



new ways of seeing arts, culture, heritage and Wellington

Statement of Intent 2009-10, 2010-11, 2011-12

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Executive Summary

Wellington Museums Trust institutions add to the reasons Wellington is a great place to live, study and work. In 2007-8, Trust institutions welcomed over 625,000 visitors, many from outside Wellington and about 30% of them international tourists. In 2008-9, apart from an expected reduction in City Gallery Wellington visitation due to its closure until September 2009, visitation at the Trust's other institutions is on track to meet or exceed 2007-8 figures.

This Statement of Intent covers the three financial years from 1 July 2009 to 30 June 2012 and represents an important phase for the Trust. Aside from landmark events, such as the much-anticipated completion of the City Gallery Wellington development and the Museum of Wellington's 10th birthday, the Trust is ambitious to improve its financial viability through increased Wellington City Council (Council) investment in its activities and a plan to improve its own revenue generating activities.

The strategies to achieve these objectives were presented to Council in a Funding Proposal and a revised proposal has been included in the Council's Long-term Council Community Plan (LTCCP). Accordingly, the Trust has prepared the statement of objectives (Pages 8 – 19) and its financial projections (Appendix 2 Pages 27 – 30) on the basis that the additional funding is approved.

The additional funding will address the immediate needs of a larger City Gallery Wellington and will enable the Trust to put in place realistic plans for the 2010-11 and 2011-12 financial years, particularly in respect of the relocation of heritage collections, exhibition refreshment to start in 2012-13 and revenue generation. This is an important breakthrough for the Trust and it is very appreciative of the support it has received from Council.

The Trust also proposed a mechanism to deal with the effects of inflation. Currently the Trust absorbs cost increases which result in less money to spend on outputs such as exhibitions and events. In 2007-8 and 2008-9 the inflationary effect was estimated at \$150,000 per year, which the Trust will carry into 2009-10.

The funding proposal in the LTCCP does not include an inflation adjustment mechanism. The Council has acknowledged that this is an issue for the Trust; however, it has advised the Trust that there will be no more increases in its Council operational grant before the end of the 2011-12 financial year. This decision will impact on the timing of the visitor experience refreshment programme.

The Trust's vision is that visitors to Trust institutions will find ***new ways of seeing and understanding arts, culture, heritage and Wellington***. The vision challenges the Trust to be innovative and thought-provoking, to be entertaining and knowledgeable, and to provide memorable visitor experiences. Success will be measured in increased visitor numbers, increased customer satisfaction and critical acclaim, all of which will ensure that Trust institutions continue to make a compelling contribution to the City's social, cultural and economic well-being.

The vision underlies the organisation's culture and the delivery of outputs through strategic priorities which are closely aligned to the Council's vision of *positioning Wellington as vibrant, internationally competitive and affordable* and its strategic priority for cultural well-being, which has placed emphasis on shaping Wellington's unique identity.

The Trust's strategic priorities and key outputs for the planning period are:

1. Heritage collections in the care of the Trust are professionally managed and contribute to our understanding of Wellington and its history, art and creativity. To be achieved by:
 - Relocating the Collections to appropriate accommodation for heritage collections.
 - Implementing a new Collections Policy which will guide collections development (acquisition, de-accessioning and disposal).
 - Developing research and public access to heritage collections.
 - Delivering Council's decision relating to the Plimner's Ark Conservation Project.
2. Visitor experiences support the Trust's reputation for excellence, are engaging, entertaining and relevant to the people of Wellington, and provide new and diverse ways for residents and visitors to explore and understand arts, culture, heritage and Wellington. To be achieved by:
 - Reopening a larger City Gallery Wellington by October 2009.
 - Planning a visitor attraction refreshment programme for the City's museums.
 - Developing a business case for the refurbishment of the Capital E building and the development of the Capital E concept for the next generation of Wellingtonians.
 - Continuing to provide quality visitor experiences (exhibitions, events, theatre productions) in Trust institutions.
 - Developing Trust Education as a flagship enterprise to promote and facilitate education tourism.
 - Developing the Trust Brand as a mark that attests to the quality of Trust visitor experiences.
3. The Trust's profile and Wellington's standing as arts and cultural capital are maintained and enhanced through effective partnerships and relationships. To be achieved by:
 - Developing and maintaining relationships and partnerships that are critical to the success of the Trust.
 - Reviewing the agreement between the Trust and the New Zealand Cricket Museum.
 - Growing Friends and Supporter memberships.
4. The Trust is financially sustainable and operates effectively and efficiently providing value for money in all activities. To be achieved by:
 - Increasing Council's baseline funding of Trust institutions.
 - Developing the Trust's revenue-generating activities and contributing around 30% of non-Council revenue (exclusive of the occupancy grant).
 - Maintaining the Council subsidy per visit at less than \$12.
5. The Trust is a high performing organisation and meets its good-employer obligations. To be achieved by:
 - Creating a high performing organisation.
 - Continuing to meet Good Employer obligations.
 - Maintaining salary costs at 50% of the total operating budget.
6. The Trust is socially and environmentally responsible. To be achieved by:
 - Eliminating waste through reuse and recycling strategies.
 - Setting and achieving targets for staff use of alternative transport to and from work.

