SOUTHLAND MUSEUM AND ART GALLERY TRUST BOARD

STATEMENT OF INTENT

FOR THE FINANCIAL YEAR ENDING
30 June 2019

southland
MUSEUM & ART GALLERY
NIHO O TE TANIWHA

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.
- Provide an opportunity for shareholders to influence the direction of the organisation.

- 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 2018 to 30 June 2019.

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

1.1 Mission Statement

- *To celebrate our people, land and culture*

1.2 Vision Statement

- *We are a nationally respected, unique, innovative, vibrant attraction providing a must-do family experience with a positive culture from a team that is excited to be there, supported by diverse funding and revenue streams and meaningful partnerships protecting the collection of Southland, as custodians of our heritage*

1.3 Strategic Objectives

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

- Deliver a development plan for the future of the Southland Museum and Art Gallery, the collection and the building.
- Work to re-establish a presence in the city with the use of temporary exhibition space.
- Commission a review of the resources of SMAGTB, the expectations placed on SMAGTB and identify gaps, priorities, opportunities and realistic expectations.
- Conduct a review of the governance of SMAGTB.
- Focus future developments of 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.
- Provide support for other museums in the province.
- Develop stronger working relationship with iwi and stakeholders.

1.4 Principle Activities

The principal activities which contribute to the achievement of the Strategic Objectives will be provided by the Management Contract. These are categorised into four areas:

1. The Collections – Caring for, developing and researching collections.
2. The Community – Engaging communities including iwi, 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.
4. The Development – Planning, consulting and establishing a future direction.

1.5 Financial Planning Assumptions

The SMAGTB receives annual grants from the Southland Regional Heritage Committee and Invercargill City Council. Income is also generated from donations.

The SMAGTB will approve the budget for expenditure in the Management Contract each year. See Section 2.3, Management of the Southland Museum and Art Gallery.

The SMAGTB owns the Museum and Art Gallery building and collections.

The existing building is potentially earthquake prone and has been closed to the public. It requires extensive redevelopment and also 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 to pay for this redevelopment.

With the building closed, SMAGTB intends to re-establish a presence within the city. This will be assisted by a grant from the Invercargill City Council.

1.6 Bicultural Development

Southland Museum and Art Gallery maintains a 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.

Southland Museum and Art Gallery is proactive in establishing a rich relationship with Ngati Koata through Mana Whenua with regard to the care of the Tuatara.

2.0 STATEMENT ON THE BOARD'S APPROACH TO GOVERNANCE

2.1 Role of the Board

The Board is responsible for the governance of the Southland Museum and Art Gallery. The Board is responsible for setting the strategic direction of SMAG, approving the Statement of Intent and monitoring the performance of the Management Contract.

2.2 Board Membership

The SMAGTB is a Council Controlled Organisation with up to 10 trustee 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 T Biddle
Cr D Ludlow
Cr R Amundsen

SOUTHLAND DISTRICT COUNCIL
Cr G Macpherson
Cr N Paterson

GORE DISTRICT COUNCIL
Vacant

TANGATA WHENUA
Jane Davis

APPOINTMENTS BY THE ABOVE TRUSTEES
Gwen Neave
Vacant

FRIENDS OF THE MUSEUM
Jim Watson

EX OFFICIO
Manager – Paul Horner
Secretary/Treasurer – Vacant

2.3 Management of the Southland Museum and Art Gallery

The SMAGTB has a Management Contract with the Invercargill City Council to carry out the Principle Activities of the Board. The Council employs the museum manager and staff who operate the museum facility. The Trust Board will approve the budget for expenditure in the Management Contract each year.

2.4 Alignment with Community Outcomes

The SMAGTB contributes towards the achievement of Invercargill City Council's community outcomes.

Enhance our City	**Preserve its Character**	**Embrace Innovation and Change**
We will know success when:	***We will know success when:***	***We will know success when:***
New residents feel welcomed and embraced by Invercargill culture.	Invercargill is celebrated for preserving its heritage character.	Invercargill's culture is embraced through Community projects.
Healthy and active residents utilise space, including green space, throughout the City.	Our natural and existing points of difference are celebrated.	Technology is utilised in both existing and new City services.
Invercargill's business areas are bustling with people, activities and culture.	Strong, collaborative leadership of the City is demonstrated.	Residents of, as well as visitors to, Invercargill give positive feedback and have great experiences.
		Invercargill has the 'wow factor' with the right facilities and events to enjoy.

3.0 OUTPUTS PLANNED FOR THE YEAR ENDED 30 JUNE 2019

Below are the outputs which are planned by the organisation to be delivered by the Management Contractor and the strategies that will be used to achieve these.

