## WHAT WE DID

The Pacific Arts Committee is a committee of the Arts Board; its role is to support the arts of Pacific Island people. It did this in 2008/09 through offering grants, developing initiatives and liaising with the Pacific community in New Zealand.

The key initiative completed by the Pacific Arts Committee in 2008/09 in consultation with the New Zealand Pacific community was the **Health of Pacific Heritage Arts** research. The purpose of this research was to provide greater clarity and insight into the health of Pacific heritage arts in New Zealand, and help inform Creative New Zealand on how it can best target support and funding for Pacific heritage arts. Results of the research will be published in early 2010.

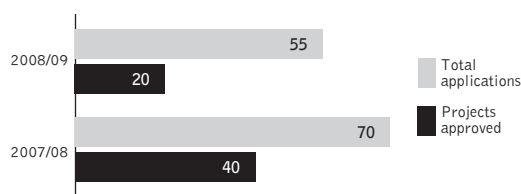
*Tautai Contemporary Pacific Arts Trust*, an arts organisation funded through the Recurrent Funding programme by the Arts Board, directly contributed to the *Strong Pacific Arts* objective in 2008/09 through several programmes including the Fresh Horizons workshops for young and emerging artists.

Contestable funding was allocated through the *Heritage Arts* and *Pacific Arts Development* contestable funding programmes in 2008/09. From February 2009 onwards, funding was also allocated through the new contestable funding pathways to projects that contributed to *Strong Pacific Arts*. Contestable funding grants supported the development of New Zealand Pacific artists and their work across heritage and

contemporary arts practice. Refer to [www.creativenz.govt.nz](http://www.creativenz.govt.nz) for a full list of contestable and recurrent funding grants in 2008/09.

## HOW WE PERFORMED

FIGURE 4: *STRONG PACIFIC ARTS* APPLICATIONS AND PROJECTS APPROVED THROUGH THE CONTESTABLE FUNDING PROGRAMME 2008/09



Applications to Pacific Arts Committee declined in 2008/09 compared with 2007/08 as did the amount of funding awarded to artists, arts practitioners and arts organisations. The Pacific Arts Committee supported **20** projects with grants totalling **\$253,538** awarded to artists, arts practitioners and arts organisations in 2008/09. This was compared with \$323,327 in 2007/08 however results can not be directly compared with 2008/09 as a new contestable funding model was implemented in February 2009.

A total of **44** projects funded through the *Heritage Arts* and *Pacific Arts Development* funding programmes in 2008/09 and prior years were acquitted in 2008/09.

**Creative New Zealand Pacific Arts Committee and the National University of Samoa Artist in Residence 2009:** This residency was awarded to contemporary performing artist James Vivieaere in 2008/09. The Pacific Arts Committee, in partnership with the National University of Samoa, offers a residency in Apia, Samoa at the National University of Samoa. The residency is an important component of Creative New Zealand's commitment to investing in New Zealand Pacific communities and strengthening and building cultural identity through the arts.

### OBJECTIVE 3

## Community arts participation

We will invest in diverse, local and ethnic communities to participate in and develop their arts.

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*Sound of Music* is performed by Theatre Whakatane, May 2009. PHOTOGRAPH BY SCOTT GARRETT

## WHAT WE DID

The **Creative Communities Scheme** lies at the heart of Creative New Zealand's partnership with local government and is one of the key ways Creative New Zealand supported opportunities for New Zealanders to participate in the arts in 2008/09.

Creative New Zealand completed a review of the Creative Communities Scheme in 2008/09 and staff will work with local administrators in 2009/10 to introduce a series of changes to the scheme that will take effect from 1 July 2010. New funding criteria will be introduced in 2010/11 and aims to encourage broad community involvement, diversity and youth in community arts. Improved monitoring and reporting processes will also be introduced in 2010 so Creative New Zealand can understand better the impact of the scheme on communities' arts participation.

In February 2009, the new Contestable Funding programme introduced the opportunity for communities to apply for specific community funding under the *Community Arts Participation* objective. The new programme offers funding support for community arts activities that may have a broader national or regional perspective and lie beyond the scope of the Creative Communities Scheme. This funding is available through the Arts Board, Te Waka Toi and Pacific Arts Committee in 2009/10.

*Arts Access Aotearoa*, an arts organisation funded through the Recurrent Funding programme by the Arts Board, directly contributed to the *Community Arts Participation* objective in 2008/09 through several programmes including capacity building workshops. Refer to [www.creativenz.govt.nz](http://www.creativenz.govt.nz) for a full list of 2008/09 contestable and recurrent funding grants.

## HOW WE PERFORMED

In 2008/09, **\$2,613,588** was allocated to 73 territorial authorities through the Creative Communities Scheme. This funding supported **2,333** projects in a range of communities across New Zealand compared with 2,289 in 2007/08. Together, Visual Arts and Performing Arts projects comprise almost 80 percent of funding.

The Arts Board, Te Waka Toi and the Pacific Arts Committee received **27** contestable funding applications and supported **nine** projects with grants totalling **\$137,728** awarded to artists, arts practitioners and arts organisations. The 2008/09 year is the first that projects were directly funded against this objective through the Contestable Funding programme and, as a result, comparisons cannot be made against previous years. Trends for projects funded and projects acquitted will be analysed in 2010/11.

The **New Zealanders and the arts: Attitudes, attendance and participation in 2008** research was published in April 2009.

- + Consistent with 2005, 83 percent of New Zealanders aged 15 and over attended at least one arts event in the past year, and just over one third (34 percent attended regularly (once a month or more)).
- + Around half the population aged 15 and over (48 percent) are actively participating in the arts in New Zealand. This is consistent with the overall level of participation in 2005 (50 percent). Just over one quarter of the population participate in the arts regularly (more than 12 times in the past 12 months).

## STRATEGIC PRIORITY TWO

### HIGH-QUALITY NEW ZEALAND ART IS DEVELOPED

This strategic priority ensures that the best New Zealand artists have the opportunity to develop the quality of their work, reach their full potential and continually evolve their artforms.

#### OBJECTIVE 1

### Innovative and quality artists

We will invest in dynamic New Zealand artists, arts practitioners and arts organisations, acknowledged for innovation and quality.



Recipient of the Berlin Visual Art Residency, Sarah Hughes, opens her exhibition *Feedback Runway* at the Künstlerhaus Bethanien.  
PHOTOGRAPH BY TANYA WEHRS

#### WHAT WE DID

Creative New Zealand recognised excellence through presenting a broad range of residencies, scholarships, bursaries and awards in 2008/09 as follows.

- + The **Prime Minister's Awards for Literary Achievement** were presented by the Prime Minister in September 2008 to: Lloyd Jones for Fiction; Elizabeth Smither for Poetry and WH (Bill) Oliver for Non-Fiction.
- + Dame Fiona Kidman was awarded the \$100,000 **Creative New Zealand Michael King Writers' Fellowship** 2008 to write three projects; a collection of short stories and two novellas exploring early writers in New Zealand.

#### Working together 2008/09

**Toi Oahu Residency Hawai'i:** The Creative New Zealand Toi Oahu Residency at the University of Hawaii was awarded in 2008/09 to Donna Campbell. The residency is awarded to established Māori artists in the fields of visual arts and craft/ object art. Its purpose is to create an opportunity for artists to create a new body of work while sharing their skills and experience with the students and teachers at the Kamakakuokalani Centre for Hawaiian Studies at the University of Hawai'i.

**Wild Creations Residency:** In 2009, Creative New Zealand and the Department of Conservation reinstated the Wild Creations Residency programme following a review in 2007/08. Wild Creations aims to develop the skills and capabilities of emerging and established artists. It is for those who have an interest in the conservation of New Zealand's unique landscapes and who want to explore that connection through their artistic practice.

- + Three hundred guests attended the **Creative New Zealand Te Waka Toi Awards** on 29 August 2008. The awards are the only national Māori arts awards that celebrate all artforms, with seven awards and three scholarships awarded. Writer Witi Ihimaera was honoured with the premiere Māori arts award Te Tohutiketike a Te Waka Toi.
- + Six **Arts Pasifika Awards**, celebrating the rich and diverse range of Pacific art in New Zealand, were presented on 18 November 2008. Fiji-based composer and conductor, Igelese Ete (Samoa) received the Senior Pacific Artist Award in acknowledgement of his outstanding contribution to the performance and promotion of Pacific music.
- + Artist Sara Hughes received the 2008/09 **Creative New Zealand Berlin Visual Artists Residency** at the Künstlerhaus Bethanien in Berlin. The biennial 12-month residency provides an opportunity for visual artists to work on their approved project, gain professional development, build international networks and generally increase awareness of New Zealand visual arts.
- + Choreographer and dance film maker Daniel Belton was awarded the **2009 Creative New Zealand Choreographic Fellowship** to research and develop new work. Worth \$65,000, it is the largest choreographic award or fellowship available in New Zealand. Please refer to [www.creativenz.govt.nz](http://www.creativenz.govt.nz) for further detail on all recipients.

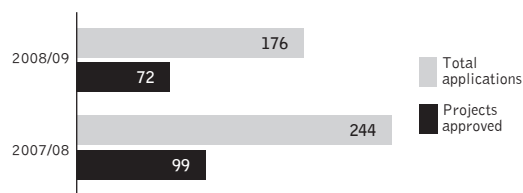
The Arts Board *Creative and Professional Development* programme also contributed to this objective in 2008/09. From February 2009, funding was allocated by the Arts Board, Te Waka Toi and the Pacific Arts Committee

through the new contestable funding pathways to projects that contributed to this objective. The Arts Board, Te Waka Toi and the Pacific Arts Committee supported **72** innovative and quality projects with grants totalling **\$137,728** awarded to artists, arts practitioners and arts organisations.

All 35 recurrently funded organisations supported by Creative New Zealand contributed to the development of high quality art by providing artists, arts practitioners and arts organisations with the opportunity to develop the quality of their work. Refer to [www.creativenz.govt.nz](http://www.creativenz.govt.nz) for a full list of 2008/09 contestable and recurrent funding grants.

## HOW WE PERFORMED

FIGURE 5: INNOVATIVE AND QUALITY ARTISTS APPLICATIONS AND PROJECTS APPROVED THROUGH THE CONTESTABLE FUNDING PROGRAMME 2008/09



The Arts Board, Te Waka Toi and Pacific Arts Committee supported **81** innovative and quality projects including 9 Special Opportunities, with grants totalling **\$1,859,970** awarded to artists, arts practitioners and arts organisations.

A total of **95** projects funded through the *Creative and Professional Development* funding programme in 2008/09 and prior years were acquitted in 2008/09.

**Smash Palace Fund:** In 2008/09 Creative New Zealand and the Ministry of Research, Science and Technology confirmed that a new round of the Smash Palace initiative will occur between 2009 and 2011. The fund supports projects that engage New Zealanders in the role of research, science and technology in supporting innovation. The term *Smash Palace* refers to the panelbeater's shop in the New Zealand film of the same name. The name was chosen because it helped convey a place where what may appear to be differing world views can work together to explore and develop new ways of working, new ways of thinking and new ways of using existing knowledge.



## OBJECTIVE 2

### Producing innovative work

We will invest in quality new art that commands attention nationally and internationally.

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*Lars & Peter*, a short film by Daniel Borgman. PHOTOGRAPH BY NIELS BUCHHOLZER

#### Working together 2008/09

**Screen Innovation Production Fund/Independent Film Makers' Fund:** Creative New Zealand and the New Zealand Film Commission jointly allocated funds through the Screen Innovation Production Fund in 2008. In 2009, this was replaced by the Independent Film Makers' Fund. The fund's purpose is to invest in exceptional, innovative, high-quality, non-commercial projects by experienced film and moving image makers. Thirty-four projects were funded through both funds in 2008/09. Creative New Zealand received reports on the results of 62 projects funded through the Screen Innovation Production Fund in 2008/09 and prior years.



## WHAT WE DID

The Arts Board, Te Waka Toi and Pacific Arts Committee were responsible for allocating funding through the Contestable and Recurrent Funding programmes to meet this objective in 2008/09.

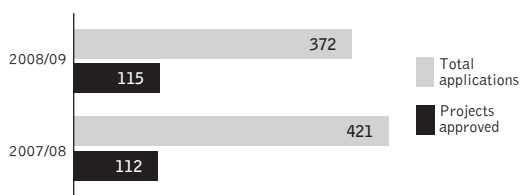
The Arts Board and Te Waka Toi *New Work* programme and the Pacific Arts Committee *Arts Development* programme contributed to this objective in 2008. From February 2009 onwards, funding was also allocated through the new contestable funding pathways to projects that contributed to this objective. New quality-assessment criteria for innovation aimed to identify and support innovative and high-quality art and artists. Projects supported in 2008/09 include:

- + **Govett-Brewster Art Gallery:** towards a national and international artist in residence programme
- + **Reuben Patterson:** to create a new work for Asia Pacific Triennial
- + **Andy Leleisi'uao:** towards creating new work for a solo exhibition in New York City

Refer to [www.creativenz.govt.nz](http://www.creativenz.govt.nz) for a full list of contestable funding and recurrent funding grants for 2008/09.

## HOW WE PERFORMED

FIGURE 6: *PRODUCING INNOVATIVE WORK*  
APPLICATIONS AND PROJECTS APPROVED  
THROUGH THE CONTESTABLE FUNDING  
PROGRAMME 2008/09



The Arts Board, Te Waka Toi and Pacific Arts Committee supported **115** projects, with grants totalling **\$2,245,800** awarded to artists, arts practitioners and arts organisations. While application numbers slightly decreased in the 2008/09 year projects approved and total funding awarded remained constant.

A total of **155** projects funded through the *New Work and Arts Development* funding programmes in 2008/09 and prior years were acquitted in 2008/09.

Two Screen Innovation Production-funded films received awards at the DOCNZ film competition in 2009. Stuart Page's *Shustak* was awarded top prize in the New Zealand Competition: Feature Documentary category, with the director also winning the Best Emerging New Zealand Filmmaker prize. Susan Potter's film *An Ordinary Person* was successful in the New Zealand Competition: Short Documentary award. *Lars og Peter*, a short film funded under the Screen Innovation Production Fund, was accepted into the 62nd Cannes International Film Festival in 2009.

### OBJECTIVE 3

## Developing potential

We will invest in and support quality New Zealand artists, practitioners and organisations to reach their potential.

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Performers taking to the stage at the Smokefree Rockquest 2008.  
IMAGE COURTESY OF SMOKEFREE ROCKQUEST

### Working together 2008/09

**Tup Lang Choreographic Awards:** Two awards were offered in 2008 by the Tup Lang Estate and administered by Creative New Zealand. Katie Burton was awarded \$10,320 towards a five week development trip in the United States, with the support of the Tup Lang Estate of \$3,000 and an Arts Board grant of \$7,320. Alexa Wilson was awarded \$45,250 towards the creation and presentation of a new work 'Toxic Shock' with the support of the Tup Lang Estate of \$3,000 and an Arts Board grant of \$42,250.

## WHAT WE DID

Professional development opportunities were supported through the Contestable and Recurrent Funding programmes in 2008/09 to ensure that artists are able to learn, develop and experiment with their arts practice and develop the quality of their art.

In addition to our partnerships (see *Working Together 2008/09* below), contestable funding supported youth-focused projects that encourage the artistic potential of young artists at the early stages of their careers. An example was a \$30,000 grant to the Smokefree Rockquest in 2008/09. Smokefree Rockquest aims to motivate young musicians to prove their ability and realise their potential and reaches audience numbers in excess of 100,000.

Several recurrently funded organisations support emerging artists to reach their potential in 2008/09. An example is the Choirs Aotearoa New Zealand Trust which administers the New Zealand Youth Choir. The New Zealand Youth Choir provides opportunities for young New Zealand singers aged 18–25 years old, and enables them to achieve excellence nationally and internationally. The Choir received critical acclaim for several performances in 2008/09. Refer to [www.creativenz.govt.nz](http://www.creativenz.govt.nz) for a full list of contestable and recurrent funding grants for 2008/09.

## HOW WE PERFORMED

The Arts Board, Te Waka Toi and Pacific Arts Committee supported **31** projects in 2008/09 with grants totalling **\$321,647** awarded to artists, arts practitioners and arts organisations.