Introduction

The Wellington Museums Trust (the Trust) is a Council Controlled Organisation (CCO) established in 1995 to manage Wellington City Council (Council) owned institutions and other cultural and heritage assets. The Council provides around 70% of the funding needed to operate these institutions and the Trust is therefore dependent on Council for its long-term financial sustainability and in the short-term, to operate as a going concern.

The Trust is the largest grouping of arts and cultural institutions in Wellington. It is responsible for the delivery of arts, cultural and heritage services at the City Gallery Wellington, the Museum of Wellington, Capital E, the Wellington Cable Car Museum and the Colonial Cottage Museum, and at the New Zealand Cricket Museum in partnership with the New Zealand Cricket Museum Trust. The Trust also manages the Plimmer's Ark Galleries on behalf of Council at Queens Wharf and in the Old Bank Arcade.

Trust institutions make a significant contribution to Wellington's standing as the arts and cultural capital of New Zealand. In 2007-8 they welcomed over 625,000 visitors, many from outside Wellington, about 30% being international tourists. The four larger institutions are major players in Wellington's arts, cultural and heritage infrastructure and punch well above their weight in terms of quality visitor experiences and standing, both nationally and internationally.

As individual visitor attractions, Trust institutions provide many reasons Wellington is a great place to live, study and work and for so many people to visit. As part of the Wellington cultural and entertainment scene, Trust institutions provide the context and content that positions Wellington as a vibrant, internationally competitive and affordable city.

Now more than ever, as we enter uncertain economic times, it is important that the Trust's visitor attractions are fresh and inviting for the people of Wellington, and contribute to Wellington as a destination for national tourists, particularly when there is less discretionary income in New Zealanders' pockets for international travel.

To deliver this Statement of Intent, the Trust sought and has received an increase in its baseline funding from Council. The Trust has adopted the approach that with a modest increase in Council's investment, it will be able to continue to deliver excellent arts, cultural and heritage services to Wellington, and at the same time support its operational objectives:

- to be innovative and forward-thinking about what the Trust does and how it achieves results;
- to position the Trust as the Council's first choice to deliver arts, culture and heritage services for Wellington;
- to contribute approximately 30% of the total revenue needed to deliver those services;
- to be independent of Council for "business as usual" management and decision-making; and
- to make an outstanding contribution to Wellington as a vibrant, internationally competitive and affordable city.

The Trust is well aware of financial constraints on Council. However, its Funding Proposal was constructed to cover unavoidable costs that will be incurred by the Trust in 2009-10 and to provide a modest investment in operating infrastructure which will produce benefits in the medium term.

The Trust's operating environment has been reviewed, and this is summarised in Appendix 1.

The Trust's Vision

Vision – new ways of seeing arts, culture, heritage and Wellington

The Trust is a stable, respected and award-winning organisation presenting an eclectic range of visitor attractions that are educational, entertaining and innovative. By utilising individual and collective strengths including city and harbour locations, there is an opportunity to bring them together into an even more attractive package for Wellingtonians and visitors to the City. The goal is that visitors will come to expect that their experience with Trust institutions will help them find ***new ways of seeing and understanding arts, culture, heritage and Wellington.***

The vision challenges the Trust to be innovative and thought-provoking, to be entertaining and knowledgeable, and to provide memorable visitor experiences for residents and visitors to the City. Success will be measured in increased visitor numbers, increased customer satisfaction and critical acclaim; ensuring that Trust institutions continue to make a compelling contribution to the City's social, cultural and economic well-being, and that by 2013 the Trust's brand is recognised as a mark of quality.

