SOUTHLAND MUSEUM AND ART GALLERY TRUST BOARD

STATEMENT OF INTENT

FOR THE FINANCIAL YEAR ENDING
30 June 2020

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 2019 to 30 June 2020.

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 vibrant successful collaboration with the Invercargill Public Art Gallery in a temporary exhibition space that is bustling with people, activities and culture.
- Increase the sense of ownership by Southlanders, and the attractiveness, meaningfulness, relevance, value of the temporary Museum and its programmes for them and visitors to Southland
- Contribute to the role of attracting visitors to Invercargill as part of the Southland visitor experience.
- Continue to strengthen our relationships with Mana Whenua.
- Have an aligned board and simple governance structure that is the best interest of the Southland Region
- Work with our Community using our Museum as a connector
- Collaborative organisational structure, shared authority and strong community engagement
- Provide support for regional museums in our province.

1.4 Principal 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 – Be the facilitator , connector, activator, conductor and co-creator working with community
3. The Experience – Interactive and social connections. A whole brain learning – sparking memories of lifetime connections with the past and the future, connecting with the mauri of our taonga, celebrating our land, people and culture.
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 has an annual service contract with Invercargill City Council.

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 has agreed to establish a temporary presence in the city. This will be carried out with collaboration from the Invercargill Public Art Gallery and has been assisted by additional funding of $200,000 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 continues to build 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
Vacant awaiting Iwi appointment

APPOINTMENTS BY THE ABOVE TRUSTEES
Gwen Neave
Roger Eagles

FRIENDS OF THE MUSEUM
Jim Watson

EX OFFICIO
Manager – David Luoni
Secretary/Treasurer – Delegated to ICC officers

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 temporary presence and 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	2019-20 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.	One review annually
	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).	Reduce the current backlog from 2,150 items
	Existing CMS records are to be reviewed and updated.	6,000 items (Stage 1 of current the collection Relocation Plan involves entering or updating core data for objects in Vernon CMS so they can be identified and tracked for relocation.)
	Collections items to have digital images made.	0 items (The Board has resolved not to make digital copies of images so as to advance the relocation of the collection.)

Output	Strategies to achieve Output	2019-20 Target
The collection is prepared for removal from the building by 2021/22 (4 years)	Pack items for storage and transportation.	6,000 items (Stage 2a of the current Collection Relocation Plan involves packing and physically readying objects for relocation.)
		500 items (Stage 2b of the current Collection Relocation Plan involves implementing a temporary transporting/packing solution for objects to be safely transported off-site.)
Collections are maintained in optimal conditions for their long term preservation	Storage space is kept at temperature of 19°C±1°C, percentage of time in range.	Minimise variance
	Storage space is kept at humidity of 50%±5%, percentage of time in range.	Minimise variance
	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

Be the facilitator , connector, activator, conductor and co-creator working with community

Output	Strategies to achieve Output	2019-20 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 & implement a marketing strategy for a museum presence.	Develop by December 2019 & implement by June 2020
	Provide outreach to other museums and related organisations in the region and community.	No target

3.3 The Experience

Interactive and social connections. A whole brain learning – sparking memories of lifetime connections with the past and the future, connecting with the mauri of our taonga, celebrating our land, people and culture.

Output	Strategies to achieve Output	2019-20 Target
Establish a temporary museum presence within the city.	Open a temporary museum presence within the city.	December 2019
	Deliver short-term exhibitions within the museum presence.	Regular short-term exhibitions (target to be confirmed once exhibition plan is completed prior to opening).

3.4 The Development

Planning, consulting and establishing a future direction.

Output	Strategies to achieve Output	2019-20 Target
Establish a clear strategic direction for the SMAGTB and the future of the museum (including collection and building on the current site)	Establish concept design plans for a future museum on the current site.	Complete by June 2020
	Establish funding plans for a future museum on the current site.	Complete by June 2020
	Promote plans for a future museum on the current site.	Develop by June 2020

	Begin developing plans for the museum collection, including storage and public accessibility.	Complete by June 2020

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 Heritage Assets

The Southland Museum & Art Gallery Trust Board owns an extensive collection of material and information relating to natural, cultural and scientific heritage. Heritage assets are valued at cost or fair value at the date of acquisition and are not depreciated.

All assets acquired are recognised at cost at the date of acquisition. As a large number of the Heritage assets are donated or subsidised generally such cost will be nil unless they have been acquired as a result of a purchase by the Trust.

The bulk of the Trust's collection is represented by unrealisable or irreplaceable items and it is impracticable and cost prohibitive to value them on a "Market Based" or "Depreciated Replacement Cost" basis. As a consequence the Trust's collection is undervalued in these financial statements.

The result of this accounting policy means that the vast majority of the Museum's collection is effectively valued for accounting purposes at nil, or at historical cost for those few items purchased.

The primary function and purpose of the Southland Museum is the preservation and display of the extensive collection of heritage assets. These are the tasks that make up the bulk of the Southland Museum's activities.

This means that much of the collection is valued at nil, or very old historical cost for those few items purchased. The Board is confident that if the collection, however unlikely, was to be sold, its market value would be very substantial.

The fact that most of the collection has a nil, or low, value for accounting purposes in no way reduces the true value of the collection or the care that is exercised in its conservation and exhibition.

For Insurance purposes, the collection is valued at $10,000,000.