The 2008/09 year is the first that projects were directly funded against this objective and, as a result, comparisons cannot be made against previous years. Trends for projects funded and projects acquitted will be analysed in 2010/11.

**Todd Writers' Bursary:** The \$20,000 bursary was awarded to Eleanor Meecham in 2008/09. The bursary is a partnership between the Todd Corporation and Creative New Zealand, with each partner contributing \$10,000. This bursary enables a promising writer to work full-time for six months on an approved project.

**Creative New Zealand-Blumhardt Foundation Curatorial Internship:** The internship was awarded to Reuben Friend in 2008/09. Based at TheNewDowse in Lower Hutt, the internship provides an important opportunity for an emerging curator or artist to develop curatorial skills and experience on an exhibition project focusing on the decorative arts and design.

### STRATEGIC PRIORITY THREE

## NEW ZEALANDERS HAVE ACCESS TO HIGH-QUALITY ARTS EXPERIENCES

This strategic priority gives New Zealanders regular opportunities to access diverse, high-quality arts experiences.

### OBJECTIVE 1

## Delivery of the arts

We will invest in opportunities for New Zealanders to access high-quality arts experiences on a regular basis.



The Jade String Quartet at Bannockburn Hall, Cromwell.  
PHOTOGRAPH BY WILLIAM HANFLING

### WHAT WE DID

With Creative New Zealand support through the Recurrent Funding programme in 2008/09, New Zealanders living in main centres (Auckland, Wellington, Christchurch and Dunedin) and those in provincial and rural areas had the opportunity to access high-quality arts experiences. **Twenty-five** organisations toured their work outside of the main centres and there were around **640,000** attendances at performances or events across New Zealand by recurrently funded organisations in 2008 compared with 615,000 in 2007.<sup>6</sup>

The Arts Board *Presentation, Promotion and Audience Development* programme, Te Waka Toi's *Experiencing Māori Arts* programme and the Pacific Arts Committee *Arts Promotion* programme all contributed to this objective. From February 2009 onwards, funding was also allocated through the new contestable funding pathways to projects that contributed to the objective *Delivery of the Arts*. Refer to [www.creativenz.govt.nz](http://www.creativenz.govt.nz) for a full list of contestable and recurrent funding grants in 2008/09.

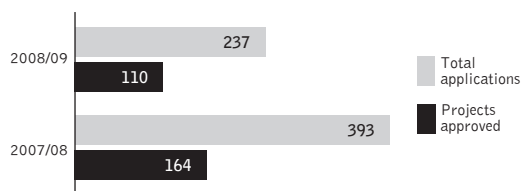
In order to support the delivery of arts experiences outside the main centres,

<sup>6</sup> This is the number of tickets sold at recurrently funded organisation events directly supported by Creative New Zealand, but it does not include attendances at events the organisations hire productions/performance out to or free concerts.

Creative New Zealand has developed a **Distribution Strategy** in 2008/09. As a result, the Arts Board, along with Te Waka Toi and the Pacific Arts Committee, has agreed upon several activities to improve distribution in 2009/10.

## HOW WE PERFORMED

FIGURE 7: DELIVERY OF THE ARTS APPLICATIONS AND PROJECTS APPROVED THROUGH THE CONTESTABLE FUNDING PROGRAMME 2008/09

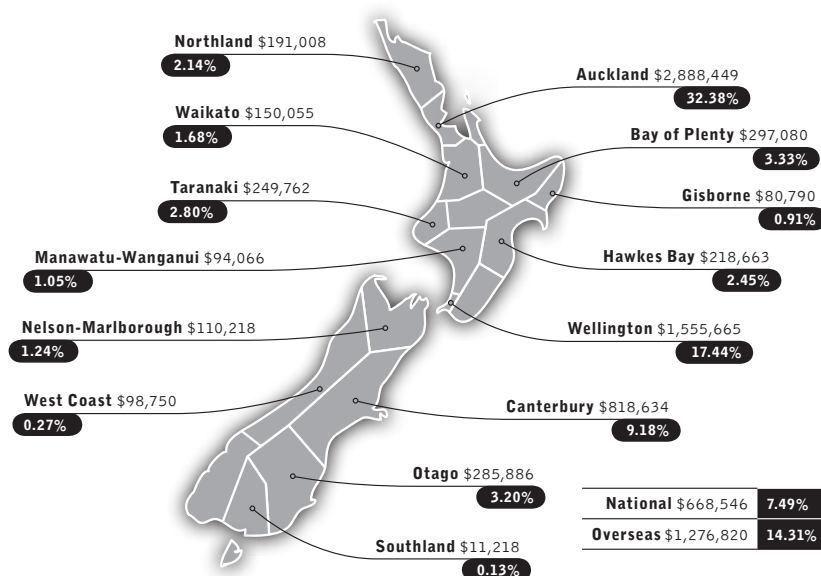


The Arts Board, Te Waka Toi and Pacific Arts Committee supported **110** projects, with grants totalling **\$2,866,023** awarded to artists, arts practitioners and arts organisations in 2008/09. This can be compared with \$3,884,954 awarded in 2007/08. A decrease may be attributed to the new Contestable Funding programme with applications distributed across many objectives.

A total of **190** projects funded through the Presentation, Promotion and Audience Development, Experiencing Māori Arts and Arts Promotion programmes in 2008/09 and prior years were acquitted in 2008/09.

Figure 8 illustrates the investment in artists across New Zealand through the Contestable Funding programme in 2008/09.

FIGURE 8: INVESTMENT IN ARTISTS ACROSS NEW ZEALAND THROUGH THE CONTESTABLE FUNDING PROGRAMME IN 2008/09



**Note:** National projects have an impact on at least three regions and include major touring projects.

## OBJECTIVE 2

### Audience development

We will invest in opportunities for New Zealanders to experience high-quality New Zealand work that is innovative, challenging and culturally diverse.

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*Mount Head*, written and performed by Hiroshi Nakatsuji, directed by Tony Forster.

IMAGE COURTESY OF THE THE ORYZA FOUNDATION FOR ASIAN PERFORMING ARTS

## WHAT WE DID

In the 2007–10 Strategic Plan Creative New Zealand committed to developing a framework for producing work for particular culturally diverse audiences and investing in providers whose work is targeted at Asian, Māori or Pacific audiences. A key initiative that has progressed this objective in 2008/09 is the Asian Aucklanders and the Arts strategic action framework 2008–12 that Creative New Zealand has developed in partnership with the Auckland City Council and the ASB Community Trust.

The framework has been developed as a pilot strategy and if successful, consideration will be given to developing a national strategy to engage Asians in the arts, potentially as part of a wider cultural diversity strategy, or a wider diversity strategy encompassing aspects such as disability.

As part of the framework, the Spotlight on Diversity Arts Ambassadors' Pilot Scheme was launched in February 2008 and there are currently 29 Arts Ambassadors, 73 percent of whom are of Asian descent. These Arts Ambassadors work as community networkers to develop new Asian audiences.

The new Contestable Funding programme, introduced in 2009, has increased the opportunity for artists, arts practitioners and arts organisations to apply for funding to deliver to this audience development objective. While few applications were received in 2008/09 it is hoped that, as applicants become familiar with the new Contestable Funding programme, applications supporting this objective will grow.

However at least 120 of the projects supported by the Arts Board, Te Waka Toi and Pacific Arts Committee across all funding programmes in 2008/09 reflect New Zealand's diverse people and their heritage. Examples of projects supported are as follows:

- + **the Oryza Foundation for Asian Performing Arts:** toward a season of seven new short theatre works titled "Asian Tales: Native Alienz" (\$20,000)
- + **Mudra Dance Company:** towards a remounted season of "Natya Manjari" (\$27,000)
- + **Sum Suraweera:** towards a national tour (\$14,000)

### Working together 2008/09

**Office of Ethnic Affairs and Asia New Zealand Foundation:** These organisations have assisted Creative New Zealand on intercultural policy development during the development and implementation of the Asian Aucklanders and the Arts strategic action framework for 2008–2012.

**Vital Statistics Data Programme:** Creative New Zealand provided participants at the Entertainment Venues of New Zealand conference in November 2008 with an overview of the Vital Statistics project and how it can provide venues with a profile of New Zealand arts audiences for benchmarking, demographic profiling and audience trend analysis. Thirteen venues will participate in the programme in 2009/10.



### OBJECTIVE 3

## Developing potential

We will invest in providers of high-quality arts experiences to broaden and diversify their audiences.

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Delegates at the 21st Century Arts Conference in June 2009.

## WHAT WE DID

In 2008/09, Creative New Zealand delivered advice and capability-building initiatives to artists, arts practitioners and arts organisations, including leadership, governance, internal organisational systems and processes, and audience development programmes. In addition to support through the Contestable and Recurrent Funding programmes, two key capability programmes were delivered.

A leadership course was run through the *Arts Organisations Development* programme in 2008/09. The course is for emerging and senior leaders from across the arts sector. In total, there were 20 participants, six of whom are recurrently funded organisation leaders. Eight participants graduated at the September 2009 workshop after having successfully completed the three-year programme.

The *Audience Development* programme encourages arts organisations and individuals to build dynamic and sustainable audience relationships. The highlight of the programme in 2008/09 was the 21st Century Arts Conference.

Creative New Zealand hosted the second 21st Century Arts Conference in June 2009. The conference was aimed at building audiences and expertise in arts organisations in Wellington, and is part of a programme of capability-building initiatives that Creative New Zealand offers to increase the skills of arts organisations.

The focus of this year's conference was on understanding audiences and what motivates people to attend the arts. It also focused on how an organisation's brand is at the heart of everything an organisation is and does while, at

the same time, shaping the perceptions of its existing and potential audiences.

The conference was attended by over 150 arts leaders, including performing and visual arts practitioners, policy-makers and local funders. Refer to the Creative New Zealand website at [www.creativenz.govt.nz](http://www.creativenz.govt.nz) for further information about the conference.

## HOW WE PERFORMED

Seven *Audience Development* programmes were delivered in 2008/09, with **178** participants in total. Through the *Arts Organisation Development* programme, one governance workshop and two leadership workshops were delivered in the period. **Fifty-four** participants completed the workshops in total. The overall response for capability-building programmes is positive. Creative New Zealand is working with participants to improve the evaluation of the workshops in order to better monitor the short- and long-term benefits the workshops offer.

The Arts Board, Te Waka Toi and Pacific Arts Committee received **six** applications through the new Contestable Funding programme in 2008/09 that aimed to contribute to this objective in 2008/09. **Three** projects were awarded a total of \$33,600.

The 2008/09 year is the first that projects were directly funded against this objective and, as a result, comparisons cannot be made against previous years. Trends will be analysed for projects funded and projects acquitted in 2010/11.

#### **STRATEGIC PRIORITY FOUR**

### **NEW ZEALAND ARTS GAIN INTERNATIONAL SUCCESS**

Through this strategic priority Creative New Zealand will position the best of New Zealand art and artists within an international context, and will work collaboratively with key partners to have enduring impacts in target markets.

#### **OBJECTIVE 1**

### **New Zealand's distinctive voices are heard overseas**

We will invest in the distinct expressions of New Zealand's arts and culture at key international events and markets.



Visitors enjoy the opening of Judy Millar's *Giraffe-Bottle-Gun* at the 2009 Venice Biennale. PHOTOGRAPH BY KERRY BROWN

## WHAT WE DID

The new **International Strategy** was developed and implemented in 2008/09 following consultation with the New Zealand arts sector, other government agencies and our international networks. It provides a focus for Creative New Zealand's international activities and ensures our funding and resources are directed towards the best results. The International Strategy aims to help New Zealand artists and arts organisations take their work to an international audience.

New Zealand's involvement in the Venice Biennale 2009 and the 10th Festival of Pacific Arts 2008 were key events for Creative New Zealand in 2008/09. The Venice Biennale is the cornerstone of New Zealand's international presentation of our visual arts, while the Festival of Pacific Arts is the largest and most significant indigenous exchange in the world. Both provided significant opportunities for New Zealand artist to be seen and heard internationally. Refer to the Creative New Zealand website at [www.creativenz.govt.nz](http://www.creativenz.govt.nz) for highlights from the events, including a blog written by the New Zealand attendants at the two exhibitions.

As at 1 October 2009, there have been 85,000 visits to both New Zealand exhibitions at the Venice Biennale.<sup>7</sup> Along with successes

highlighted below (see Celebrating success 2008/09) four recurrently funded organisations (*Black Grace Trust, Choirs Aotearoa New Zealand, New Zealand String Quartet and Taki Rua Productions*) also presented internationally in 2008/09.

## HOW WE PERFORMED

A total of **23** events and touring projects that contribute to this objective were supported through the International Programme in 2008/09 with a total of **\$399,883** awarded to artists, arts practitioners and arts organisations. In 2009/10 Creative New Zealand will work to implement monitoring processes for international events.

From February 2009 onwards, funding was also allocated through the new contestable funding pathways to projects that contributed to the objective *New Zealand's distinctive voices are heard overseas*. The Arts Board, Te Waka Toi and Pacific Arts Committee supported **39** projects, with grants totalling **\$470,080** awarded through the Contestable Funding programme in 2008/09.

A total of **nine** projects funded through the *Indigenous Links* and *Tāngata Whenua Links* funding programmes in 2008/09 and prior years were acquitted in 2008/09.

<sup>7</sup> New Zealand's official presence from June to November 2009 at the Venice Biennale comprises two exhibitions by Judy Millar and Francis Upritchard.

### Celebrating success 2008/09

World music group **Pacific Curls** showcased at the Australasian World Music Expo in Melbourne 2009 with the support of Creative New Zealand. Following this, they received invitations from festivals in Australia, New Caledonia, Korea and Canada and will attend the World Music Expo in Copenhagen as part of the Creative New Zealand contingent.

The visual theatre work **The Arrival** directed by Kate Parker and Julie Nolan was a hit at the Auckland Festival in 2009. In the audience were a number of international directors brought to New Zealand by Creative New Zealand as part of its market development programme. The Arrival received a number of international invitations and will perform at the Sydney Festival in January 2010, the Hong Kong Arts Festival in February 2010 and the New Zealand International Arts Festival in March 2010.

Theatre production **He Reo Aroha**, produced by Hone Kouka and Miria George of Tawata Productions, was a hit at Planet IndigenUs in Canada in 2009. Creative New Zealand supported their market development trip to Canada and then their travel to perform there. We are working with them to gain further international exposure, and they will showcase in Australia in February 2010.

## OBJECTIVE 2

### Market development

We will invest in an arts sector that generates New Zealand artists making world-class work that delivers to target markets.

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Red Leap Theatre's production and adaptation of Shaun Tan's *The Arrival*. PHOTOGRAPH BY ROBIN KERR

## WHAT WE DID

During 2008/09, Creative New Zealand focused on reviewing priority markets and implementing international market development activities.

The first *Te Manu Ka Tau: Flying Friends* programme took place in March 2009. *Te Manu Ka Tau* aims to build long-term connections and collaborations to assist New Zealand artists to spread their wings to international shores.

Over 30 international guests participated in the programme, including presenters, festival directors and agents from Australia, Korea, Singapore, Hong Kong, Indonesia, China, United States, Canada, Belgium, Scotland, France and Germany. The guests attended showcases of New Zealand theatre, dance and classical music, pitch sessions and an indigenous forum highlighting Māori and Pacific artists.

Creative New Zealand received an overwhelming response from guests who felt the visit had helped them achieve a much better appreciation of the range of work by New Zealand artists.

## HOW WE PERFORMED

The results of market development investments are not always realised in the investment year because it takes time to build an effective presence in a new market and expand the relationships required for success. The results of 2008/09 investment will be monitored over 2010/11 and 2011/12. There are several achievements through the Market Development programme in 2008/09 as follows.

- + New Zealand delegations attended the World Music Expo in Seville, October 2008 and the Australasian World Music Expo in Melbourne, November 2008. As a result several artists and bands have enjoyed international opportunities. These include:
  - Kora invited to perform at the Mosaics Music Festival in Singapore in March 2010
  - Pacific Curls performed at the Ulsan World Music Festival in South Korea in October 2009
  - Moana and the Tribe performed at the following events between May and June 2009: the Tong Tong Festival in The Netherlands, St Marks Square for New Zealand's participation in the Venice Biennale, Tanks Art Centre and the Dreaming Festival in Australia, and the Rainforest Festival in Sarawak, Malaysia (all during May–June 2009)
  - Moana and the Tribe and Mamaku Project featured on world music website [www.mondomix.com](http://www.mondomix.com) and their album *Wha* was number 1 in January 2009 on Radio Catalunya iCatfm
  - Ladi6 were signed by a Japanese record label
  - Tiki Taane appeared on German television station ARD-Buffet.
- + Several New Zealand publishers participated in the Sydney Writers' Festival in May 2009.

