SOUTHLAND MUSEUM AND ART GALLERY TRUST BOARD

STATEMENT OF INTENT

FOR THE FINANCIAL YEAR ENDING
June 30 2017

The purpose of this Statement of Intent is to:

- State publicly the activities and intentions of this Council Controlled Organisation for the year and the objectives to which those activities will contribute; and
- Provide an opportunity for shareholders to influence the direction of the organisation; and
- Provide a basis for the accountability of the board to their stakeholders for the performance of the organisation.

This Statement of Intent covers the year 1 July 2016 to 30 June 2017.

1. MISSION, VISION, STRATEGIC OBJECTIVES AND THE THREE YEAR PLANNING PERIOD

1.1 Vision Statement

- *Southland Museum and Art Gallery is the anchor that links and celebrates the stories of our people, land and culture.*

1.2 Mission Statement

- *The Redevelopment shall showcase the lifestyles created in our Southern Frontier and capture both art and history.*

1.3 Key Priorities

Through its activities the Southland Museum and Art Gallery Trust Board will:

- Commence the refurbishment and extension of the Museum and Art Gallery to enlarge exhibition and storage space and to enhance accessibility to the collection.
- Focus the Museum and Art Gallery as a regional facility in the community through the provision of exhibitions – local, national and international.
- Offer a variety of experiences to the people of Southland that they wouldn't otherwise have access to.
- Actively promote the Southland Museum and Art Gallery as a hub for other museums in the province.
- Work to maintain the presence of the *i-SITE/Information Centre* and work with the Department of Conservation to see what opportunities may exist for providing services on their behalf.

The principal activities, which contribute to the achievement of the objectives, are categorised into three areas:

1. The Collections – Caring for, developing, and researching collections.
2. The Community – Engaging communities, including iwi/Maori, in exploring the culture and heritage of Southland.

3. The Experience – Providing access to the collections and telling the Story of Southland through exhibitions, events, publications and learning programmes.

1.4 Financial Planning Assumptions

The Southland Museum and Art Gallery Trust Board receives an annual grant from the Southland Regional Heritage Committee and Invercargill City Council. Income is also generated from the Museum and Art Gallery's shop (Momento), and cafe (Pyramid on Gala) and rental from the i-SITE/Information Centre located in the foyer, donations and entry fees for special touring exhibitions.

The Invercargill City Council holds the management contract from the Southland Museum and Art Gallery Trust Board who approve the management expenditure each year.

The Southland Museum and Art Gallery Trust owns the Museum and Art Gallery building and collections. The existing building requires extensive refurbishment and has insufficient storage and exhibition space to enable the facility to meet the community's needs. The Trust has minimal building reserves and will need to attract significant funding contributions from a wide range of sources. The cost of the proposed work is approximately $40 million.

1.5 Bicultural Development

Southland Museum and Art Gallery has developed a close working partnership with iwi through the Iwi Liaison Komiti, which has representatives from the four Southland runanga. The Iwi Liaison Komiti meets quarterly to discuss issues relating to the collections and exhibitions.

2. STATEMENT ON THE BOARD'S APPROACH TO GOVERNANCE

2.1 Role of the Board

The Board is responsible for the governance of the Trust. The Board is responsible for setting the strategic direction of the Trust, approving the Statement of Intent and monitoring organisational performance.

2.2 Board Membership

The Southland Museum and Art Gallery Trust Board is a Council Controlled Organisation with eight members and three ex officio members who represent the contributing authorities. The Board also has the authority to appoint additional members whose skills and experiences benefit the Trust and its functions.

