

A Business Case for Investment in Regional Arts, Culture and Creative Sector Development

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“Give communities a stronger decision-making role about the arts development activities in, by, for and with their community”

– Creative NZ (April 2023). The Future of Arts Development in Aotearoa NZ

“It is essential that communities are given the funding, resources and roles to have the structures and opportunities for arts, culture, creativity and ngā toi to take place. Budgets for this should be protected so they are not compromised by competing and changing local government priorities.”

– Creative NZ (April 2023). The Future of Arts Development in Aotearoa NZ

Background

The current landscape of arts sector infrastructure

Problem: The current infrastructure that supports arts, culture and creativity is fragmented, inconsistent and inadequately resourced. The arts, culture and creativity sector and its communities lack access to support and development, and their potential contribution to the wellbeing of communities and society is unfulfilled.

Solution: A centrally and sustainably resourced network of regionalised arts organisations, designed to support sector development and the activation of arts, culture and creativity.

Current landscape: The current landscape of arts and culture sector support infrastructure is sporadic, regionally inconsistent and inadequately resourced. Where regional infrastructure does exist, it is fuelled by passionate people in lean organisations that are trying to respond to regional needs that continue to escalate due to the impacts of covid, climate events, cost of living increases, local government funding cuts and wider funding competition/scarcity.

Most regions are under-served and many have no arts sector support infrastructure in place at all¹. Regions that do have established regional arts organisations (RAOs) – such as Waikato and Auckland – can demonstrate significant value and impact, but have very limited access to sustainable funding and operate with insufficient resourcing to adequately meet sector needs.

¹This observation is developed by work in the sector and community engagement from regional arts organisations, but is also supported by the community consultation conducted by Creative NZ in their work [The Future of Arts Development in Aotearoa](#) (April 2023).

Background and overview

Precedents for regional sector support infrastructure exists internationally; as well as domestically in other sectors - most notably in Sport where the Regional Sports Trust model is well established and centrally resourced. In both cases, there is a formalised structure of regional bodies that demonstrate value in terms of understanding and meeting regional needs, building skills and capacity, supporting sector development, strengthening connectivity and partnerships, increasing access and participation, and contributing to community wellbeing outcomes. Operating as a national network, regional bodies also play a role informing national policy.

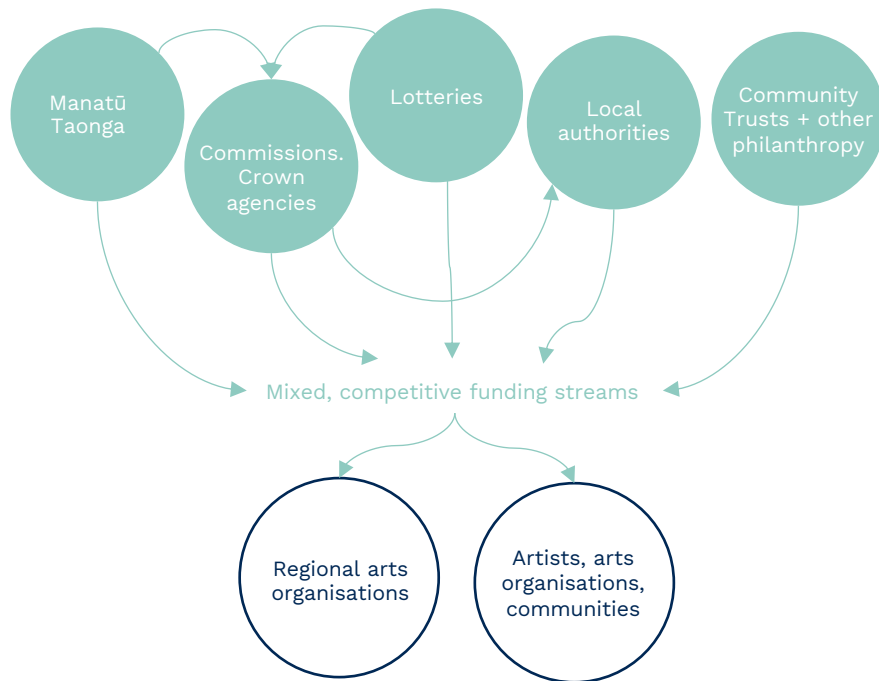
Investment in national and regional arts infrastructure is not centralised and is provided by a siloed mix of funding from central government (via ministries, commissions and crown agencies), local authorities, regional community trusts and other private philanthropy. Regional arts organisations are forced to seek competitive funding alongside the artists, arts organisations and communities that they are seeking to serve.