Strategic Priorities

The vision underpins the organisation's culture and the delivery of outputs through the following strategic priorities:

- Heritage collections in the care of the Trust are professionally managed and contribute to our understanding of Wellington and its history, art and creativity.
- Visitor experiences support the Trust's reputation for excellence, are engaging, entertaining and relevant to the people of Wellington, and provide new and diverse ways for residents and visitors to explore and understand arts, culture, heritage and Wellington.
- The Trust's profile and Wellington's standing as arts and cultural capital are maintained and enhanced through effective partnerships and relationships.
- The Trust is financially sustainable and operates effectively and efficiently, providing value for money in all activities.
- The Trust is a high performing organisation and meets its good-employer obligations.
- The Trust is socially and environmentally responsible.

Strategic Priorities, Objectives and Performance

Collections and Knowledge Management

Strategic Priority – Heritage collections in the care of the Trust are professionally managed and contribute to our understanding of Wellington and its history, art and creativity.

Overview

Collections Relocation

The project to relocate the collections to appropriate accommodation for heritage collections responds to a number of critical reports relating to the standards in the existing store for collections, staff and volunteers, and is therefore critical to the strategic priority to provide professional management for heritage collections.

The collections relocation project is dependent on increased Council funding, to meet additional operating costs, to cover a combination of leasing plus occupancy expenses and additional staffing.

Collections Policy and Procedures

During 2008-9, the Trust developed and implemented a new collections policy and collection management procedures. A key part of the policy is to ensure that collections are acquired, managed and, where appropriate, disposed of in accordance with procedures that meet generally accepted standards for the care of heritage collections.

Part of the Trust's strategic priority for heritage collections is to ensure that its limited resources are used to care for collections that meet the criteria established through the policy. It therefore plans to review sections of the collections and possibly de-accession and dispose of some items.

The delivery of the policy will be through a collections plan that will be reviewed every three years. The first collections plan will be in place for the commencement of the planning period.

Research and Public Access

The Trust is committed to building its research capability, by opening the collections to researchers, and by building and disseminating collections information. The ongoing focus is to ensure that information about collection items, as recoded in the collection catalogue, is accurate and complete.

The current accommodation provides only limited opportunity for research and access, and the collection relocation project has been planned to ensure that collections are accessible for research and general public access.

Knowledge dissemination is via the collection record, exhibitions and publications, and increasingly via the internet, including shared databases such as the recently relaunched www.nzmuseums.co.nz

Plimmer's Ark Conservation Project

The project is in two parts:

- the conservation and display, in Plimmer's Ark Gallery on Queens Wharf, of recovered timbers; and
- the conservation and display, at Old Bank Arcade, of the timbers in situ.

The recovered timbers are part-way through a conservation project that will eventually result in them being available for display in a dry air-conditioned environment. The process involves the slow replacement of water in the timbers with polyethylene glycol (PEG).

The Trust has reviewed the project and Council has accepted its recommendation that when the recovered timbers are moved from Queens Wharf, possibly by December 2010, priority be given to the preservation of the stern timbers.¹ Preparations to move the recovered timbers will be progressed during 2009-10.

Objectives and Key Performance Indicators (KPIs)

- Objectives:**
- To provide better accommodation for the City's heritage collections.
 - To implement the Trust's Collections Policy and Collection Management Procedures.
 - To improve research opportunities and public access to the collections.
 - To manage the Plimmer's Ark conservation project in accordance with Council's decision.

Outputs	2009-10 KPIs	2010-11 KPIs	2011-12 KPIs
Collections Relocation		Collections relocation project implemented.	Collections unpacked and fully arranged without loss or irreparable damage.
Collections Policy and Procedures	Collections Plan developed for the planning period inclusive of collection review targets.	Collections Plan targets achieved.	Collections Plan targets achieved. Collections Plan reviewed and targets set for three years to 30 June 2015.
	The cataloguing of all objects is completed by 30 June 2010.	Collection items (objects) acquired during the year are fully catalogued.	Collection Items (objects) acquired during the year are fully catalogued.
	At least 2,000 photographs are fully catalogued per year.		
Collection research and public access	Research plan developed and implemented.	A minimum of 2 research projects completed and disseminated.	A minimum of 3 research projects completed and disseminated.
	Collection access strategy developed and implemented to include specific targets for physical and virtual collection access.	Agreed access targets achieved.	Agreed access targets achieved.
Plimmer's Ark Conservation Project	Conservation project continued in accordance with Council decision.		
	Relocation/disposal plan for recovered timbers approved by 30 June 2010.	Relocation/disposal plan implemented.	