INVERCARGILL CITY COUNCIL
Cr D J Ludlow
Cr I L Esler
Cr G J Sycamore

SOUTHLAND DISTRICT COUNCIL
Cr G Macpherson
Cr N Paterson

GORE DISTRICT COUNCIL
Vacant

TANGATA WHENUA
Jane Davis

APPOINTMENTS BY THE ABOVE TRUSTEES
Gwen Neave
Wallace Jack

FRIENDS OF THE MUSEUM
Jim Watson

EX OFFICIO
Manager – Paul Horner
Secretary/Treasurer - Director of Finance and Corporate Services, Invercargill City Council

2.3 Management of the Southland Museum and Art Gallery

The Southland Museum and Art Gallery Trust Board has a management contract with the Invercargill City Council for the operation of the Museum facility. The Council employs the Museum Manager and staff.

2.4 Alignment with Community Outcomes

The Southland Museum and Art Gallery Trust contributes towards the achievement of Invercargill's community outcomes.

Community Outcome	Intermediate Outcomes	Activity's Contribution
Healthy lifestyles in a healthy environment.	*Provide or promote the provision of a diverse range of excellent quality and safe indoor and outdoor recreational facilities, both natural and man-made.*	Provision of a facility that enables the collections, which focus on Southland, to be stored, maintained and exhibited in conditions that ensure their long term preservation; while providing a quality visitor experience.
A city that is a great place to live and visit.	*Promote Invercargill actively as a great place to live, work, play and visit.* *Provide and promote a range of events that create vibrancy and build community.*	Provision of a facility with exhibitions and events that inspire and inform visitors of Southland's heritage and culture provide exhibitions of local, national and international interest.

3.0 MEASURING PERFORMANCE

3.1 Explanation

The Trust has two levels of performance measures.

The first are high level community indicators which are set by the Trust and mirrored in the Council Long Term Plan.

The second set of measures are internal performance measures and of a more technical nature.

All targets are included in the table following with the Long Term Plan targets shown in ***bold italics.***

3.2 The Collections

Objective	Goal	Target Levels of Performance 2016/17	Target Levels of Performance 2017/18	Target Levels of Performance 2018/19
Caring for Collections. Collections are managed and preserved in accordance with established standards and cultural requirements.	Collections are maintained in optimal conditions for their long term preservation.	***Prepare for building refurbishment and extension to enable internal environmental conditions to meet national/international guidelines.*** No irreparable loss or damage is caused to collections or objects on loan.	***Undertake building refurbishment and extension to enable internal environmental conditions to meet national/international guidelines.*** No irreparable loss or damage is caused to collections or objects on loan.	***Undertake building refurbishment and extension to enable internal environmental conditions to meet national/international guidelines.*** No irreparable loss or damage is caused to collections or objects on loan
Developing Collections. The collections are developed to enable the Museum to document, illustrate and explore Southland's unique natural and cultural heritage.	Collection is developed in accordance with reviewed policies - Collection and Management Policies and Acquisitions Strategy	100% of objects acquired entered into Vernon database and verified 100% records on Vernon database maintained Project planned to review, update and verify records on database	100% of objects acquired entered into Vernon database and verified 100% records on Vernon database maintained. Review, update and verify 10% of records on database	100% of objects acquired entered into Vernon database and verified. 100% records on Vernon database maintained. Review, update and verify 10% of records on database

3.3 The Experience

Objective	Goal	Target Levels of Performance 2016/17	Target Levels of Performance 2017/18	Target Levels of Performance 2018/19
To provide an inspiring, informed and rich programme of exhibitions, events and learning opportunities.	Development and implementation of an annual visitor experience programme.	Three semi-permanent exhibitions are delivered. ***A minimum of 6 short-term, out-of-house exhibitions, including 4 in the community access gallery, are presented annually. In-house exhibitions shall fill the remaining gallery time.***	Three semi-permanent exhibitions are delivered. ***A minimum of 6 short-term, out-of-house exhibitions, including 4 in the community access gallery, are presented annually. In-house exhibitions shall fill the remaining gallery time.***	Three semi-permanent exhibitions are delivered. ***A minimum of 6 short-term, out-of-house exhibitions, including 4 in the community access gallery, are presented annually. In-house exhibitions shall fill the remaining gallery time.***
	Develop and deliver inspiring education programmes for school audiences.	Over 25 education programmes delivered to 4000 school students, including curriculum-linked and exhibition-related programmes.	Over 25 education programmes delivered to 4000 school students, including curriculum-linked and exhibition-related programmes.	Over 25 education programmes delivered to 4000 school students, including curriculum-linked and exhibition-related programmes.