There is a strong case for a centralised funding stream to overcome issues of under-resourcing, fragmentation, regional inequity and competition for resourcing. This would look like the following (see also diagram next page):

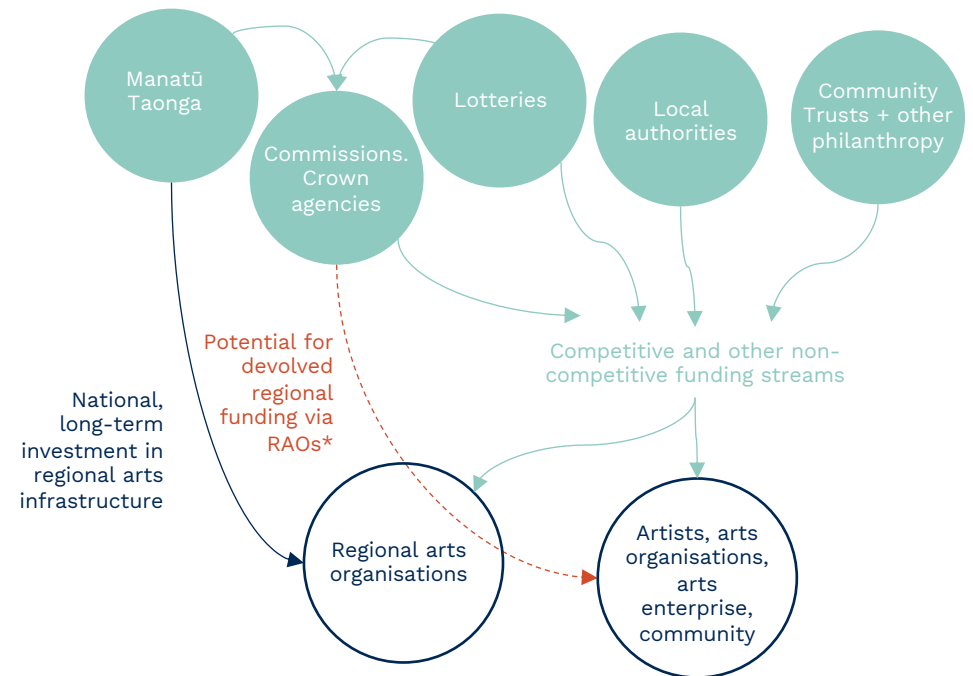
- A new central government investment stream (managed directly by Manatū Taonga or via one of its commissions/agencies), providing a long-term commitment for core annual resourcing of a national network of RAOs.
- Potential co-investment from local authorities and philanthropy, on a region-by-region basis (with potential for parallel long-term national commitment from the Combined Community Trusts for RAO establishment and growth).
- Options for RAOs to manage and distribute devolved regional funding on behalf of central government-funded commissions and agencies (e.g., Creative NZ).

Background and overview

Current investment landscape



Potential future investment landscape



*Other devolved funding models developed directly with artists and communities may also be developed

Background and overview

Business case overview

The business case presented in this document outlines a proposal for the establishment and funding of a **national network of regional arts organisations (RAOs)** that would provide critical backbone infrastructure support to the arts, culture and creativity sector.

Te Tiriti considerations underpin this business case and a partnership approach would be taken to ensure the proposed RAO model is equitable in its provision of culturally appropriate infrastructure support for Māori. Where appropriate, this would include resourcing kaupapa Māori entities and whole-of-sector RAOs to work in partnership to best meet the needs of the communities in their rohe.

A core annual investment of **new funding** would resource a network of RAOs comparable to the scope and scale of the Regional Sports Trusts (RSTs) (see page 19-20), which have a comparable remit to:

- Provide strategic leadership and activation
- Strengthen sector infrastructure, connectivity and resilience
- Build capacity, capability and development pathways
- Increase participation and enhance wellbeing through quality events, programmes and activities.

As a core principle, the proposed funding would represent **new investment into the sector for new capacity** i.e., not a redirection of funding already tagged to support artists or arts and culture organisations.

Background and overview

Context for this business case

The business case builds upon an initial draft document developed in 2022 outlining the current and potential role of RAOs and the Regional Arts Network Aotearoa (RANA). It presents the case for sustained national investment in the establishment and ongoing backbone funding of RAOs, with further detail, case studies and financial analysis provided.