3.1 The Collections
Caring for, developing, and researching collections.

Output	Strategies to achieve Output	2018-19 Target
The collection is developed to enable the Museum to document, illustrate and explore Southland's unique natural and cultural heritage	• Collection management policies are reviewed as required.	March 2019
	• New acquisitions are considered according to the Collection Management Policy. (Minimal acquisitions desired while museum building is closed).	100% of objects acquired are considered
	• New acquisitions are entered into Vernon Collection Management System (CMS).	100% entered
		Minimal backlog of items
	• Existing CMS records are to be reviewed and updated.	Stage One: 15,000 items
	• Collections items to have digital images made.	Stage Three: 0 items (focus on stages one and two)
The collection is prepared for removal from the building by 2021/22 (4 years)	• Pack items for storage and transportation.	Stage Two: 15,000 items
Collections are maintained in optimal conditions for their long term preservation .	• Storage space is kept at temperature of 19^{o}C±1^{o}C, percentage of time in range.	100%
	• Storage space is kept at humidity of 50%±5%, percentage of time in range.	100%
	• Storage space is monitored for infestation by pests and moulds. Number of reports annually.	Minimum pests, moulds and pollutants found
	• A procedure to minimise deterioration by light is followed.	Yes
	• A procedure to avoid loss or damage to objects in the collection or on loan is followed.	Yes

3.2 The Community

Engaging communities, including iwi, in exploring the culture and heritage of Southland

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Output	Strategies to achieve Output	2018-19 Target
Maintain strong relationships with iwi over issues relating to the collections, exhibitions and tuatara management	• Iwi Liaison Komiti (representing the four Southland runanga; Waihopai, Oraka-Aparima, Hokonui, Awarua) meets regularly.	Four meetings
Promotion of a museum presence	• Develop a marketing strategy for a museum presence.	Complete by June 2019
	• Promotion by website, Facebook and print media.	No target
	• Provide outreach to other museums and related organisations in the region and community.	No target

3.3 The Experience

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

Output	Strategies to achieve Output	2018-19 Target
Establish a temporary museum presence within the city.	• Open a temporary museum presence within the city.	Complete by December 2018
	• Deliver short-term exhibitions within the museum presence.	Two in 2018/19
Development and delivery of inspiring education programmes to school children for the Ministry of Education contract for Learning Experiences Outside the Classroom (LEOTC).	• No. of students participating annually	4,000
	• No. of schools participating annually.	50 Primary 8 Secondary
	• No. of new education programmes delivered annually.	20

3.4 The Development

Planning, consulting and establishing a future direction.

Output	Strategies to achieve Output	2018-19 Target
Establish a clear strategic direction for the SMAGTB and the future of the museum (including collection and building on the current site)	• Commission a review of the resources of SMAGTB, the expectations placed on SMAGTB and identify gaps, priorities, opportunities and realistic expectations.	Complete by December 2018
	• Conduct a review of the governance of SMAGTB.	Complete by December 2018
	• Carry out consultation with the community to generate a future vision for a museum.	Complete by December 2018
	• Begin developing plans for a future museum on the current site.	In process by June 2019

4.0 ACCOUNTING POLICIES

4.1 Basis Of Preparation

The Board has elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime (RDR) disclosure concessions. This is on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of more than $2 million and less than $30 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 domiciled in New Zealand, 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 Changes In Accounting Policies

For the year ended 30 June 2018, the Trust prepared its Financial Statements using the Tier 3 PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) Standard. These have now been restated to Tier 2 Not-For-Profit PBE Accounting Standards – RDR. An explanation of how the transition to Tier 2 Not-For-Profit PBE Accounting Standards – RDR has affected the Financial Statements is included in the notes to the financial statements section.

4.3 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.

4.4 Revenue

Revenue is recognised to the extent that it is probable the economic benefit will flow to the Trust and revenue can be reliably measured. Revenue is measured at fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

4.4.1 Grants

Council, government, and non-government grants are recognised as revenue when the conditions attached to the grant has been complied with. Where there are unfulfilled conditions attached to the grant, the amount relating to the unfulfilled condition is recognised as a liability and released to revenue as the conditions are fulfilled.

4.4.2 Donations

Donations are recognised as revenue upon receipt.

4.4.3 **Bequests**

Revenue from estates that satisfies the definition of an asset is recognised as revenue when it is probable that future economic benefits or service potential will flow to the entity, and the fair value can be measured reliably.

4.4.4 **Interest revenue**

Interest revenue is recognised as it accrues, using effective interest method.

4.4.5 **Other revenue**

Revenue is measured at the fair value of consideration received.

4.5 Expenditure

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

4.6 Income Tax

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

4.7 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.

4.8 Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These 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.

4.9 Short term investments

Short term investments comprise term deposits which have a term greater than three months and therefore do not fall into the category of cash and cash equivalents.

4.10 Receivables

Short-term receivables are recorded at the amount due, less any provision for non-collectability. A receivable is considered uncollectable when there is evidence the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

4.11 Creditors And Accrued Expenses

Creditors and other payables are measured at the amount owed.

4.12 Property, Plant And Equipment

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

Property, plant, and equipment held at cost that has 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 service amount. The recoverable service amount is the higher of an asset's fair value, less costs to sell, and value in use. The total impairment loss is recognised in the surplus or deficit.

The Trust has elected not to revalue property plant and equipment

4.12.1 **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.

4.12.2 **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

4.12.3 **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.