### OBJECTIVE 3

## Developing potential

We will invest in New Zealand artists, practitioners and organisations to build their capacity, profile, relationships and work in order to have enduring overseas success.

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Pacific Curls were supported by Creative New Zealand International funding in 2008/09. IMAGE COURTESY OF PACIFIC CURLS



## WHAT WE DID

In 2008/09, Creative New Zealand focused on building skills, accelerating international connections, and developing and sharing market knowledge. This aimed to build the capacity, profile, and relationships and work of New Zealand artists, arts practitioners and arts organisations.

Creative New Zealand worked in partnership with New Zealand Trade and Enterprise in 2008/09 to offer an Export Readiness Programme for Producers of Dance and Theatre. Twelve performing arts producers took part in the programme of workshops that aimed to develop the producers' skills in:

- + assessing the viability of a project
- + marketing and using the media
- + building relationships
- + pitching projects to potential buyers
- + the logistics and financial aspects of international touring.

Many course attendees went on to successfully participate in the *Te Manu Ka Tau: Flying*

*Friends* programme pitch session around the Auckland Festival in March 2009.<sup>8</sup>

Two international festivals, the Dreaming in Australia and Planet IndigenUs in Canada, were targeted for indigenous exchange activities in 2008/09. The directors of these festivals participated in Te Manu Ka Tau, which resulted in more than 10 artists or companies successfully taking part in an international exchange in Australia and Canada. Artists and companies included Moana and the Tribe, King Kapisi, Taki Rua, Tawata Productions, Joe Harawira, Mhirangi, Pacific Curls, newwayintheatre and a Michael Parekowhai work.

## HOW WE PERFORMED

The Arts Board supported four projects in 2008/09 with grants totalling \$41,790 awarded to artists, arts practitioners and arts organisations. The 2008/09 year is the first that projects were directly funded against this objective.

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<sup>8</sup> A pitch session is a presentation of an artist or company's work aimed at directors and producers.

## Working together 2008/09

The International programme has allowed Creative New Zealand to build ongoing and developing relationships with the Ministry of Economic Development's Inter-Agency Events Group, Ministry of Foreign Affairs and Trade, the Asia New Zealand Foundation on international opportunities, the New Zealand Music Commission (NZMC), several New Zealand festivals, and international arts councils. In particular, we have developed strong relationships with the Australia Council for the Arts and Korean Arts Council.

Creative New Zealand has worked closely with the Ministry of Foreign Affairs and Trade and in the planning and implementation of the Venice Biennale 2009 and partnered with NZMC to undertake New Zealand's first official presence at the World Music Expo (WOMEX) in 2008. The relationship continues to grow and we are partnering with NZMC again to attend WOMEX in 2009. In addition, the New Zealand Ambassador to Spain travelled to Seville to attend the New Zealand function and spoke at the event.

# Governing Creative New Zealand

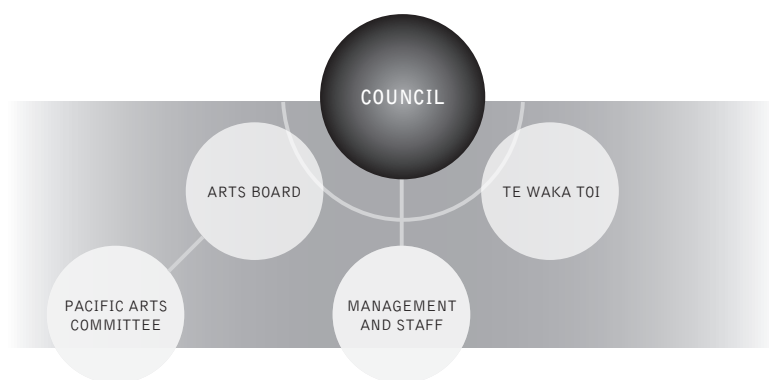
Te whakahaere i a  
Toi Aotearoa

## Creative New Zealand's Governance Structure

Nga tikanga whakahaere a  
Toi Aotearoa



The Arts Council of New Zealand  
Toi Aotearoa Act 1994 determines  
Creative New Zealand's structure.



Under the Crown Entities Act 2004, Creative New Zealand is an autonomous Crown entity and, as such, must have regard to government policy when directed by the responsible Minister, the Minister for Arts, Culture and Heritage. Under the Arts Council of New Zealand Toi Aotearoa Act 1994, the Minister may not give direction to the Council in relation to cultural matters (section 7(3) of the Act).

## THE ROLE OF THE ARTS COUNCIL

The Arts Council (the Council), Creative New Zealand's governing body, carries out its statutory functions with funds provided by the Government through Vote: Arts, Culture and Heritage and the New Zealand Lottery Grants Board, and it is accountable to the responsible Minister.

The functions carried out directly by the Council include:

- + setting the policy and strategic direction of Creative New Zealand
- + allocating funding to the arts boards (the Arts Board and Te Waka Toi, the Māori Arts Board) for investment
- + considering recommendations on key issues and approving major strategic and policy initiatives
- + monitoring the implementation of the annual workplan and budget
- + monitoring the overall performance of Creative New Zealand and the arts boards.

There are two committees of the Council that undertake work on its behalf: the Finance, Risk and Audit Committee and Chairs Committee. Their roles are outlined below:

- + The **Finance, Risk and Audit Committee** meets bi-monthly to ensure Creative New Zealand meets accounting and financial reporting standards, monitors risk, receives advice from auditors and makes recommendations to the Council on financial policy.
- + The **Chairs Committee** is advisory only and meets on a regular basis to advise the Council Chair on the implementation of Council policy and delivery of organisational processes as they apply to the arts boards and to ensure communication between the Council and arts boards. In addition, the Chairs of the arts boards and the Pacific Arts Committee attend meetings of the Council.

## THE ROLE OF THE FUNDING BOARDS

Under the Act, Creative New Zealand has two funding boards: the Arts Board and Te Waka Toi. The arts boards are accountable to the Council for carrying out the functions and actions delegated to them.

The functions carried out directly by the boards include:

- + ratifying and monitoring contestable funding to artists, arts practitioners and arts organisations through the Contestable Funding programme
- + allocating annual and multi-year funding to major arts organisations (recurrently funded organisations)
- + overseeing the Creative Communities Scheme
- + developing initiatives and delivering targeted programmes to meet identified needs.

The Pacific Arts Committee is a committee of the Arts Board. A member of the Arts Board chairs the Committee.

The functions carried out directly by the Pacific Arts Committee include investing contestable funding and developing initiatives and tailored programmes to support Pacific artists and communities.

## COUNCIL/BOARD/PACIFIC ARTS COMMITTEE MEMBERSHIP

The Minister for Arts, Culture and Heritage appoints members of the Council. The Minister must consult with the Minister of Māori Affairs before appointing Māori members.

The Minister also appoints members to the Arts Board and Te Waka Toi. The Minister consults with the Minister of Māori Affairs before appointing members to Te Waka Toi.

Members possess a broad range of skills, general knowledge and experience. In making appointments, the Minister ensures any skills gaps are met.

The Arts Board appoints members of the Pacific Arts Committee.

Membership of the Council, boards and the Pacific Arts Committee as of 30 June 2009 is outlined below:

COUNCIL	APPOINTED	CURRENT TERM EXPIRES
Alastair Carruthers (Chair)	1 July 2007	30 June 2010
Alick Shaw	17 December 2003	31 October 2009
Dr James Ng	17 December 2003	31 October 2009
Jenny May*	1 July 2006	30 June 2009
Dr Jenny Plane Te Paa*	1 July 2006	30 June 2009
Oscar Kightley	16 July 2007	30 June 2010
Erima Henare	1 July 2008	30 June 2011

**Notes:**

\*Term expired on 30 June 2009 and new appointments were made effective 1 July 2009 (refer below).

ARTS BOARD	APPOINTED	CURRENT TERM EXPIRES
Alan Sorrell (Chair)	1 July 2007	30 June 2010
Terry Snow	1 July 2005	30 June 2011
Michael Prentice*	1 July 2006	30 June 2009
Pele Walker*	1 July 2006	30 June 2009
Sid Ashton	1 July 2007	30 June 2010
Penny Eames	1 July 2007	30 June 2010

**Notes:**

\*Reappointed for a second three-year term ending 30 June 2011, effective 1 July 2009.

Kate de Goldi resigned part-way through the year and a new appointment was made as of 1 July 2009.

PACIFIC ARTS COMMITTEE	ISLAND REPRESENTATIVE	APPOINTED	CURRENT TERM EXPIRES
Pele Walker (Chair)		1 July 2006	1 July 2009
Rev Suamalie Naisali Tafaki Iosefa*	Tuvalu	October 2003	30 June 2009
Albert Refiti*	Samoa	May 2005	30 June 2009
Taniela Vao	Tonga	August 2007	August 2010
Ema Tavola	Fiji	August 2007	August 2010
Matafetu Smith	Niue	June 2008	June 2011
Frances Hartnell	Cook Islands	1 July 2008	30 June 2011
John Puka	Tokelau	December 2008	December 2011

**Note:**

\* Reappointed for a further one-year term expiring on 30 June 2009.

TE WAKA TOI	APPOINTED	CURRENT TERM EXPIRES
Dr Ngahuia Te Awetokutu* (Chair)	1 July 2006	30 June 2009
Marina Sciascia	1 June 2005	30 June 2011
Darrin Haimona**	1 July 2006	30 June 2009
Ranui Ngarimu*	1 July 2006	30 June 2009
Kura Te Waru Rewiri	1 July 2008	30 June 2011
John Huria	1 July 2008	30 June 2011
Te Kāhautu Maxwell	1 July 2008	30 June 2012

**Notes:**

\* Term expired on 30 June 2009 and new appointments were made effective 1 July 2009 (refer below).

\*\* Reappointed for a second three-year term expiring on 30 June 2011, effective 1 July 2009. Darrin Haimona will take up the role of Chair.

## NEW MEMBERS

Several new members have been appointed to the Arts Council, Arts Board, and Te Waka Toi, effective 1 July 2009. The new appointments are as follows:

	BODY	APPOINTED	CURRENT TERM EXPIRES
Anne Rush	Arts Council	1 July 2009	30 June 2012
Jimmy Wallace	Arts Council	1 July 2009	30 June 2012
Nandor Tanczos	Arts Board	1 July 2009	30 June 2012
Matanuku Mahuika	Te Waka Toi	1 July 2009	30 June 2012
Nathan Hoturoa Gray	Te Waka Toi	1 July 2009	30 June 2012

## DIRECTIONS FROM THE MINISTER

Creative New Zealand did not receive any directions from the Minister for Arts, Culture and Heritage in 2008/09.

## ACTS IN BREACH OF STATUTE

Creative New Zealand cannot act in a way that is contrary to, or outside the authority of, an Act of Parliament. Creative New Zealand has not performed any *ultra vires* transactions (section 19 of the Crown Entities Act 2004).

## PERMISSION TO ACT

Under the Crown Entities Act 2004, a member who is interested in a matter relating to a Crown entity must not vote or take part in any discussion or decision of the board or any committee relating to that matter. However, the Chair of a Crown entity may exempt one or more board members from this requirement if it is in the public interest to do so (section 68(6) of the Crown Entities Act 2004). No exemptions were granted in 2008/09.

GOVERNANCE PROCESSES AT  
CREATIVE NEW ZEALAND INCLUDE  
THE FOLLOWING:

- + Each body operates within a delegations policy
- + An annual meeting calendar is established for the Council, boards and committees and a **work plan** is in place for each.
- + Members are aware of the duty to manage existing and potential **conflicts of interest**. A conflict of interest register is maintained, and meeting processes support individual members to manage all existing and potential conflicts of interest.
- + New Council, board and committee members receive a comprehensive **induction**.
- + The Office of the Auditor- General appoints the boards' external **auditor**.

# Managing Organisational Health

## Te whakahaere i te ora o te tari



Creative New Zealand has established a fifth strategic priority, **organisational strength**, under which organisational health and capability is managed. This strategic priority is aligned with Equal Employment Opportunities principles and the State Services Commission's six Development Goals, and it recognises that organisational culture, people, systems, processes, decision-making and relationships are critical in enabling us to achieve our outcomes.

As of 1 July 2009, Creative New Zealand has 55 staff based across its three offices. Fifty-two of these were permanent staff and three fixed-term staff. Two staff work on a part-time basis.

Creative New Zealand completed work in all of these areas over in 2008/09. Key highlights and achievements are as follows:

### BEST PEOPLE AND ORGANISATIONAL CULTURE

- + One hundred percent of staff were offered training and development across a range of areas including software training, financial reporting, communications and presentations and project management
- + Twenty-five percent of all staff undertook te reo training
- + One hundred percent of staff received health and safety workplace assessment
- + Two Best Places to Work surveys were carried out to monitor the well being of the organisation

### BEST THINKING AND DECISIONS

- + A new Contestable Funding programme implemented in February 2009
- + A major review of the Creative Communities Scheme was completed in July 2009. Recommendations will be implemented in 2009/10.
- + Quality assessments of the organisations Creative New Zealand funds on a recurrent basis were completed. These will inform a wider review of the portfolio of recurrently funded organisations to be completed in 2009/10.

- + A pan-art form international strategy implemented that presents how Creative New Zealand can best achieve the strategic priority *New Zealand arts gain international success*.
- + A distribution strategy covering the touring and digital distribution of work was implemented.

### BEST RELATIONSHIPS

- + Seventy-three partnerships with local authorities were maintained through the Creative Communities Scheme in 2008/09.
- + Thirty-six relationships with professional arts organisations were managed through the Recurrent Funding programme.

### BEST GOVERNANCE AND MANAGEMENT

- + An improved accountability and delegations framework for the Arts Council, Arts Board, Te Waka Toi and Pacific Arts Committee was implemented along with an improved induction process.
- + The Arts Council, Arts Board, Te Waka Toi and Pacific Arts Committee met 21 times in 2008/09. This does not include the 15 assessment committees that met to consider funding proposals. Creative New Zealand management and staff ensured members received the necessary support to govern or make decisions.

### BEST STRUCTURES AND PROCESSES

- + A monitoring and evaluation framework was developed and implemented for the new Contestable Funding programme



# Organisational Performance

Nga whakatutukitanga  
o te tari

## Non-financial Performance Statement of Service Performance



The Statement of Intent 2008–2011 set out the specific priorities and objectives Creative New Zealand sought to achieve in 2008/09.

The following tables present Creative New Zealand's achievements in 2008/09 through its key funding and capability-building programmes. An overview of the achievements throughout the year is also presented on pages 10 to 35.

Creative New Zealand operates under one output class *Promotion and Support of Arts and Film*. Funding is provided through a contract with the Ministry for Culture and Heritage and a grant from the New Zealand Lottery Grants Board.

	2009/10 FORECAST (\$000)	2008/09 ACTUAL (\$000)	2008/09 BUDGET (\$000)
Income	42,158	40,790	39,443
Expenditure	40,865	41,672	40,813
Net operating surplus	1,293	(882)	(1,370)

**STRATEGIC PRIORITY ONE****NEW ZEALANDERS ARE ENGAGED IN THE ARTS**

This priority aims to give New Zealanders the opportunity to participate in, and have access to, the arts for the benefit of their communities. It has a particular focus on Māori, Pacific and diverse local communities, with Māori and Pacific art featuring in each of the strategic priorities.

**LONG-TERM OUTCOME**

Cultural identity within New Zealand communities is maintained and strengthened through their participation in the arts. This includes Māori, Pacific and diverse local communities.

**OBJECTIVE ONE****Strong Māori arts**

Under this objective, Creative New Zealand invests in Māori communities strengthening and building cultural identity through the arts. Projects and organisations funded through the **Contestable Funding programme**, including **Toi Ake projects**, and the **Recurrent Funding programme** contributed to this objective.