A range of contextual factors have created opportunity for deeper consideration of the case for national investment in RAOs, including:

- Major threats to the financial sustainability of the sector and key sector infrastructure, including:
 - The end of Manatū Taonga Ministry for Culture and Heritage's arts and culture covid recovery funding
 - The draft Auckland Council budget which has served to highlight the fragility of regional sector funding and strategy development.
- Creative New Zealand's commitment to [review](#) its funding model and the way it supports sustainable sector development.
- The announcement in Australia of A\$286m investment over four years in arts and culture through its [Revive](#) National Cultural policy, which recognises the importance of First Nations arts and culture, supporting artist development and building strong cultural infrastructure.

Background and overview

Delivering critical outcomes through RAOs – community wellbeing, thriving regions, sustainable careers

The RAO model would deliver a range of critical outcomes (see page 10) for the arts, culture and creativity ecosystem, including:

- **Increased and inclusive participation in arts and culture activity**
- **Enhanced community wellbeing** (belonging, identity, mental and physical wellbeing, social connections and cultural capital)
- **Thriving regions** (community pride, cultural identity, economic development)
- **Intergenerational transfer of mātauranga**
- **Relevant, collaborative and activated regional arts and culture strategy that centre te ao Māori**
- **Strengthened capacity and capability** (artists, arts sector organisations/professionals and community arts volunteers)
- **Sustainable employment pathways**
- **Strengthened partnerships and connectivity**

Background and overview

Alignment with central government policy, strategic objectives and sector engagement findings

The RAO proposition has strong alignment to key central and local government policy, strategic objectives and findings from research into the future sustainability and resilience of the arts, culture and creative sector:

RAO outcomes (see p.15)	Manatū Taonga ¹	Creative NZ ²
Increased and inclusive participation in arts and culture activity	<ul style="list-style-type: none"> Cultural activity is valued, supported and nurtured. People can access and are participating in cultural activities and experiences. 	<ul style="list-style-type: none"> Strategic outcome: Greater public engagement with the arts. Investment that ensures communities across New Zealand can participate in and experience the arts, and investment that engages with under-represented communities
Enhanced community wellbeing	<ul style="list-style-type: none"> Pathways for a vibrant and resilient cultural sector ecosystem: We can clearly articulate the cultural and creative sector's economic and wellbeing contribution 	<ul style="list-style-type: none"> The ways in which arts, culture, creativity and ngā toi inform wellbeing are myriad, holistic, tangible and intangible, immediate and enduring
Thriving regions	<ul style="list-style-type: none"> Concentration of funding in main centres means arts, culture and heritage in the regions often misses out [The role of Manatū Taonga needs to include the] design funding and investment strategies that support regional and local arts, culture and heritage 	<ul style="list-style-type: none"> “The one size fits all approach” does not work [The sector wants} opportunities for artists outside of Auckland, Wellington and Christchurch CNZ investment principle: Investment maintains and develops key arts infrastructure [There are] benefits to regional decision-making
Intergenerational transfer of mātauranga	<ul style="list-style-type: none"> Pathways for a vibrant and resilient cultural sector ecosystem: Iwi and Māori are supported to achieve their cultural aspirations and Māori culture is recognised, valued and embraced 	<ul style="list-style-type: none"> CNZ supports the development and maintenance of strong relationships and partnerships with tangata whenua and the incorporation of tikanga, mātauranga, te ao Māori values and approaches

¹ Wording taken from: Manatū Taonga [Long-term Insights Briefing](#) (2022); [COVID-19 Cultural Recovery Programme Impacts Report 2021/22](#) (May 2023)

² Wording taken from: Creative NZ – [The Future of Arts Development in Aotearoa](#) (April 2023), [Thriving Communities](#) (February 2023); [Investment Strategy 2018-23](#)