3.4 **The Community**

Objective	Goal	Target Levels of Performance 2016/17	Target Levels of Performance 2017/18	Target Levels of Performance 2018/19
To recognise the Museum and Art Gallery as a place where our culture and heritage is valued and promoted.	Maintain strong relationships with iwi/Maori over issues relating to the collections, exhibitions and tuatara management.	Iwi Liaison Komiti (representing the four Southland runanga) meet four times/year.	Iwi Liaison Komiti (representing the four Southland runanga) meet four times/year.	Iwi Liaison Komiti (representing the four Southland runanga) meet four times/year.
	Promotion of the Southland Museum and Art Gallery as a quality venue to visit for residents and visitors.	***Annual visitor numbers exceed 200,000/annum***	***Annual visitor numbers exceed 200,000/annum***	***Annual visitor numbers exceed 200,000/annum***

4.0 ACCOUNTING POLICIES

4.1 BASIS OF PREPARATION

The Board has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than $2 million.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared under the assumption that the Trust will continue to operate in the foreseeable future.

The Trust is a reporting entity for the purposes of the Charitable Trusts Act 1957 and its financial statements comply with that Act.

The trustees of the Trust do not have the power to amend the financial statements after issue.

4.2 GOODS AND SERVICES TAX (GST)

The Trust is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for debtors and creditors, which are stated inclusive of GST.

4.3 REVENUE

4.3.1 Grants and Donations

Council, government, and non-government grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if conditions of the grant are not met ("use or return condition"). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

4.3.2 Interest revenue

Interest revenue is recognised as it is earned during the year.

4.3.3 Other revenue

Revenue is measured at the fair value of consideration received.

4.4 EXPENDITURE

All expenditure is recognised in the Statement of Financial Performance in the period in which it is incurred and expensed when the related services has been received.

4.5 INCOME TAX

The Trust is exempt from the payment of income tax. Accordingly no charge for income tax applies or has been provided for.

4.6 DONATED SERVICES

The work of the museum is dependent on the voluntary service of many individuals and organisations. Since these services are not normally purchased by the museum and because of the difficulty of determining their value with reliability, donated services are not recognised in the financial statements.

4.7 **BANK ACCOUNTS AND CASH**

Bank accounts and cash comprise cash on hand, cheque or savings accounts, and deposits held at call with banks. Bank overdrafts are presented as a current liability in the statement of financial position.

4.8 **DEBTORS**

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

4.9 **CREDITORS AND ACCRUED EXPENSES**

Creditors and other payables are measured at the amount owed.

4.10 **PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment is recorded on the cost basis, less accumulated depreciation and impairment losses.

The Trust has elected not to revalue property plant and equipment and record the asset value on the cost basis.

4.10.1 **Additions**

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

4.10.2 **Depreciation**

Depreciation has been charged in the Financial Statements on the basis of the economic life rates recommended by the Inland Revenue Department as follows:

Buildings	2%	SL
Fit-out	9 - 40%	DV

4.10.3 **Exhibits and Collections**

The Trust has not recognised significant exhibits and donated assets because the values of these are not readily available. However the direct purchase costs of exhibits and art collections acquired during the year have been capitalised.

The collection is valued at $10,000,000 for insurance purposes.

4.11 **TIER 2 PBE ACCOUNTING STANDARDS APPLIED**

The Trust does not apply any Tier 2 Accounting Standards in preparing its financial statements.

4.12 **CHANGES IN ACCOUNTING POLICIES**

There are no changes in accounting policy during the period. All accounting policies have been consistently applied throughout the period covered by these financial statements.