**PERFORMANCE MEASURES**

MEDIUM-TERM OUTCOME	QUANTITY	NOTES	2008/09 ACTUAL	2008/09 ACTUAL \$	2007/08 ACTUAL	2007/08 ACTUAL \$
The cultural traditions and artistry of Māori communities are preserved, strengthened and transmitted	The number of projects that were funded through the Contestable Funding programme including Toi Ake projects	1	23	444,083	22	477,961
	The number of recurrently funded organisations (RFOs) funded	2	Three RFOs ( <i>Kahurangi Māori Dance Trust, Taki Rua Productions and Toi Māori Aotearoa</i> ) directly contribute to this objective	1,341,780	Three RFOs ( <i>Kahurangi Māori Dance Trust, Taki Rua Productions and Toi Māori Aotearoa</i> ) directly contributed to this objective	1,341,780
	The number of Tōhunga Tukunga partnerships funded The number of participants in the Tōhunga Tukunga programme		The Tōhunga Tukunga programme was not run in 2008/09 and, as a result, there were no participants	0	Six tōhunga mentored 17 tukunga in 2007/08	60,000

STRONG MĀORI ARTS PERFORMANCE MEASURES *CONTINUED*

MEDIUM-TERM OUTCOME	QUALITY	2008/09 ACTUAL
The cultural traditions and artistry of Māori communities are preserved, strengthened and transmitted	Assessment criteria is followed in the funding of all projects and organisations	<ul style="list-style-type: none"> <li>+ 100 percent of projects funded through the Contestable Funding programme including Toi Ake projects met assessment criteria as detailed in the 2008/09 funding guide</li> <li>+ 100 percent of organisations funded through the Recurrent Funding programme had their programmes of activity approved against assessment criteria</li> </ul>
	Acquittal, project completion, quarterly or annual reports are analysed against funding or performance agreements	<ul style="list-style-type: none"> <li>+ The results of 27 projects funded through the Contestable Funding programme in 2008/09 and prior years were submitted during the 2008/09 financial year. The reports demonstrated contribution to achieving this objective and were acquitted against the original funding agreements</li> <li>+ All three RFOs demonstrated their direct contribution towards this outcome in their quarterly reporting</li> </ul>
	Trends analysed over time	+ Section two of the Annual Report presents overall trends and commentary for the period
	RESPONSIVENESS	2008/09 ACTUAL
	Undertake research into community arts, the health of Māori heritage arts, to develop benchmarks, indicators and inform investment decisions	Completed. The results of the research will be published in the 2009/10 year and will inform investment decisions in the 2010/11 financial year
	Framework for monitoring and evaluating the impact of activities developed	Completed. A framework for monitoring and evaluating the impact of the Contestable Funding programme is complete and will be implemented in 2009/10. The framework will be applied to further funding programmes in 2009/10 to 2010/11
	EFFICIENCY	2008/09 ACTUAL
	Administration costs as a percentage of income – new measure	The overall administration costs as a percentage of income are detailed in the Managing Organisational Health section of the Annual Report

## OBJECTIVE TWO

## Strong Pacific arts

Under this objective, Creative New Zealand invests in Pacific communities strengthening and building cultural identity through the arts. Projects and organisations funded through the **Contestable Funding programme** and **Recurrent Funding programme** contributed to this objective.

### PERFORMANCE MEASURES

MEDIUM-TERM OUTCOME	QUANTITY	NOTES	2008/09 ACTUAL	2008/09 ACTUAL \$	2007/08 ACTUAL	2007/08 ACTUAL \$
Customary artistic practices of New Zealand Pacific communities are preserved, strengthened and transmitted	The number of projects that were funded through the Contestable Funding programme	3	20	253,538	40	323,577
	The number of recurrently funded organisations (RFOs) funded	4	One RFO, <i>Tautai Contemporary Pacific Arts Trust</i> , directly contributed to this objective	135,000	One RFO, <i>Tautai Contemporary Pacific Arts Trust</i> , directly contributed to this objective	135,000
QUALITY			2008/09 ACTUAL			
Assessment criteria is followed in the funding of all projects and organisations			<ul style="list-style-type: none"> <li>+ 100 percent of projects funded through the Contestable Funding programme met assessment criteria as detailed in the 2008/09 funding guide</li> <li>+ 100 percent of organisations funded through the Recurrent Funding programme had their programmes of activity approved against assessment criteria</li> </ul>			
Acquittal, project completion, quarterly or annual reports are analysed against funding or performance agreements			<ul style="list-style-type: none"> <li>+ The results of 44 projects funded through the Contestable Funding programme in 2008/09 and prior years were submitted during the 2008/09 financial year. The reports demonstrated contribution to achieving this objective and were acquitted against the original funding agreements</li> <li>+ <i>Tautai Contemporary Pacific Arts Trust</i> demonstrated its direct contribution towards this outcome in its quarterly reporting</li> </ul>			
Trends analysed over time			<ul style="list-style-type: none"> <li>+ Section two of the Annual Report presents overall trends and commentary for the period</li> </ul>			
RESPONSIVENESS			2008/09 ACTUAL			
Undertake research into community arts, the health of Pacific heritage arts, to develop benchmarks, indicators and inform investment decisions			Completed. The results of the research will be published in the 2009/10 year and will inform investment decisions in the 2010/11 financial year			
Framework for monitoring and evaluating the impact of activities developed			Completed. A framework for monitoring and evaluating the impact of the Contestable Funding programme is complete and will be implemented in 2009/10. The framework will be applied to further funding programmes in 2009/10 to 2010/11			
EFFICIENCY			2008/09 ACTUAL			
Administration costs as a percentage of income – new measure			The overall administration costs as a percentage of income are detailed in the Managing Organisational Health section of the Annual Report			

## OBJECTIVE THREE

# Community arts participation

Under this objective, Creative New Zealand invests in diverse, local and ethnic communities to participate in and develop their arts. Creative New Zealand also aims to increase intercultural engagement. Projects and organisations funded through the **Creative Communities Scheme**, the **Contestable Funding programme** and **Recurrent Funding programme** contributed to this objective.

## PERFORMANCE MEASURES

MEDIUM-TERM OUTCOME	QUANTITY	NOTES	2008/09 ACTUAL	2008/09 ACTUAL \$	2007/08 ACTUAL	2007/08 ACTUAL \$
1 Diverse, local and ethnic communities participate in and develop their art	The number of projects that were funded through the Contestable Funding programme	5	9	137,728	Not measured	Not measured
2 Intercultural engagement is fostered	The number of recurrently funded organisations (RFOs) funded	6	One RFO, <i>Arts Access Aotearoa</i> , directly contributed to this objective	278,000	One RFO, <i>Arts Access Aotearoa</i> , directly contributed to this objective	278,000
	The number of territorial authorities that distributed Creative Communities Scheme funding		73 territorial authorities distributed funding to 2,333 projects	2,613,588	73 territorial authorities distributed funding to 2,289 projects	2,651,000
	QUALITY		2008/09 ACTUAL			
	Assessment criteria is followed in the funding of all projects and organisations		<ul style="list-style-type: none"> <li>+ 100 percent of projects funded through the Contestable Funding programme met assessment criteria as detailed in the 2008/09 funding guide</li> <li>+ 100 percent of organisations funded through the Recurrent Funding programme had their programmes of activity approved against assessment criteria</li> <li>+ 100 percent of Territorial Authorities signed annual agreements in accordance with the Creative Communities Scheme agreement criteria</li> </ul>			
	Acquittal, project completion, quarterly or annual reports are analysed against funding or performance agreements		<ul style="list-style-type: none"> <li>+ Not completed. Not reported by objective for projects funded through the Contestable Funding programme. Projects supported by the three funding bodies through the Contestable Funding programme and acquitted in the 2008/09 period indirectly support this objective</li> <li>+ <i>Arts Access Aotearoa</i> demonstrated its direct contribution towards this outcome in its quarterly reporting</li> <li>+ 100 percent of territorial authorities submitted annual reports demonstrating their contribution towards this objective</li> </ul>			
	Trends analysed over time		+ Section two of the Annual Report presents overall trends and commentary for the period			
	RESPONSIVENESS		2008/09 ACTUAL			
	Review the Creative Communities Scheme		Completed. Recommendations arising from the review will be implemented in 2009/10			
	Undertake research into community arts, intercultural engagement, to develop benchmarks, indicators and inform investment decisions		This was planned for 2009/10. The initiative has been rolled into the development of a diversity strategy to be undertaken in 2009/10			
	Framework for monitoring and evaluating the impact of activities developed		Completed. A framework for monitoring and evaluating the impact of the Contestable Funding programme is complete and will be implemented in 2009/10. The framework will be applied to further funding programmes in 2009/10 to 2010/11			
	EFFICIENCY		2008/09 ACTUAL			
	Administration costs as a percentage of income – new measure		The overall administration costs as a percentage of income are detailed in the Managing Organisational Health section of the Annual Report			

**STRATEGIC PRIORITY TWO****HIGH-QUALITY NEW ZEALAND ART IS DEVELOPED**

This strategic priority aims to ensure that the best New Zealand artists have the opportunity to develop the quality of their work, reach their full potential and continually evolve their artforms.

**LONG-TERM OUTCOME**

High-quality New Zealand art is developed.

**OBJECTIVE ONE****Innovative and quality artists**

Under this objective, Creative New Zealand invests in dynamic New Zealand artists, practitioners and organisations, acknowledged for innovation and quality. Projects and organisations funded through the **Contestable Funding programme**, including **Special Opportunities**, the **Recurrent Funding programme** and **toi iho™ programme**, contributed to this outcome.

**PERFORMANCE MEASURES**

MEDIUM-TERM OUTCOME	QUANTITY	NOTES	2008/09 ACTUAL	2008/09 ACTUAL \$	2007/08 ACTUAL	2007/08 ACTUAL \$
New Zealand artists, practitioners and organisations acknowledged for innovation and quality are supported	The number of Special Opportunities (awards, residencies, scholarships and bursaries) presented to high-quality artists	7	9	372,900	Not measured	Not measured
	The number of projects that were funded through the Contestable Funding programme		72	1,487,070	99	1,263,255
	The number of recurrently funded organisations (RFOs) funded		All 36 RFOs that were supported by Creative New Zealand contributed to this objective by providing artists and practitioners with the opportunity to either develop the quality of their work or reach their full potential.	Not measured directly against this objective	Not measured	Not measured
	The number of toi iho™ artists and retailers		240	228,868	239	239,000

INNOVATIVE AND QUALITY ARTISTS PERFORMANCE MEASURES *CONTINUED*

MEDIUM-TERM OUTCOME	QUALITY	2008/09 ACTUAL
New Zealand artists, practitioners and organisations acknowledged for innovation and quality are supported	Assessment criteria is followed in the funding of all projects and organisations	<ul style="list-style-type: none"> <li>+ 100 percent of projects funded through the Contestable Funding programme including Special Opportunities, met assessment criteria as detailed in the 2008/09 funding guide</li> <li>+ 100 percent of organisations funded through the Recurrent Funding programme had their programmes of activity approved against assessment criteria</li> <li>+ 100 percent of licences provided through the toi iho™ programme met the toi iho programme criteria</li> </ul>
	Acquittal, project completion, quarterly or annual reports are analysed against funding or performance agreements	<ul style="list-style-type: none"> <li>+ The results of two Special Opportunities funded in 2008/09 have been submitted during the 2008/09 financial year. The reports demonstrated contribution to achieving this objective</li> <li>+ The results of 95 projects funded through the Contestable Funding programme in 2008/09 and prior years were submitted during the 2008/09 financial year. The reports demonstrated contribution to achieving this objective and were acquitted against the original funding agreements</li> <li>+ Thirty-six RFOs submitted quarterly reports demonstrating their contribution towards this outcome</li> <li>+ Monitoring and reporting on toi iho™ was not carried out in 2008/09. As a result of a review of the toi iho™ programme, this initiative has been discontinued</li> </ul>
	Trends analysed over time	+ Section two of the Annual Report presents overall trends and commentary for the period
	RESPONSIVENESS	2008/09 ACTUAL
	Review toi iho™ programme	Completed. As a result of the review, this initiative has been discontinued
	Framework for monitoring and evaluating the impact of activities developed	Completed. A framework for monitoring and evaluating the impact of the Contestable Funding programme is complete and will be implemented in 2009/10. The framework will be applied to further funding programmes in 2009/10 to 2010/11
	EFFICIENCY	2008/09 ACTUAL
	Administration costs as a percentage of income – new measure	The overall administration costs as a percentage of income are detailed in the Managing Organisational Health section of the Annual Report



## OBJECTIVE TWO

## Producing innovative work

Under this objective, Creative New Zealand invests in quality new art that commands attention nationally and internationally. As a result, the development of new high-quality, innovative and culturally diverse New Zealand work is supported. Artform development is also supported.

Projects and organisations funded through the **Contestable Funding programme**, including the **Screen Innovation Production Fund** and **Recurrent Funding programme**, contributed to this outcome.

### PERFORMANCE MEASURES

MEDIUM-TERM OUTCOME	QUANTITY	2008/09 ACTUAL	2008/09 ACTUAL \$	2007/08 ACTUAL	2007/08 ACTUAL \$
1 The development of new high-quality innovative and culturally diverse New Zealand work is supported – a portion of which receives national or international recognition	The number of projects that were funded through the Contestable Funding programme	115	2,245,800	112	2,457,080
2 Artform development is supported	The number of projects that were funded through the Screen Innovation Production Fund	34	539,746	35	545,688
	Number of recurrently funded organisations (RFOs) supported	5	2,768,300	Not measured	Not measured
	QUALITY	2008/09 ACTUAL			
	Assessment criteria is followed in the funding of all projects and organisations	+ 100 percent of projects funded through the Contestable Funding programme and the Screen Innovation Production Fund met assessment criteria as detailed in the 2008/09 funding guide + 100 percent of organisations funded through the Recurrent Funding programme had their programmes of activity approved against assessment criteria			
	Acquittal, project completion, quarterly or annual reports are analysed against funding or performance agreements	+ The results of 122 projects funded through the Contestable Funding programme in 2008/09 and prior years were submitted during the 2008/09 financial year. The reports demonstrated contribution to achieving this objective and were acquitted against the original funding agreements + The results of 62 projects funded through the Screen Innovation Production Fund in 2008/09 and prior years were submitted during the 2008/09 financial year. The reports demonstrated their contribution to achieving this objective and were acquitted against the original funding agreements + All five RFOs submitted quarterly reports demonstrating their contribution towards this outcome			
	Positive feedback and/or critical acclaim achieved for a portion of funded works	+ Highlights are reported in section two of the Annual Report			
	Trends analysed over time	+ Section two of the Annual Report presents overall trends and commentary for the period			

PRODUCING INNOVATIVE WORK PERFORMANCE MEASURES *CONTINUED*

MEDIUM-TERM OUTCOME	RESPONSIVENESS	2008/09 ACTUAL
1 The development of new high-quality innovative and culturally diverse New Zealand work is supported – a portion of which receives national or international recognition	Benchmark data established for: + quantity of new New Zealand works developed + quality of new New Zealand works developed	Not completed. Benchmark data is being collated under the new Contestable Funding programme introduced in 2008/09
2 Artform development is supported	Framework for monitoring and evaluating the impact of activities developed	Completed. A framework for monitoring and evaluating the impact of the Contestable Funding programme is complete and will be implemented in 2009/10. The framework will be applied to further funding programmes in 2009/10 to 2010/11
	EFFICIENCY	2008/09 ACTUAL
	Administration costs as a percentage of income – new measure	The overall administration costs as a percentage of income are detailed in the Managing Organisational Health section of the Annual Report

## OBJECTIVE THREE

## Developing potential

Under this objective, Creative New Zealand invests in and supports quality New Zealand artists, practitioners and organisations to reach their potential. Projects and organisations funded through the **Contestable Funding programme**, including **Special Opportunities**, the **Recurrent Funding programme** and the **Arts Organisation Development Programme** contributed to this outcome.