Background and overview

RAO outcomes (see p.15)	Manatū Taonga ¹	Creative NZ ²
Relevant, collaborative and activated regional arts and culture strategy that centre te ao Māori	<ul style="list-style-type: none"> • Cultural strategy/vision, with associated policy, would help with ecosystem thinking • Key levers: Position te ao Māori and Te Tiriti o Waitangi at the centre of the arts, culture and heritage sector 	<ul style="list-style-type: none"> • Investment principle: Our investment recognises in the arts the role of Māori as tangata whenua, and advances ngā toi Māori
Strengthened capacity and capability	<ul style="list-style-type: none"> • There is unequal capacity and capability to engage and participate across iwi/Māori • The cultural system [should be] resilient and sustainable • The development of a wide range of new skills and capabilities—especially non-creative skills to support career an 	<ul style="list-style-type: none"> • There are specific support needs for emerging artists and independent artists • Strategic CNZ outcome: Stronger arts communities, artists and organisations • Investment features: Maintain and develop investment that supports capability and capacity building in organisations and the arts sector for long-term benefit, including new ways of working and new models of value creation that drive resilience
Sustainable employment pathways	<ul style="list-style-type: none"> • Pathways for a vibrant and resilient cultural sector ecosystem: The arts are embedded in education pathways at all levels and creative work is seen as viable career option, supported by sustainable investment 	<ul style="list-style-type: none"> • [Advocacy is needed for] more effective and/or increased arts education that includes career pathways
Strengthened partnerships and connectivity	<ul style="list-style-type: none"> • The sector should be thought of as an ‘ecology’ – interdependent, interconnected and growing from the ground up • Good relationships are critical to effective delivery, particularly for initiatives seeking transformation 	<ul style="list-style-type: none"> • Five challenges for CNZ to address: Broker relationships between artists, arts organisations, territorial authorities, local governments and businesses to build better communities
New models of sector investment including devolved funding	<ul style="list-style-type: none"> • Sustainable investment models 	<ul style="list-style-type: none"> • The benefits of regional decision making • It is essential that communities are given the funding, resources and roles to have the structures and opportunities for arts, culture, creativity and ngā toi

Key principles

The proposal for establishing a national network of RAOs to support arts, culture and creativity sector development is underpinned by the following principles:

- Investment in RAOs would represent **new funding** into the ecosystem. Funding would be long-term to enable development, full establishment and embedding of the national network.
- RAOs would be **regionally bespoke**. Each RAO's boundary, structure and programme offering would be shaped around regional needs, aspirations and priorities, determined through **sector-led engagement**.
- **Te Tiriti and equity of outcomes for Māori** are priority considerations. Both existing RAOs and sector stakeholders in new regions with no existing RAO would work with tangata whenua and regional Māori arts communities to ensure Māori self-determine appropriate structures and programming. In some cases regional kaupapa Māori entities may already exist and/or be established through this process, and would be **equitably resourced** to work in partnership with whole-of-sector RAOs (i.e., regional funding would be shared 50/50 towards outcomes for Māori).
- RAOs would also **operate collectively as a national network** – sharing insights, learning, tools/programmes; co-commissioning research, and providing centralised policy and strategy advice to central government and other national stakeholders.
- Core investment would provide key infrastructure that enable **opportunities for co-investment** by other central government agencies, local authorities, community trusts and other funders.

Key principles

- All RAO activity will be informed by shared principles of practice that include:
 - Centering and embedding Te Ao Māori
 - Enabling Mana Motuhake and Māori/sector self-determination
 - Centering wellbeing
 - Enabling access, inclusion and participation
 - Working as a community of practice to share learning
 - Connectivity, partnership and collaboration
 - Thinking nationally, acting regionally

Proposition



Priority outcomes

The RAO model would deliver a range of critical outcomes including:

- Increased and inclusive participation in arts and culture activity
- Enhanced community wellbeing (belonging, identity, mental and physical wellbeing, social connections and cultural capital)
- Thriving regions (community pride, cultural identity, economic development)
- Intergenerational transfer of mātauranga
- Relevant, collaborative and activated regional arts and culture strategy that centre te ao Māori
- Strengthened capacity and capability (artists, arts sector organisations/professionals and community arts volunteers)
- Sustainable employment pathways and careers
- Strengthened partnerships and connectivity
- Sector engagement in regional and national decision-making

Proposition

Core delivery areas

Core delivery areas	Key activities
Sector infrastructure and development	<ul style="list-style-type: none">• Design and delivery of capacity and capability programmes for artists, sector professionals, volunteers• Development of universal resources, toolkits, guides• Navigation to access support and resources• Governance and leadership development• Capacity and capability development programmes, resources, toolkits and guides (bespoke and universal)
Connectivity, collaboration and partnerships	<ul style="list-style-type: none">• Sector engagement, convening and facilitation of networks and communities of practice• Brokering and activating collaboration• Relationships with tangata whenua and Ngā Toi Māori entities• Relationships with other regional RAOs, central government, local government, crown agencies, and other funders including community trusts
Research and insights	<ul style="list-style-type: none">• Research – sector needs, contribution/impact• Evaluation and reporting - RAO programming and impact• Knowledge building through ongoing sector relationships• Open source sharing of insights, resources and models of good practice