### PERFORMANCE MEASURES

MEDIUM-TERM OUTCOME	QUANTITY	NOTES	2008/09 ACTUAL	2008/09 ACTUAL \$	2007/08 ACTUAL	2007/08 ACTUAL \$
1 The skills and capability of identified high-potential artists, practitioners and organisations are developed	The number of Special Opportunities (awards, residencies, scholarships and bursaries) presented	8	5	21,500	Not measured	Not measured
2 The artistic potential of young artists at the early stages of their careers is developed	The number of projects that were funded through the Contestable Funding programme		31	321,647	Not measured	Not measured
	The number of recurrently funded organisations (RFOs) supported	9	One RFO, <i>Choirs Aotearoa New Zealand</i> , directly contributed to this objective	220,000	One RFO, <i>Choirs Aotearoa New Zealand</i> , directly contributed to this objective	220,000
	The number of Arts Organisations Development programme workshops delivered		Leadership workshops contributing to this objective are reported under Strategic priority three: Objective 3 on page 55	Not measured directly against this objective	Not measured	Not measured
QUALITY			2008/09 ACTUAL			
Assessment criteria is followed in the funding of all projects and organisations			<ul style="list-style-type: none"> <li>+ 100 percent of projects funded through the Contestable Funding programme met assessment criteria as detailed in the 2008/09 funding guide</li> <li>+ 100 percent of organisations funded through the Recurrent Funding programme had their programmes of activity approved against assessment criteria</li> </ul>			
Acquittal, project completion, quarterly or annual reports are analysed against funding or performance agreements			<ul style="list-style-type: none"> <li>+ Not completed Not reported by objective for projects funded through the Contestable Funding programme. Several projects supported by the three funding bodies through the Contestable Funding programme and acquitted in the 2008/09 period indirectly support this objective</li> <li>+ <i>Choirs Aotearoa New Zealand</i> submitted a quarterly report demonstrating its contribution towards this outcome</li> </ul>			
Trends analysed over time			<ul style="list-style-type: none"> <li>+ Section two of the Annual Report presents overall trends and commentary for the period</li> </ul>			
RESPONSIVENESS			2008/09 ACTUAL			
Develop and implement sector development plans			Not completed as research projects took priority in 2008/09. Sector development plans will be developed in 2009/10			
Framework for monitoring and evaluating the impact of activities developed			Completed. A framework for monitoring and evaluating the impact of the Contestable Funding programme is complete and will be implemented in 2009/10. The framework will be applied to further funding programmes in 2009/10 to 2010/11			
EFFICIENCY			2008/09 ACTUAL			
Administration costs as a percentage of income – new measure			The overall administration costs as a percentage of income are detailed in the Managing Organisational Health section of the Annual Report			

### STRATEGIC PRIORITY THREE

## NEW ZEALANDERS HAVE ACCESS TO HIGH-QUALITY ARTS EXPERIENCES

This strategic priority will give New Zealanders regular opportunities to access diverse, high-quality arts experiences.

### LONG-TERM OUTCOME

New Zealanders have regular opportunities to access high-quality arts experiences.

### OBJECTIVE ONE

## Delivery of the arts

Under this objective, Creative New Zealand invests in opportunities for New Zealanders to access quality arts experiences on a regular basis. Projects and organisations funded through the **Contestable Funding programme** and **Recurrent Funding programme** contributed to this outcome.

### PERFORMANCE MEASURES

MEDIUM TERM OUTCOME	QUANTITY	2008/09 ACTUAL	2008/09 ACTUAL \$	2007/08 ACTUAL	2007/08 ACTUAL \$
1 New Zealanders in the metropolitan centres of Auckland, Wellington, Christchurch and Dunedin have regular access to high-quality arts experiences through a range of media <sup>4</sup>	The number of projects funded through the Contestable Funding programme	110	2,866,023	164	3,884,954
2 New Zealanders in identified provincial centres have regular access to high-quality arts experiences through a range of media	The number of recurrently funded organisations (RFOs) funded	25	10,118,700	Not measured	Not measured

<sup>4</sup> Access includes regular opportunities for New Zealanders to experience work that includes: quality literature, theatre, dance, music, visual art, and craft/object art.

DELIVERY OF THE ARTS PERFORMANCE MEASURES *CONTINUED*

MEDIUM TERM OUTCOME	QUALITY	2008/09 ACTUAL
1 New Zealanders in the metropolitan centres of Auckland, Wellington, Christchurch and Dunedin have regular access to high-quality arts experiences through a range of media	Assessment criteria is followed in the funding of all projects and organisations	<ul style="list-style-type: none"> <li>+ 100 percent of projects funded through the Contestable Funding programme met assessment criteria as detailed in the 2008/09 funding guide</li> <li>+ 100 percent of organisations funded through the Recurrent Funding programme had their programmes of activity approved against assessment criteria</li> </ul>
2 New Zealanders in identified provincial centres have regular access to high-quality arts experiences through a range of media	Acquittal, project completion, quarterly or annual reports are analysed against funding or performance agreements	<ul style="list-style-type: none"> <li>+ The results of 190 projects funded through the Contestable Funding programme in 2008/09 and prior years were submitted during the 2008/09 financial year. The reports demonstrated contribution to achieving this objective and were acquitted against the original funding agreements.</li> <li>+ All 25 Recurrently Funded organisations submitted quarterly reports demonstrating their contribution towards this outcome</li> </ul>
	Trends analysed over time	+ Section two of the Annual Report presents overall trends and commentary for the period
RESPONSIVENESS		2008/09 ACTUAL
	Complete and implement Distribution Strategy (including touring and distribution)	Completed. The Distribution Strategy is available at <a href="http://www.creativenz.govt.nz">www.creativenz.govt.nz</a> Implementation will begin in 2009/10
	Identify target provincial centres	Completed. This is part of the Distribution Strategy
	Benchmark data established for:	Not completed. Benchmark data is being collated under the new Contestable Funding programme introduced in 2008/09
	+ quantity of new New Zealand works available	
	+ quality of new New Zealand works available	
	Investigate drivers and barriers to participation and access to the arts by New Zealanders – complete research project <i>New Zealanders and the arts: Attitudes, attendance and participation in 2008</i>	Completed. <i>New Zealanders and the arts: Attitudes, attendance and participation in 2008</i> is available at <a href="http://www.creativenz.govt.nz">www.creativenz.govt.nz</a> Previously published in 2005
	Review the RFO portfolio	As stated in the 2007/08 Statement of Intent this was planned for 2009/10 and will be completed by June 2010.
	Framework for monitoring and evaluating the impact of activities developed	Completed. A framework for monitoring and evaluating the impact of the Contestable Funding programme is complete and will be implemented in 2009/10. The framework will be applied to further funding programmes in 2009/10 to 2010/11
EFFICIENCY		2008/09 ACTUAL
	Administration costs as a percentage of income – new measure	The overall administration costs as a percentage of income are detailed in the Managing Organisational Health section of the Annual Report

## OBJECTIVE TWO

# Audience Development

Under this objective, Creative New Zealand invests in opportunities for New Zealanders to experience high-quality New Zealand work that is innovative, challenging and culturally diverse. Projects and organisations funded through the **Contestable Funding programme** and the **Recurrent Funding programme** contributed to this outcome.

## PERFORMANCE MEASURES

MEDIUM-TERM OUTCOME	QUANTITY	2008/09 ACTUAL	2008/09 ACTUAL \$	2007/08 ACTUAL	2007/08 ACTUAL \$
The range of arts experiences available reflects New Zealand's culturally diverse population	The number of projects funded through the Contestable Funding programme	124	1,748,264	130	1,917,890
	The number of recurrently funded organisations (RFOs) supported	Although not directly contributing to this objective, the RFOs supported under Strategic priority one do contribute by providing a range of arts experiences to reflect New Zealand's diverse population	Not directly measured against this objective	Not measured	Not measured
QUALITY		2008/09 ACTUAL			
Assessment criteria is followed in the funding of all projects and organisations		<ul style="list-style-type: none"> <li>+ 100 percent of projects funded through the Contestable Funding programme met assessment criteria as detailed in the 2008/09 funding guide</li> <li>+ 100 percent of organisations funded through the Recurrent Funding programme had their programmes of activity approved against assessment criteria</li> </ul>			
Acquittal, project completion, quarterly or annual reports are analysed against funding or performance agreements		<ul style="list-style-type: none"> <li>+ Not completed. Not reported against this objective for projects funded through the Contestable Funding programme; however, 159 projects supported by Te Waka Toi and the Pacific Arts Committee through the Contestable Funding programme and acquitted in the 2008/09 period contributed to this objective</li> <li>+ Five RFOs (<i>Kahurangi Māori Dance Trust, Taki Rua Productions, Toi Māori Aotearoa, Tautai Contemporary Arts Trust and Arts Access Aotearoa</i>) submitted quarterly reports demonstrating their contribution towards this outcome</li> </ul>			
Trends analysed over time		+ Section two of the Annual Report presents overall trends and commentary for the period			
RESPONSIVENESS		2008/09 ACTUAL			
Implement Asian Aucklanders in the Arts strategic action framework		Completed. An action plan is in place for 2009/10			
Framework for monitoring and evaluating the impact of activities developed		Completed. A framework for monitoring and evaluating the impact of the Contestable Funding programme is complete and will be implemented in 2009/10. The framework will be applied to further funding programmes in 2009/10 to 2010/11			
EFFICIENCY		2008/09 ACTUAL			
Administration costs as a percentage of income – new measure		The overall administration costs as a percentage of income are detailed in the Managing Organisational Health section of the Annual Report			

## OBJECTIVE THREE

## Developing Potential

Under this objective, Creative New Zealand invests in providers of quality arts experiences to broaden, deepen and diversify their audiences. The **Audience and Market Development programme** and the **Arts Organisation Development programme** are the activities that contribute to this outcome.

### PERFORMANCE MEASURES

MEDIUM-TERM OUTCOME	QUANTITY	2008/09 ACTUAL	2008/09 ACTUAL \$	2007/08 ACTUAL	2007/08 ACTUAL \$
Artists, practitioners and organisations are supported to broaden, deepen and diversify their audiences	The number of Audience and Market Development programmes delivered	Six programmes were delivered with 197 participants overall	239,681	Eight programmes delivered. Participant numbers were not measured	
	The number of Arts Organisations Development workshops delivered	One Governance workshop was held with 19 participants attending and two Leadership workshops were held with 35 participants attending	67,385	Seven Governance workshops and three Management workshops were completed by 215 participants and two Leadership workshops were held with 23 participants attending	84,303
	QUALITY	2008/09 ACTUAL		2007/08 ACTUAL	
	Audience and Market Development programme participant satisfaction rate	90 percent		86 percent	
	Arts Organisations Development programme participation satisfaction rate	Not completed for all workshops in 2008/09 because of a change in internal and external staff. All workshops held in 2009/10 will be evaluated		Not completed	
Trends analysed over time		+ Section two of the Annual Report presents overall trends and commentary for the period			
RESPONSIVENESS		2008/09 ACTUAL			
Benchmark data established for diversity of audiences (demographic and social)		Completed. <i>The New Zealanders and the arts: Attitudes, attendance and participation in 2008</i> research reports ethnicity and attendance in the arts. This is available at <a href="http://www.creativenz.govt.nz">www.creativenz.govt.nz</a>			
Framework for monitoring and evaluating the impact of activities developed		Completed. A framework for monitoring and evaluating the impact of the Contestable Funding programme is complete and will be implemented in 2009/10. The framework will be applied to further funding programmes in 2009/10 to 2010/11			
EFFICIENCY		REFER TO TABLE ABOVE			
Administration costs as a percentage of income – new measure		The overall administration costs as a percentage of income are detailed in the Managing Organisational Health section of the Annual Report			



## STRATEGIC PRIORITY FOUR

### NEW ZEALAND ARTS GAIN INTERNATIONAL SUCCESS

Through this priority, Creative New Zealand will position the best of New Zealand arts and artists within an international context, and will work collaboratively with key partners to have enduring impacts in target markets.

#### LONG-TERM OUTCOME

The best New Zealand arts achieve international success.

#### OBJECTIVE ONE

### New Zealand's distinctive voices are heard overseas

Under this objective, Creative New Zealand invests in the unique expressions of New Zealand's arts and culture at key international events and markets. Projects and organisations funded through the **Contestable Funding programme**, **Recurrent Funding programme** and **International Projects (Touring Opportunities)** contributed to this outcome.

#### PERFORMANCE MEASURES

MEDIUM-TERM OUTCOME	QUANTITY	2008/09 ACTUAL	2008/09 ACTUAL \$	2007/08 ACTUAL	2007/08 ACTUAL \$
Unique expressions of New Zealand's arts and culture are presented internationally	The number of projects funded through the Contestable Funding programme	44	540,971	Not measured	Not measured
	The number of recurrently funded organisations (RFOs) funded	Four RFOs ( <i>Black Grace Trust, Choirs Aotearoa New Zealand, New Zealand String Quartet and Taki Rua Productions</i> ) presented internationally	Not measured directly against this objective	Not measured	Not measured
	Number of International Projects funded	20	354,108	5	78,742

NEW ZEALAND'S DISTINCTIVE VOICES ARE HEARD OVERSEAS PERFORMANCE MEASURES *CONTINUED*

MEDIUM-TERM OUTCOME	QUALITY	2008/09 ACTUAL
Unique expressions of New Zealand's arts and culture are presented internationally	Assessment criteria is followed in the funding of all projects and organisations	<ul style="list-style-type: none"> <li>+ 100 percent of projects funded through the Contestable Funding programme met assessment criteria as detailed in the 2008/09 funding guide</li> <li>+ 100 percent of organisations funded through the Recurrent Funding programme had their programmes of activity approved against assessment criteria</li> <li>+ 100 percent of International Projects funded met the relevant event or market assessment criteria</li> </ul>
	Acquittal, project completion, quarterly or annual reports are analysed against funding or performance agreements	<ul style="list-style-type: none"> <li>+ Not completed. Not reported against this objective for projects funded through the Contestable Funding programme. This will be reported by objective under the new Contestable Funding programme in 2009/10</li> <li>+ All four RFOs submitted quarterly reports demonstrating their direct contribution towards this outcome</li> <li>+ The results of eight projects funded through the International Project (Touring Opportunities) programme in 2008/09 and prior years were submitted during the 2008/09 financial year. The reports demonstrated contribution to achieving this objective</li> </ul>
	Positive feedback and/or critical acclaim achieved for a portion of funded works	+ Highlights are reported in section two of the Annual Report
	Trends analysed over time	+ Section two of the Annual Report presents overall trends and commentary for the period
RESPONSIVENESS		2008/09 ACTUAL
Complete and implement a pan-artform international strategy		Completed. The International Strategy is available at <a href="http://www.creativenz.govt.nz">www.creativenz.govt.nz</a> Implementation will begin in 2009/10
Framework for monitoring and evaluating the impact of international activities developed		Completed. A framework for monitoring and evaluating the impact of the Contestable Funding programme is complete and will be implemented in 2009/10. The framework will be applied to further funding programmes in 2009/10 to 2010/11
EFFICIENCY		2008/09 ACTUAL
Administration costs as a percentage of income – new measure		The overall administration costs as a percentage of income are detailed in the Managing Organisational Health section of the Annual Report

## OBJECTIVE TWO

# Market development

Under this objective, Creative New Zealand invests in an art sector that generates New Zealand artists making world-class work that delivers to target markets. Projects and organisations funded through the **Contestable Funding programme**, **Recurrent Funding programme** and **International Projects (Touring Opportunities)** contributed to this outcome.

## PERFORMANCE MEASURES

MEDIUM-TERM OUTCOME	QUANTITY	2008/09 ACTUAL	2008/09 ACTUAL \$	2007/08 ACTUAL	2007/08 ACTUAL \$
Target international markets for high-quality New Zealand work are developed	The number of projects funded through the Contestable Funding programme	1	8,620	Not measured	Not measured
	The number arts markets and fairs attended	4	178,436	Not measured	Not measured
	The number of incoming sector representatives to view New Zealand works	30	157,885	Not measured	Not measured
QUALITY		2008/09 ACTUAL			
Assessment criteria is followed in the funding of all projects and organisations		+ 100 percent of projects funded through the Contestable Funding programme met assessment criteria as detailed in the 2008/09 funding guide			
Acquittal, project completion, quarterly or annual reports are analysed against funding or performance agreements		+ Not completed Not reported against this objective for projects funded through the Contestable Funding programme. This will be reported by objective under the new Contestable Funding programme			
Trends analysed over time		+ Section two of the Annual Report presents overall trends and commentary for the period			
RESPONSIVENESS		2008/09 ACTUAL			
Identify target international markets		Completed. This is included in the International Strategy available at <a href="http://www.creativenz.govt.nz">www.creativenz.govt.nz</a>			
Framework for monitoring and evaluating the impact of activities developed		Completed. A framework for monitoring and evaluating the impact of the Contestable Funding programme is complete and will be implemented in 2009/10. The framework will be applied to further funding programmes in 2009/10 to 2010/11			
EFFICIENCY		2008/09 ACTUAL			
Administration costs as a percentage of income – new measure		The overall administration costs as a percentage of income are detailed in the Managing Organisational Health section of the Annual Report			

## OBJECTIVE THREE

## Developing Potential

Under this objective Creative New Zealand invests in New Zealand artists, practitioners and organisations to build their capacity, profile, relationships and work in order to have enduring overseas success. Creative New Zealand also aims to facilitate intercultural learning and artistic artform and development between tāngata whenua and other indigenous peoples. Projects and organisations funded through the **Contestable Funding programme**, including **Special Opportunities**, and the **International Capability Building programme** contributed to this outcome.

### PERFORMANCE MEASURES

MEDIUM-TERM OUTCOME	QUANTITY	2008/09 ACTUAL	2008/09 ACTUAL \$	2007/08 ACTUAL	2007/08 ACTUAL \$
1 Artists, practitioners and organisations have increased capability to achieve enduring international success	The number of projects funded through the Contestable Funding programme including Special Opportunities	4	41,790	Not measured	Not measured
2 Artistic links between tāngata whenua and other indigenous peoples facilitate intercultural learning, and artistic artform and development	The number of capability-building programmes delivered	3	29,735	Not measured	Not measured
QUALITY		2008/09 ACTUAL			
Assessment criteria is followed in the funding of all projects and organisations		+ 100 percent of projects funded through the Contestable Funding programme met assessment criteria as detailed in the 2008/09 funding guide			
Acquittal, project completion, quarterly or annual reports are analysed against funding or performance agreements		+ Not completed Not reported against this objective for projects funded through the Contestable Funding programme. This will be reported by objective under the new Contestable Funding programme			
Trends analysed over time		+ Section two of the Annual Report presents overall trends and commentary for the period			
RESPONSIVENESS		2008/09 ACTUAL			
High potential artists, practitioners and organisations are identified		Not completed. In progress. To be completed in 2009/10			
Framework for monitoring and evaluating the impact of activities developed		Completed. A framework for monitoring and evaluating the impact of the Contestable Funding programme is complete and will be implemented in 2009/10. The framework will be applied to further funding programmes in 2009/10 to 2010/11			
EFFICIENCY		2008/09 ACTUAL			
Administration costs as a percentage of income – new measure		The overall administration costs as a percentage of income are detailed in the Managing Organisational Health section of the Annual Report			

NOTES:

- 1 A new contestable funding system was implemented in February 2009, so comparisons with previous year's figures are not available in all cases. Special Opportunities also contributing to this outcome are reported under Strategic priority two: High-quality New Zealand art is developed.
- 2 While not directly contributing to this objective, several RFOs support this objective.
- 3 Special opportunities contributing to this outcome are reported under Strategic priority two: High-quality New Zealand art is developed.
- 4 While not directly contributing to this objective, *Black Grace Trust* is a contemporary Pacific dance company and, as a result, supports the objective *Strong Pacific Arts*.
- 5 Projects reported under this objective and Strategic priority two: High-quality New Zealand art is developed: Objectives one and three have been funded through the new Contestable Funding programme only because the previous system did not measure projects directly against these objectives. However, many other projects funded through the Contestable Funding and Recurrent Funding programmes indirectly support these objectives. Projects funded under the new system in 2008/09 and onwards will be reported directly against all objectives.
- 6 While not directly supporting this objective, several other RFOs contribute to this objective.
- 7 Special Opportunities were put on hold in 2007/08 while a review of Contestable Funding and Special Opportunities was carried out.
- 8 Special Opportunities were put on hold in 2007/08 while a review of Contestable Funding and Special Opportunities was carried out.
- 9 While not directly supporting this objective, several other RFOs also contribute to this objective.

FINANCIAL PERFORMANCE:

# Audit Report



AUDIT NEW ZEALAND

Mana Arotake Aotearoa

To the readers of The Arts Council of New Zealand Toi Aotearoa's financial statements and statement of service performance for the year ended 30 June 2009

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The Auditor-General is the auditor of the Arts Council of New Zealand Toi Aotearoa. The Auditor-General has appointed me, Robert Manktelow, using the staff and resources of Audit New Zealand, to carry out the audit on his behalf. The audit covers the financial statements and statement of service performance included in the annual report of Arts Council of New Zealand Toi Aotearoa for the year ended 30 June 2009.

## UNQUALIFIED OPINION

In our opinion:

- + The financial statements of Arts Council of New Zealand Toi Aotearoa on pages 65 to 92:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - Arts Council of New Zealand Toi Aotearoa's financial position as at 30 June 2009; and
    - the results of its operations and cash flows for the year ended on that date.
- + The statement of service performance of Arts Council of New Zealand Toi Aotearoa on pages 42 to 60:
  - complies with generally accepted accounting practice in New Zealand; and
  - fairly reflects for each class of outputs:
    - its standards of delivery performance achieved, as compared with the forecast standards outlined in the statement of forecast service performance adopted at the start of the financial year; and
    - its actual revenue earned and output expenses incurred, as compared with the forecast revenues and output expenses outlined in the statement of forecast service performance adopted at the start of the financial year.

The audit was completed on 30 October 2009, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

## **BASIS OF OPINION**

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and statement of service performance did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and statement of service performance. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- + determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- + verifying samples of transactions and account balances;
- + performing analyses to identify anomalies in the reported data;
- + reviewing significant estimates and judgements made by the Council;
- + confirming year-end balances;

- + determining whether accounting policies are appropriate and consistently applied; and
- + determining whether all financial statement and statement of service performance disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance.

We evaluated the overall adequacy of the presentation of information in the financial statements and statement of service performance. We obtained all the information and explanations we required to support our opinion above.

## **RESPONSIBILITIES OF THE COUNCIL AND THE AUDITOR**

The Council is responsible for preparing the financial statements and statement of service performance in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of Arts Council of New Zealand Toi Aotearoa as at 30 June 2009 and the results of its operations and cash flows for the year ended on that date. The statement of service performance must fairly reflect, for each class of outputs, Arts Council of New Zealand Toi Aotearoa's standards of delivery performance achieved and revenue earned and expenses incurred, as compared with the forecast standards, revenue and expenses adopted at the start of the financial year. The Council's responsibilities arise from the Crown Entities Act 2004.

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

## INDEPENDENCE

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit, we have no relationship with or interests in Arts Council of New Zealand Toi Aotearoa.



**Robert Manktelow**

Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand

### **Matters Relating to the Electronic Presentation of the Audited Financial Statements and Statement of Service Performance**

This audit report relates to the financial statements and statement of service performance of the Arts Council of New Zealand Toi Aotearoa (Creative New Zealand) for the year ended 30 June 2009 included on Creative New Zealand's website. The Council is responsible for the maintenance and integrity of Creative New Zealand's website. We have not been engaged to report on the integrity of Creative New Zealand's website. We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the website.

The audit report refers only to the financial statements and statement of performance named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and statement of service performance as well as the related audit report dated 30 October 2009 to confirm the information included in the audited financial statements and statement of service performance presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.



# STATEMENT OF RESPONSIBILITY

for the year ended 30 June 2009

The Council of Creative New Zealand accepts responsibility for the preparation of the financial statements and the judgements used in them. The Council of Creative New Zealand accepts responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

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In the opinion of the Council of Creative New Zealand, the annual financial statements for the year ended 30 June 2009 fairly reflect the financial position and operations of Creative New Zealand.



**Alastair Carruthers**

Chair, Arts Council



**Alick Shaw**

Arts Council member

# STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2009

BUDGET 2009 \$000		NOTE	ACTUAL 2009 \$000	ACTUAL 2008 \$000
<b>INCOME</b>				
15,452	Crown revenue	2	15,937	15,452
22,125	New Zealand Lottery Grants Board		22,125	27,745
356	Revenue from other government agencies		915	50
350	New Zealand Film Commission		350	350
10	The Todd Trust		10	10
987	Interest received		842	1,284
63	Other revenue	3	205	67
100	Grant Retirements and Gains	4	406	79
<b>39,443</b>	<b>TOTAL INCOME</b>		<b>40,790</b>	<b>45,037</b>
<b>EXPENDITURE</b>				
31,617	Grants and initiatives	9	32,865	31,289
4,406	Personnel	5	4,332	4,135
238	Depreciation and Amortisation	6	245	209
284	Council and board fees	7	272	279
4,268	Other operating expenses	8	3,958	3,583
<b>40,813</b>	<b>TOTAL OPERATING EXPENDITURE</b>	9	<b>41,672</b>	<b>39,495</b>
<b>(1,370)</b>	<b>NET OPERATING SURPLUS</b>		<b>(882)</b>	<b>5,542</b>

The accompanying accounting policies and notes form an integral part of these financial statements.

# STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2009

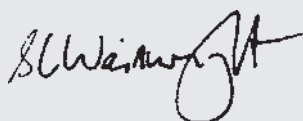
BUDGET 2009 \$000		NOTE	ACTUAL 2009 \$000	ACTUAL 2008 \$000
(1,370)	Net operating surplus/(deficit) for the year		(882)	5,542
—	Increase/(decrease) in revaluation reserves	10	(485)	—
<b>(1,370)</b>	<b>Total recognised revenue and expenses</b>		<b>(1,367)</b>	<b>5,542</b>
<b>12,893</b>	<b>PUBLIC EQUITY AS AT 1 JULY 2008</b>		<b>13,174</b>	<b>7,632</b>
<b>11,523</b>	<b>PUBLIC EQUITY AS AT 30 JUNE 2009</b>	<b>10</b>	<b>11,807</b>	<b>13,174</b>

The accompanying accounting policies and notes form an integral part of these financial statements.

# STATEMENT OF FINANCIAL POSITION

as at 30 June 2009

BUDGET 2009 \$000		NOTE	ACTUAL 2009 \$000	ACTUAL 2008 \$000
<b>PUBLIC EQUITY</b>				
5,339	Revaluation reserves	10	4,762	5,247
6,183	Accumulated funds	10	7,045	7,927
<b>11,522</b>	<b>TOTAL PUBLIC EQUITY</b>		<b>11,807</b>	<b>13,174</b>
<i>Represented by:</i>				
<b>ASSETS</b>				
<b>Current assets</b>				
15,966	Cash and cash equivalents	11	15,751	18,410
78	Debtors and other receivables		150	50
116	Prepayments		139	80
<b>16,160</b>	<b>Total current assets</b>		<b>16,040</b>	<b>18,540</b>
<b>Non-current assets</b>				
5,404	Property, plant and equipment	12	4,821	5,359
2,260	Works of art	13	2,339	2,260
544	Investment property	14	491	544
500	Intangible assets	15	605	524
<b>8,708</b>	<b>Total non-current assets</b>		<b>8,256</b>	<b>8,687</b>
<b>24,868</b>	<b>TOTAL ASSETS</b>		<b>24,296</b>	<b>27,227</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
2,996	Creditors and other payables	16	1,914	2,482
235	Employee entitlements	18	297	253
10,115	Grants committed		10,251	11,318
<b>13,346</b>	<b>Total current liabilities</b>		<b>12,462</b>	<b>14,053</b>
<b>Non-current liabilities</b>				
–	Employee entitlements	18	27	–
<b>–</b>	<b>Total non-current liabilities</b>		<b>27</b>	<b>–</b>
<b>13,346</b>	<b>TOTAL LIABILITIES</b>		<b>12,489</b>	<b>14,053</b>
<b>11,522</b>	<b>NET ASSETS</b>		<b>11,807</b>	<b>13,174</b>



**Stephen Wainwright**  
Chief Executive  
30 October 2009



**Alastair Carruthers**  
Chair  
30 October 2009

The accompanying accounting policies and notes form an integral part of these financial statements.

# STATEMENT OF CASH FLOWS

for the year ended 30 June 2009

BUDGET 2009 \$000		ACTUAL 2009 \$000	ACTUAL 2008 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<i>Cash was provided from:</i>			
15,452	Crown revenue	15,937	15,452
22,125	New Zealand Lottery Grants Board	22,125	27,745
780	Third party revenue	1,534	479
104	Net Goods and Services Tax	32	47
986	Interest received	802	1,284
<b>39,447</b>		<b>40,430</b>	<b>45,007</b>
<i>Cash was applied to:</i>			
4,771	Payments to employees	4,261	4,109
33,528	Payments of grants	33,582	30,757
2,927	Payments of operating expenses	4,896	4,478
<b>41,226</b>		<b>42,739</b>	<b>39,344</b>
<b>(1,779)</b>	<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>(2,309)</b>	<b>5,663</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<i>Cash was provided from:</i>			
—	Sale of fixed assets	—	5
<i>Cash was applied to:</i>			
352	Purchase of fixed assets	352	323
<b>(352)</b>	<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(352)</b>	<b>(318)</b>
<b>(2,131)</b>	<b>NET INCREASE (DECREASE) IN CASH HELD</b>	<b>(2,661)</b>	<b>5,345</b>
<i>Add opening cash brought forward:</i>			
47	Cash	210	66
18,050	Short-term investments	18,200	12,999
—	Add effect of unrealised foreign currency gain	2	—
<b>15,966</b>	<b>BALANCE AT END OF YEAR</b>	<b>15,751</b>	<b>18,410</b>
<i>Represented by:</i>			
<b>Closing cash carried forward:</b>			
66	Cash and bank	522	210
15,900	Short-term investments	15,229	18,200
<b>15,966</b>		<b>15,751</b>	<b>18,410</b>

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

The accompanying accounting policies and notes form an integral part of these financial statements.

## RECONCILIATION OF THE NET SURPLUS FROM OPERATIONS WITH THE NET CASH FLOWS FROM OPERATING ACTIVITIES

	ACTUAL 2009 \$000	ACTUAL 2008 \$000
Net surplus/(deficit) from operations	(882)	5,542
Add (less) non-cash items:		
Depreciation	245	209
(Gain)/loss on foreign exchange	(2)	—
Loss/(Gain) on disposal of investment property	53	—
Retirement of grants	(350)	(79)
	<b>(54)</b>	<b>130</b>
Add (less) movements in working capital items:		
Decrease (increase) in prepayments	(59)	36
Decrease (increase) in accounts receivable	(60)	26
Decrease (increase) in interest receivable	(40)	1
Increase (decrease) in GST payable	32	47
Increase (decrease) in accounts payable	(600)	(672)
Increase (decrease) in provisions	—	—
Increase (decrease) in provision for employee entitlements	71	18
Increase (decrease) in current grants committed	(717)	530
	<b>(1,373)</b>	<b>(14)</b>
Add/(Less) items classified as an investing activity		
Net loss/(gain) on the sale of fixed assets	—	5
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(2,309)</b>	<b>5,663</b>

The accompanying accounting policies and notes form an integral part of these financial statements.

# STATEMENT OF COMMITMENTS

as at 30 June 2009

	2009 \$000	2008 \$000
<b>Capital commitments approved and contracted</b>	–	–
<b>Non-cancellable operating lease commitments (as lessor) receivable:</b>		
Creative New Zealand leases out part of the Old Public Trust building under an operating lease. The future minimum lease payments under the terms of the non-cancellable lease are as follows:		
Not later than one year	70	33
Later than one year and not later than two years	46	–
	<b>116</b>	<b>33</b>
<b>Non-cancellable operating lease commitments (as lessee) payable:</b>		
Not later than one year	148	137
Later than one year and not later than two years	154	67
Later than two years and not later than five years	307	62
Later than five years	65	–
	<b>674</b>	<b>266</b>
<b>Grant commitments, payable:</b>		
Not later than one year	–	3,004
Later than one year and not later than two years	–	–
	–	<b>3,004</b>
<b>TOTAL COMMITMENTS</b>	<b>674</b>	<b>3,270</b>

## OPERATING LEASE COMMITMENTS

The Council leases office premises in Christchurch and Auckland, photocopiers, facsimile machines and printers. The non-cancellable leasing period for these leases range from two to six years. There are no contingent rents payable and no sublease income receivable on these operating leases.

## GRANT COMMITMENTS

Amounts totalling \$nil (2008: \$3,004,000) relate to future financial years. These contracts contain a clause to the effect that future years' funding is dependent on the Council receiving the necessary appropriations.