Proposition

Core delivery areas	Key activities
Regional strategy design and activation*	<ul style="list-style-type: none"> • Regional arts and culture strategy design in partnership with the sector and local authorities • Feeding in research and insights to strategy development • Supporting collective impact models to activate strategy • Working across RAOs to interface regional strategy with national strategy and policy
Sector-led policy and strategy advice	<ul style="list-style-type: none"> • Advice, submissions and briefings to central and local government about regional needs and insights • Developing platforms for sector voices to feed into regional and national engagement processes
Arts and culture programming	<ul style="list-style-type: none"> • Community events, festivals, exhibitions, wānanga, workshops, symposiums, lectures
Devolved funding and commissioning	<ul style="list-style-type: none"> • Management and distribution of devolved funding using non-contestable models co-designed with the sector - including commissioning and other participatory approaches • Potential advisory role to other funders holding contestable funding (own funding or on behalf of Creative New Zealand)

*It should be noted that kaupapa Māori entities funded as part of this investment model would maintain strategic priorities in accordance with context e.g., alignment with hapū and iwi strategic plans.

Proposition

National level network activity

RANA is evolved to become a national network of RAOs and regional Toi Māori entities to reflect the principles of this business case.

Network activity is co-resourced and facilitated by members. Key activity would include:

- Commission and share regional research, evaluation and intelligence to identify and collate evidence of national sector needs, gaps, aspirations, priorities and impact
- Open source sharing insights, tools, programmes and resources to cross-pollinate effective practice and models of sector development across regions
- Broker effective engagement by central government and other stakeholders with regional arts communities
- Policy and strategy advice, bringing regional voices into decision-making spaces through coordinated participation in national panels, forum and consultations
- Enabling more connected platforms for arts advocacy and collaboration on efforts to support increased valuing of the arts



Comparison: The RST Model

Regional Sports Trust (RSTs) are independent charitable organisations working to deliver outcomes for individuals and communities via sports, play and recreation. The role of RSTs is comparable to the proposed role of RAOs. Their core offering includes:

- Leading the development and implementation of region-wide strategies to improve community wellbeing through sport and physical activity.
- Engaging with local communities to understand needs and aspirations.
- Delivering community events, school-based initiatives, government contracts (e.g., health) and other community programming to deliver wellbeing outcomes.
- Partnering with iwi, hapū and marae to deliver outcomes for Māori.
- Providing capacity and capability support to sector professionals, organisations and volunteers; strengthening career development pathways and organisational development to enable more sustainable delivery of quality sports and recreation experiences.
- Providing sports strategy and policy advice to Sport NZ, central government, local government, funders, education providers and other stakeholders.
- Working collectively through a national network to enable shared learning, resources and programmes, strengthen consistency of delivery across RSTs, and feeding regional knowledge and priorities into national policy and strategy decision-making.

Comparison: The RST Model

There are 14* RSTs across Aotearoa, employing approximately 500 staff.

\$13.25m
core annual
funding

Sport NZ provides approximately \$13.25m in core operational funding for RSTs to provide a regional sports sector backbone role and to administer services, programming and funding into priority communities (FY 2021/22). Around \$4m of this funding is tagged to support RSTs leadership role and partnerships, with around 15% of funding tagged to insights and evaluation.

\$16.5m
managed
funding
programme

In 2021/22, six RSTs received \$1.2m Sport NZ programme funding to deliver He Oranga Poutama, focused on development of culturally appropriate sports activity for Māori. All 14 RSTs received \$7.4m of Sport NZ programme funding for Healthy Active Learning, a joint initiative with the Ministries of Education and Health to improve school/kura learning environments and connection to local communities.

RSTs act as a funding distributor on behalf of Sport NZ. In 2021/22 RSTs will manage a \$16.5m* funding programme Tū Manawa Active Aotearoa focused on equity of youth participation in sport (*includes \$0.5m management fee direct to RSTs).

49%
Sport NZ
funding

In total RSTs received \$37.7m of Sport NZ funding in 2021/22, inclusive of core funding, programme funding, and funding for distribution (including management fees).

Across the 14 RSTs, an average of 49% of of RST revenue comes from Sport NZ, with 51% from other contracts, grants and other income. RSTs are an established and trusted vehicle with a strong reach into regional communities and a clear value proposition. As such, many RSTs are able to leverage further multi-year funding arrangements with other funders to deliver on these outcomes, including local government, other central government agencies, Community Trusts and other community/gaming funders.

*Aktive is an umbrella organisation in Auckland that sub-contracts to four sub-regional entities.
Data supplied by Sport NZ