Contracts are entered into with organisations, which the Council funds on a three-year basis. Amounts granted under these contracts are disclosed in the Statement of Financial Performance to the extent that they relate to the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

## STATEMENT OF CONTINGENT LIABILITIES

as at 30 June 2009

### CONTINGENT LIABILITIES

In 2008 there was a contingent liability of \$455,370. The Auckland Regional Amenities Funding Act 2008 received Royal Assent on 29 August 2008.

	ACTUAL 2009 \$000	ACTUAL 2008 \$000
<b>Bank guarantees</b>		
Bank of New Zealand	150	150
	<b>150</b>	<b>150</b>

## STATEMENT OF CONTINGENT ASSETS

as at 30 June 2009

As a result of a review of policy relating to grant defaults, the Council has started to invoice grantees who are in default of their grant position. The issuance of these invoices could result in either the grantee producing a satisfactory acquittal report or the repayment of the grant. If a satisfactory acquittal report is provided then the repayment of the grant will not be pursued. It is not possible to reliably estimate the amount recoverable on these invoices, therefore amounts invoiced during the financial year and not paid as at 30 June 2009 have not been recognised in the Statement of Financial Position. Instead the invoiced amounts are disclosed below as a contingent asset in accordance with NZ IFRS 37. At 30 June 2009 total invoiced to grantees in a default position was as follows (30 June 2008: \$547,000).

GRANTING BOARD OR COMMITTEE	2009 \$000	2008 \$000
Arts Board	33	119
Te Waka Toi	65	130
Pacific Arts Committee	64	100
Screen Innovation Fund	47	198
	<b>209</b>	<b>547</b>

The accompanying accounting policies and notes form an integral part of these financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

## 1. STATEMENT OF ACCOUNTING POLICIES

for the year ended 30 June 2009

### 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 (CNZ).

The Council is a Crown Entity as defined by the Crown Entities Act 2004 and is domiciled in New Zealand. As such, the Council's ultimate parent is the New Zealand Crown.

Its purpose, as defined under the Arts Council of New Zealand Toi Aotearoa Act 1994, is to encourage, promote and support the arts in New Zealand for the benefit of all New Zealanders.

Accordingly, the Council has designated itself as a public benefit entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements for the Council are for the year ended 2009, and were approved by the Council on 30 October 2009.

### 1.2 BASIS OF PREPARATION

#### STATEMENT OF COMPLIANCE

The financial statements for the year ended 30 June 2009 are prepared in accordance with the Arts Council of New Zealand Toi Aotearoa Act 1994 and the Crown Entities Act 2004, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

#### BASIS OF PREPARATION

These financial statements comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

### 1.3 MEASUREMENT BASE

These financial statements have been prepared on an historical cost basis, except where modified by the revaluation of land and buildings, works of art and investment property.

The accrual basis of accounting has been used unless otherwise stated.

### 1.4 STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED

Standards, amendments and interpretations issued but not yet effective that have not been early adopted, and which are relevant to the Council include:

NZ IAS 1 *Presentation of Financial Statements (revised 2007)* replaces NZ IAS 1 *Presentation of Financial Statements (issued 2004)* and is effective for reporting periods beginning on or after 1 January 2009. The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a Statement of Comprehensive Income. The Statement of Comprehensive Income will enable readers to analyse changes in equity resulting from

The accompanying accounting policies and notes form an integral part of these financial statements.

non-owner changes separately from transactions with the Crown in its capacity as “owner”. The revised standard gives CNZ the option of presenting items of income and expense and components of other comprehensive income either in a single Statement of Comprehensive Income with subtotals, or in two separate statements (a separate Income Statement followed by a Statement of Comprehensive Income). the Council intends to adopt this standard for the year ending 30 June 2010, and is yet to decide whether it will prepare a single Statement of Comprehensive Income or a separate Income Statement followed by a Statement of Comprehensive Income.

## 1.5 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in New Zealand dollars and are rounded to the nearest thousand dollars (\$000). The functional currency of the Council is New Zealand dollars.

## 1.6 USE OF JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In preparing these financial statements, the Council has made estimates and assumptions about the future. These estimates and assumptions may differ from subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other facts, including expectations of future events that are believed to be reasonable under the circumstances.

The useful life of the Old Public Trust building has been reassessed at 30 June 2009 to be 35 years.

## 1.7 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### 1.7.1 PROPERTY, PLANT AND EQUIPMENT

Land and buildings are revalued every three years to ensure that the carrying amount does not differ materially from fair value. Fair value is determined from market-based evidence by an independent registered valuer.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the revaluation reserve, the debit balance will be expensed in the Statement of Financial Performance. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Financial Performance will be recognised first in the Statement of Financial Performance up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

### 1.7.2 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 the Council and the cost of the item can be measured reliably.

Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

### 1.7.3 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 included in the Statement of Financial Performance.

When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to general funds.

#### 1.7.4 SUBSEQUENT COSTS

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council 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.

#### 1.7.5 DEPRECIATION

Depreciation is provided on a straight line basis on all fixed assets, other than freehold land, at a rate which 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:

Building	50 years	2% straight line
Building improvements	10 or 50 years	10% or 2% straight line
Furniture, equipment and fittings	5 years	20% straight line
Computer equipment	4 years	25% straight line
Motor vehicles	5 years	20% straight line

#### 1.7.6 WORKS OF ART

Works of art are revalued every three years to ensure that the carrying amount does not differ materially from fair value. They are not depreciated as they have an indeterminate useful life and are expected to appreciate in value over time. Works of art are reviewed annually for indications of impairment.

#### 1.7.7 INVESTMENT PROPERTY

Investment property consists of part of the Old Public Trust building on which rental income is earned.

The fair value of the Council's ownership of the premises is determined by an independent registered valuer using market-based evidence. In order to determine the fair value of the investment property, this valuation has been apportioned between the areas occupied by the Council and the areas leased out on the basis of potential net rental income earning capacity of each area.

Any change in value is recognised in the Statement of Financial Performance in the year of valuation.

#### 1.7.8 INTANGIBLE ASSETS

##### *Software acquisition and development*

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and use the specific software.

Costs that are directly associated with the development of software for external use by the Council are recognised as an intangible asset. Direct costs include the software development, employee costs and an

appropriate portion of relevant overheads. Staff training costs 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 ceases at the date the asset is derecognised. The amortisation charge for each period is recognised in the Statement of Financial Performance.

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

Partnership portal	4 years	25% straight line
Acquired computer software	1–4 years	25% straight line

### 1.7.9 IMPAIRMENT OF NON-FINANCIAL ASSETS

Property, plant and equipment and intangible assets that have a finite useful life 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 depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Council would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the Statement of Financial Performance.

For assets not carried at a revalued amount, the total impairment loss is recognised in the Statement of Financial Performance.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the Statement of Financial Performance, a reversal of the impairment loss is also recognised in the Statement of Financial Performance.

### 1.7.10 FINANCIAL INSTRUMENTS

The Council is party to non-derivative financial instruments as part of its normal operations. These financial instruments include bank accounts, on-call deposits, short-term deposits, trade and other receivables, and trade 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 Statement of Financial Performance.

The Council does not use derivative financial instruments.

#### 1.7.11 ACCOUNTS RECEIVABLE

Accounts receivable are stated at their expected realisable value after providing for doubtful and uncollectible debts.

#### 1.7.12 LEASES

The Council leases office premises in Christchurch and Auckland, photocopiers, facsimile machines and printers.

These leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases. Operating lease expenses are recognised in the Statement of Financial Performance on a systematic basis over the period of the lease.

Lease payments are recognised as an expense on a straight line basis over the term of the lease in the Statement of Financial Performance.

The Council does not have any finance lease arrangements.

#### 1.7.13 FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are translated into New Zealand dollars using the exchange rates prevailing 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.

#### 1.7.14 EMPLOYEE ENTITLEMENTS

##### *Short-term employee entitlements*

Employee entitlements that the Council expects 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, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

The Council recognises a liability for sick leave to the extent that compensated absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date; to the extent the Council anticipates it will be used by staff to cover those future absences.

The Council recognises a liability and an expense for bonuses where it is contractually obliged to pay them, or where there is a past practice that has created a constructive obligation.

##### *Long-term employee entitlements*

Entitlements that are payable beyond 12 months, such as long service leave and retirement 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; and
- + the present value of the estimated future cash flows.

The discount rate is based on the weighted average of interest rates for government stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

#### 1.7.15 INCOME TAX

The Council is a public authority and consequently is exempt from the payment of income tax. Accordingly, no charge for income tax has been provided for.

#### 1.7.16 GOOD AND SERVICES TAX (GST)

All items in the financial statements are exclusive of GST, with the exception of accounts receivable and accounts payable, which are stated inclusive of GST.

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

The net GST paid to, or received from the IRD, 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.

#### 1.7.17 RECOGNITION OF REVENUE AND EXPENDITURE

Revenue is measured at the fair value of consideration received or receivable.

##### *Revenue from the Crown*

The Council receives a significant amount of its funding from the Crown, which is restricted in its use for the purpose of the meeting its objectives as specified in the Statement of Intent.

Revenue from the Crown is recognised as revenue when earned and is reported in the financial period to which it relates.

##### *Other grants*

The Council receives the majority of its funding from the New Zealand Lottery Grants Board. This is recognised as revenue when it becomes receivable unless there is an obligation to return the funds if conditions of the grant are not met. If there is such an obligation the grants are initially recorded as grants received in advance, and recognised as revenue when conditions of the grant are satisfied.

Revenue received from third parties on the condition that it is used for a particular purpose is recognised in the Statement of Financial Performance only when the funds are spent for the designated purpose. Any unspent funds at the reporting date are included within current liabilities in the Statement of Financial Position and carried forward to the next financial year.

##### *Interest*

Interest income is recognised as it accrues on bank account balances, on-call and short-term deposits.

##### *Rental income*

Rental income is recognised in the Statement of Financial Performance on a straight line basis over the term of the lease.

#### 1.7.18 RECOGNITION OF GRANTS AND INITIATIVES EXPENDITURE

Non-discretionary grants are those grants awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligations to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant.

The liability disclosed in the Statement of Financial Position represents financial grants to New Zealand artists and arts organisations committed by the Council but not uplifted at balance date.

When grants that were committed by the Council in previous years are no longer required for the purpose for which they were committed, they are retired and recognised as a gain in the Statement of Financial Performance.

During the year funds may be set aside for Council or board-led projects, known as initiatives. If these funds are not fully expended at the end of the financial year they are carried forward to the next financial year within current liabilities in the Statement of Financial Position.

#### 1.7.19 CASH AND CASH EQUIVALENTS

Cash and cash equivalents held by the Council include bank balances, on-call bank deposits and short-term deposits with original maturities of three months or less.

#### 1.7.20 BUDGET FIGURES

The budget figures are derived from the Statement of Intent as approved by the Council at the beginning of the financial year. The budget figures have been prepared in accordance with NZ IFRS, using accounting policies that are consistent with those adopted by the Council for the preparation of the financial statements.

#### 1.7.21 SUPERANNUATION SCHEME

##### *Defined contribution scheme*

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

#### 1.7.22 COST OF SERVICE STATEMENTS

The Council has only one output class, which includes a number of key activities.

## 2. CROWN REVENUE

Creative New Zealand has been provided with funding from the Crown for the specific purposes of Creative New Zealand as set out in its founding legislation and the scope of the government appropriations. Apart from these general restrictions, there are no unfulfilled conditions or contingencies attached to government funding (2008: nil).

## 3. OTHER REVENUE

	2009 \$000	2008 \$000
Rental income	65	55
Te Matatini Society	127	—
Other	13	12
	<b>205</b>	<b>67</b>

## 4. GRANT RETIREMENTS AND GAINS

	2009 \$000	2008 \$000
Retirement of grants	350	79
Net foreign exchange gain	56	—
	<b>406</b>	<b>79</b>

## 5. PERSONNEL EXPENSES

	2009 \$000	2008 \$000
Wages and salaries	3,986	3,558
Other staff related costs	263	548
Movement in employee entitlements	52	3
Employer contributions to defined contribution plans	31	26
Termination benefits	—	—
	<b>4,332</b>	<b>4,135</b>

Employer contributions to defined contribution plans include contributions to KiwiSaver and personal schemes of certain employees.

The number of employees whose remuneration for the financial year exceeded \$100,000 is as follows:

TOTAL REMUNERATION AND BENEFITS \$000	NUMBER OF EMPLOYEES	
	2009	2008
100–110	1	3
110–120	5	Nil
120–130	1	1
130–140	Nil	Nil
140–150	Nil	Nil
150–160	Nil	Nil
160–170	Nil	Nil
170–180	Nil	Nil
180–190	Nil	1
190–200	Nil	Nil
200–210	Nil	Nil
210–220	1	Nil

The Chief Executive's remuneration and benefits is in the \$210,000 to \$220,000 band. He was appointed 21 August 2006.



## 6. DEPRECIATION AND AMORTISATION

	2009 \$000	2008 \$000
<b>Depreciation</b>		
Building	64	64
Building improvements	36	27
Furniture, equipment and fittings	23	24
Computer equipment	77	80
<b>Amortisation</b>		
Computer software	23	14
Partnership portal	22	—
	<b>245</b>	<b>209</b>

## 7. COUNCIL / BOARD FEES

Arts Council, Arts Board, Te Waka Toi and Pacific Arts Committee members earned the following fees/honoraria during the year for attendance at Council, Board and/or assessment committee meetings.

MEMBER	FEES 2009 \$	FEES 2008 \$
A Carruthers (Chair, Arts Council)	24,001	32,000
A Shaw	9,500	8,969
A Sorrell (Chair, Arts Board)	21,000	21,000
N Te Awakotuku (Chair, Te Waka Toi)	21,000	21,000
P Walker (Chair, Pacific Arts Committee)	15,000	12,550
J May	8,550	9,500
J Ng	9,025	9,500
W Vercoe	792	9,500
J Plane-Te Paa	9,500	8,125
T Snow	11,500	11,500
M Prentice	11,500	11,500
K de Goldi	4,792	11,500
S Adsett	—	11,500
D Haimona	11,500	11,320
P Hohepa	—	10,925
M Sciascia	10,925	10,925
S Ellison	—	11,500
R Ngarimu	11,500	11,500
T Fiaola	—	2,075
S Oberg	—	1,300
V Iosefa	2,713	1,475

MEMBER	FEES 2009 \$	FEES 2008 \$
A Refiti	2,713	2,250
O Kightley	9,500	8,550
S Ashton	10,925	11,500
P Eames	11,500	11,500
T Vao	2,713	2,775
E Tavola	2,013	2,775
E Henare	9,025	—
J Huria	11,500	—
K Te Waru-Rewiri	11,500	—
T Maxwell	10,925	—
F Hartnell	2,363	—
M Smith	2,713	—
J Puka	1,413	—
	<b>271,601</b>	<b>278,514</b>

## 8. OTHER OPERATING EXPENSES

	2009 \$000	2008 \$000
Auditors remuneration to Audit New Zealand comprises:		
audit fees for financial statement audit	50	50
audit fees for NZ IFRS transition	—	12
additional fee for the 2008 financial statement audit	4	—
Operating lease payments	149	119
Net loss on disposal of property, plant and equipment	1	8
Change in fair value of investment property	53	0
Other operating expenses	3,701	3,394
	<b>3,958</b>	<b>3,583</b>

## 9. STATEMENT OF EXPENDITURE

for the year ended 30 June 2009

	ACTUAL 2009 \$000	ACTUAL 2008 \$000
<b>Council</b>		
Creative Communities Scheme	2,614	2,651
Regional Strengths Maurangi Toi	14	50
New Zealand Authors' Fund	2,041	1,514
Venice Biennale	987	33
10th Festival of Pacific Arts	259	337
Prime Minister's Awards for Literary Achievement	180	180
Smash Palace Fund	1	3
toi iho™ – Māori Made Mark	229	239
	<b>6,325</b>	<b>5,007</b>
<b>Arts Board</b>		
New Work	1,529	2,907
Creative and Professional Development	2,902	2,967
Presentation, Promotion and Audience Development	14,510	16,083
Capability Building	130	–
Screen Innovation Production Fund	600	600
Quick Response Grants	394	–
Arts Grants	1,986	–
Arts Investments	175	–
Bridging Grants	325	–
Recurrently Funded Organisations Initiatives	151	–
Arts Board Project	–	38
Arts Organisations Development Programme	467	356
Reserves Assistance Grants	20	–
	<b>23,189</b>	<b>22,951</b>

	ACTUAL 2009 \$000	ACTUAL 2008 \$000
<b>Te Waka Toi</b>		
Heritage Arts	117	352
Te Reo	167	71
New Work	196	222
Indigenous Links	71	196
Experiencing Maori Art	1,418	1,862
Toi Atu Tohunga Tukunga	4	60
Quick Response Grants	42	—
Arts Grants	673	—
Toi Tuarangi	21	32
Toi Ake	137	63
	<b>2,846</b>	<b>2,858</b>
<b>Pacific Arts Committee</b>		
Heritage Arts	68	93
Arts Development	152	232
Arts Promotion	91	132
Tangata Whenua Links	—	16
Quick Response Grants	29	—
Arts Grants	165	—
	<b>505</b>	<b>473</b>
<b>Total Grants and Initiatives</b>	<b>32,865</b>	<b>31,289</b>
Governance	405	456
Management	8,402	7,750
	<b>8,807</b>	<b>8,206</b>
<b>TOTAL EXPENDITURE</b>	<b>41,672</b>	<b>39,495</b>

## 10. PUBLIC EQUITY

	2009 \$000	2008 \$000
<b>GENERAL FUNDS</b>		
Balance at 1 July	7,927	2,385
Net surplus/(deficit)	(882)	5,542
<b>General Funds at 30 June</b>	<b>7,045</b>	<b>7,927</b>
<b>REVALUATION RESERVES</b>		
As at 1 July	5,247	5,247
Revaluation gains/(losses)		
Land and Buildings	(564)	—
Works of Art	79	—
<b>Revaluation Reserves at 30 June</b>	<b>4,762</b>	<b>5,247</b>
<b>TOTAL TAXPAYERS' FUNDS</b>	<b>11,807</b>	<b>13,174</b>
Revaluation Reserves at 30 June consists of:		
Land and Building revaluation reserve	2,425	2,989
Works of Art revaluation reserve	2,337	2,258
	<b>4,762</b>	<b>5,247</b>

## 11. CASH AND CASH EQUIVALENTS

for the year ended 30 June 2009

	2009 \$000	2008 \$000
Cash on hand and at bank	522	210
Cash equivalents – term deposits	15,229	18,200
<b>Total cash and cash equivalents</b>	<b>15,751</b>	<b>18,410</b>

The carrying value of short term deposits with maturity dates of three months or less approximates their fair value.

The weighted average effective interest rate for short term deposits is 6.60% (2008 8.64%).

## 12. PROPERTY, PLANT AND EQUIPMENT

	LAND \$000	BUILDING \$000	BUILDING IMPROVE- MENTS \$000	FURNITURE, EQUIPMENT AND FITTINGS \$000	COMPUTER EQUIPMENT \$000	MOTOR VEHICLE \$000	TOTAL \$000
<b>COST OR VALUATION</b>							
Balance at 1 July 2008	1,711	3,217	893	668	604	–	7,093
Additions	–	–	48	16	162	–	226
Reclassification	–	–	–	–	–	–	–
Revaluation increase/ (decrease)	(367)	(325)	–	–	–	–	(692)
Disposals	–	–	–	(16)	(2)	–	(18)
<b>Balance at 30 June 2009</b>	<b>1,344</b>	<b>2,892</b>	<b>941</b>	<b>668</b>	<b>764</b>	<b>–</b>	<b>6,609</b>
<b>ACCUMULATED DEPRECIATION</b>							
Balance at 1 July 2008	–	64	615	607	448	–	1,734
Depreciation expense	–	64	36	23	77	–	200
Eliminated on disposal/ reclassification	–	–	–	(16)	(2)	–	(18)
Eliminated on revaluation	–	(128)	–	–	–	–	(128)
<b>Balance at 30 June 2009</b>	<b>–</b>	<b>–</b>	<b>651</b>	<b>614</b>	<b>523</b>	<b>–</b>	<b>1,788</b>
<b>Carrying Amount 30 June 2009</b>	<b>1,344</b>	<b>2,892</b>	<b>290</b>	<b>54</b>	<b>241</b>	<b>–</b>	<b>4,821</b>
<b>COST OR VALUATION</b>							
Balance at 1 July 2007	1,711	3,217	796	687	1,288	22	7,721
Additions	–	–	100	15	46	–	161
Reclassification	–	–	–	–	(659)	–	(659)
Revaluation increase/ (decrease)	–	–	–	–	–	–	–
Disposals	–	–	(3)	(34)	(71)	(22)	(130)
<b>Balance at 30 June 2008</b>	<b>1,711</b>	<b>3,217</b>	<b>893</b>	<b>668</b>	<b>604</b>	<b>–</b>	<b>7,093</b>
<b>ACCUMULATED DEPRECIATION</b>							
Balance at 1 July 2007	–	–	591	617	1,073	22	2,303
Depreciation expense	–	64	27	24	80	–	195
Eliminated on disposal/ reclassification	–	–	(3)	(34)	(705)	(22)	(764)
Eliminated on revaluation	–	–	–	–	–	–	–
<b>Balance at 30 June 2008</b>	<b>–</b>	<b>64</b>	<b>615</b>	<b>607</b>	<b>448</b>	<b>–</b>	<b>1,734</b>
<b>Carrying Amount 30 June 2008</b>	<b>1,711</b>	<b>3,153</b>	<b>278</b>	<b>61</b>	<b>156</b>	<b>–</b>	<b>5,359</b>

The land and building assets represent the ownership of four floors of the Old Public Trust Building excluding the portion classified as Investment Property (note 14). The revalued building is stated at fair value as determined by Michael Sellars (registered valuer) of Sellars Valuation Ltd as at 30 June 2009.

	\$000
Fair value of the Public Trust Building and associated land at 30 June 2009 per valuation	4,727
<i>Apportioned as follows:</i>	
Land	1,344
Buildings	2,892
Investment Property (note14)	491
	<b>4,727</b>

### 13. WORKS OF ART

	ARTWORKS \$000	CRAFTWORKS \$000	TOTAL \$000
<b>VALUATION</b>			
Balance at 1 July 2008	2,177	83	2,260
Additions	—	—	—
Revaluation increase/(decrease)	71	8	79
Disposals	—	—	—
Impairment losses	—	—	—
<b>Carrying Amount at 30 June 2009</b>	<b>2,248</b>	<b>91</b>	<b>2,339</b>
<b>VALUATION</b>			
Balance at 1 July 2007	2,177	83	2,260
Additions	—	—	—
Revaluation increase/(decrease)	—	—	—
Disposals	—	—	—
Impairment losses	—	—	—
<b>Carrying Amount at 30 June 2008</b>	<b>2,177</b>	<b>83</b>	<b>2,260</b>

The works of art are stated at fair value as determined by Chris Moore of Chris Moore Gallery as at 30 June 2009. Mr Moore is an art dealer and an experienced valuer of artworks. There is no formal qualification for valuing artworks in New Zealand.

## 14. INVESTMENT PROPERTY

	2009 \$000	2008 \$000
Balance at 1 July	544	544
Acquisitions	—	—
Transfer from property, plant and equipment	—	—
Change in fair value	(53)	—
<b>Balance at 30 June</b>	<b>491</b>	<b>544</b>

Investment property consists of part of the Old Public Trust building which is leased to third parties.

Further details of these leases are disclosed in note 16.

The property was revalued at 30 June 2009, see note 10 for further details.

## 15. INTANGIBLE ASSETS

COMPUTER SOFTWARE	2009 \$000	2008 \$000
<b>COST OR VALUATION</b>		
Balance at 1 July	1,179	361
Additions	126	163
Reclassification	—	659
Revaluation increase	—	—
Disposals	(6)	(4)
<b>Balance at 30 June</b>	<b>1,299</b>	<b>1,179</b>
<b>AMORTISATION</b>		
Balance at 1 July	655	—
Amortisation expense	45	14
Reclassification	—	644
Eliminated on disposal	(6)	(3)
Eliminated on revaluation	—	—
<b>Balance at 30 June</b>	<b>694</b>	<b>655</b>
<b>Carrying Amount 30 June</b>	<b>605</b>	<b>524</b>

Costs have been incurred in the 2008 and 2009 years for the development of a Partnership Portal.

This asset is to be amortised from the date it is available for use.



## 16. CREDITORS AND OTHER PAYABLES

	2009 \$000	2008 \$000
Trade payables	603	737
Accrued expenses	177	703
GST payable	490	458
Special purpose funds	17	584
	<b>1,914</b>	<b>2,482</b>

Creditors and other payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of creditors and other payables approximates their fair value.

## 17. SPECIAL PURPOSE FUNDS

Included within Creditors and other payables are the following amounts which have been designated for special purposes:

2009	OPENING BALANCE \$000	THIRD PARTY INCOME	EXPENDITURE	CLOSING BALANCE \$000
Screen Innovation Production Fund	—	624	575	49
Tup Lang bequest	78	5	6	77
Butland Music Foundation	39	2	2	39
Louis Johnson bequest	53	3	3	53
The Todd Trust	—	10	10	—
Old Public Trust Body Corporate	6	131	125	12
Edwin Carr Foundation	408	24	21	411
Betty Reed Fund	—	20	20	—
Mataora Royalties	—	3	—	3
	<b>584</b>	<b>822</b>	<b>762</b>	<b>644</b>

2008	OPENING BALANCE \$000	THIRD PARTY INCOME	EXPENDITURE	CLOSING BALANCE \$000
Screen Innovation Production Fund	9	600	609	—
Tup Lang bequest	77	6	5	78
Butland Music Foundation	39	3	3	39
Louis Johnson bequest	53	4	4	53
The Todd Trust	—	10	10	—
Old Public Trust Body Corporate	21	152	167	6
Edwin Carr Foundation	393	39	24	408
	<b>592</b>	<b>814</b>	<b>822</b>	<b>584</b>

The Screen Innovation Production Fund is a joint venture with the New Zealand Film Commission.

The Tup Lang bequest is held in trust and the income is given towards a grant for research and choreographic development of a new work.

The Butland Music Foundation appointed the Arts Council as their trustees in 1994. Income from trust funds is given towards a grant to a music student to assist and encourage their studies within or beyond New Zealand.

The Louis Johnson bequest is held in trust and the income is given towards financing the Louis Johnson Writers' Bursary.

The Todd Trust contribution goes towards the Todd Writers' Bursary.

The Old Public Trust Body Corp owns the Wellington premises occupied by Creative New Zealand.

The Edwin Carr Foundation was set up during 2004/05. Creative New Zealand administers the foundation and its associated scholarships.

The Betty Reed Fund is a one-off fund to be used for the support of music and art.

The Mataora Royalties are received for a book that Te Waka Toi funded. These royalties will go back to Te Waka Toi via its funding/granting decisions.

## 18. EMPLOYEE ENTITLEMENTS

	2009 \$000	2008 \$000
<b>CURRENT EMPLOYEE ENTITLEMENTS ARE REPRESENTED BY:</b>		
Accrued salaries and wages	34	15
Annual leave	225	183
Long service leave	38	55
<b>Total current portion</b>	<b>297</b>	<b>253</b>
<b>NON-CURRENT EMPLOYEE ENTITLEMENTS ARE REPRESENTED BY:</b>		
Long service leave	27	—
<b>Total non-current portion</b>	<b>27</b>	<b>—</b>
<b>Total employee entitlements</b>	<b>324</b>	<b>253</b>

## 19. RELATED PARTIES

Creative New Zealand is a wholly owned entity of the Crown.

The Council has entered into a number of transactions with government departments, Crown entities and state-owned enterprises on an arm's length basis. Those transactions that occur within a normal supplier or client relationship on terms and conditions no more or less favourable than those which it is reasonable to expect the Council would have adopted if dealing with that entity at arm's length in the same circumstance are not disclosed.

Some members of the Council have been or are also members of other governing bodies that are funded by the Arts Council of New Zealand Toi Aotearoa through the Creative Communities Scheme. They are:

			TRANSACTION VALUE YEAR ENDED 30 JUNE		BALANCE OUTSTANDING YEAR ENDED 30 JUNE	
			2009	2008	2009	2008
Ema Tavola (Pacific Arts Committee)	Manukau City Council	Employee	\$174,920	\$0	\$0	\$0

**Some members of the Council are employees of universities that the Council has funding contracts with. They are:**

Ngahua Te Awakotuku (Te Waka Toi)	University of Waikato	Professor	\$22,500	\$25,313	\$22,500	\$0
Te Kahautu Maxwell (Te Waka Toi)	University of Waikato	Lecturer	\$22,500	\$0	\$22,500	\$0

**Other:**

Alick Shaw (Arts Council)	Wellington Museums Trust	Trustee	\$382,528	\$0	\$72,000	\$0
	New Zealand School of Music	Chair	\$29,950	\$0	\$17,150	\$0
	Wellington City Council	Councillor	\$0	\$116,205	\$0	\$0
Sid Ashton (Arts Board)	Christchurch Arts Festival Board	Chair	\$170,273	\$0	\$273	\$0
Cath Cardiff (Senior Management Team)	Jessica Smith	Family Member	\$27,923	\$0	\$0	\$0

**KEY MANAGEMENT PERSONNEL COMPENSATION**

	2009 \$000	2008 \$000
Salaries and other short-term employee benefits	1,163	1,175
Other long-term benefits	26	26
	<b>1,189</b>	<b>1,201</b>

Key management personnel includes the Chief Executive and six members of the Senior Management Team as well as members of the Arts Council, Arts Board, Te Waka Toi and the Pacific Arts Committee.

Comparative figures have been restated to include members of the Arts Council, Arts Board, Te Waka Toi and Pacific Arts Committee.

## 20. FINANCIAL INSTRUMENTS

The Council's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The Council has policies in place to manage the risks associated with financial instruments and seeks to minimise exposure. These policies do not allow any transactions which are speculative in nature to be entered into.

### 20.1 MARKET RISK

#### 20.1.1 CURRENCY RISK

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Council is exposed to foreign currency risk on payments and liabilities that are denominated in a currency other than the Council's functional and presentational currency, New Zealand dollars (\$).

The level of payments in foreign currencies is small and the time between commitment and payment of the liability is generally less than one month, therefore the Council considers foreign exchange risk to be minimal. No forward contracts are entered into to hedge foreign currency risk exposure.

#### 20.1.2 INTEREST RATE RISK

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Council has no borrowings and has adopted a policy of holding short-term investments until maturity at a fixed rate. Therefore the interest rate risk is considered to be minimal.

The interest rates for fixed term deposits at 30 June 2009 are 4.30% and 4.82% (2008: 8.64%). Call deposits are invested at the Official Cash Rate of 2.50% at 30 June 2009 (2008: 8.25%).

### 20.2 CREDIT RISK

Credit risk is the risk that a third party will default on its obligations to the Council, causing the Council to incur a loss. Financial instruments, which potentially subject the Council to risk, consist principally of cash, bank deposits and trade debtors.

The Council is only permitted to deposit funds with the major banks which have a high credit rating, as defined by the Crown Entities Act 2004. For its other financial instruments the Council does not have significant concentrations of credit risk.

The Council's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents and debtors and other receivables. There is no collateral held as security against these financial instruments.

The Council holds cash with BNZ, ANZ National, KiwiBank and ASB. These banks are part of the Crown Retail Deposit Guarantee Scheme and so all deposits with these banks up to \$1 million held are guaranteed by the Crown.

### 20.3 LIQUIDITY RISK

Liquidity risk is the risk that the Council will encounter difficulty raising liquid funds to meet commitments as they fall due. The Council closely monitors its forecast cash requirements and maintains a target level of cash to meet liquidity requirements.

The table below analyses the Council's financial liabilities that will be settled based on the remaining period at the balance sheet date to the contractual maturity date.

	LESS THAN 6 MONTHS	BETWEEN 6 MONTHS AND 1 YEAR	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS
<b>2009</b>				
Creditors and other payables	1,914	—	—	—
Grants committed	10,251	—	—	—
<b>2008</b>				
Creditors and other payables	2,482	—	—	—
Grants committed	11,318	—	—	—

### FAIR VALUE

The recorded value of financial assets and liabilities equates to their fair market value at 30 June 2009.