¹ The relocation of the recovered timbers is required to facilitate the plans of Wellington Waterfront Limited for Shed 6 which is currently timed for December 2010.
Wellington Museums Trust

The Visitor Experience

Strategic Priority – Visitor experiences support the Trust’s reputation for excellence and are engaging, entertaining and relevant to the people of Wellington, and provide new and diverse ways for residents and visitors to explore and understand arts, culture, heritage and Wellington.

Overview

City Gallery Wellington

The City Gallery Wellington is a much-loved Wellington institution that has achieved national and international recognition for its vibrant and thought-provoking exhibitions. An expanded and earthquake strengthened City Gallery Wellington will reopen in September 2009 with an additional 484 m² of space added to the Gallery for the display of art.

The new gallery spaces are the Russell Hancock Gallery to display the Civic art collection, the new larger Michael Hirschfeld Gallery, which will carry on a now well-established programme of exhibitions by Wellington’s artists, architects and designers; and the Roderick and Gillian Deane Gallery, which will be dedicated to Maori and Pacific artists and their work.

The Denis and Verna Adam auditorium will provide better space for the Gallery’s presentations and lectures, and enable the Gallery to be part of an international video programme. All spaces add considerable depth to the Gallery’s potential to host larger international exhibitions.

This is a major opportunity for Wellington and the challenge will be to optimise the \$6.3 million capital investment with a stunning world-class programme. A key part of the Trust’s Funding Proposal is to secure additional operating funding necessary to ensure the success of the Gallery.

Museums Wellington – the Museum of Wellington, the Wellington Cable Car Museum and the Colonial Cottage Museum

The Trust has clustered the museum group under one Director, and will strengthen the group’s curatorial and research capability to lead a project to review and refresh the visitor experience over the next ten years. The objective is to revitalise these visitor attractions and to reemphasise their role in telling Wellington stories.

The capital investment required to commence the exhibition refreshment programme is dependent on the Trust being able to fully fund depreciation. At this stage the Trust is unlikely to be in a position to invest in the visitor experience until at least 2012-13.

Capital E

Capital E leads the way in making technology an exciting and accessible medium through which young people can express their creativity. Therefore, refreshing Capital E and presenting it for a new generation of Wellingtonians and visitors to the City is a priority for the Trust.

The building that houses Capital E is overdue for refurbishment, particularly in the context of other developments on Civic Square, including the City Gallery development. It has chronic maintenance problems, largely caused by leaks that can be traced to design, construction and location. It is the Trust’s view that the conceptual refreshment of Capital E has to go hand-in-hand with refurbishing the building.

It is proposed that the Trust work with Council to undertake a feasibility study and business case for the refurbishment of the Capital E building and the development of the Capital E concept, to ensure that it is capable of providing a 21st-century visitor experience for Wellington’s children and their families.

Trust Education

The Trust's commitment to quality out-of-classroom education is well established and therefore it is ideally placed to develop its role in the education market in Wellington. The first stage of this development will be to fully coordinate education development and delivery within the Trust, by combining marketing, databases, communication strategies and pricing; and, subject to establishing demand, to offer this service to other Wellington visitor attractions.

Exhibitions and Public Programmes

The effective collection and use of customer data including visitor numbers, demographic information, customer satisfaction, public awareness and repeat visits will contribute to the Trust's ability to present popular and critically acclaimed visitor experiences. During the planning period, the Trust will continue to improve its collection methodology and analysis of this data.

Trust institutions will also give greater focus to the development of charged-for visitor experiences targeting the tourism market and to the development of cross-institutional events that celebrate Wellington.

The Trust Mark

During 2008-09 the Trust commenced a process to articulate the characteristics of the Trust Mark. It is intended that the Trust Mark will embody the Trust's vision, and that products such as exhibitions and events will draw on the vision for inspiration and guidance, to create visitor attractions that provide new ways of seeing and understanding arts, culture, heritage and Wellington. Eventually audiences will recognise Trust Mark characteristics.

The focus of the Trust Mark is on the content, context and the presentation values of the visitor experiences. The Trust Mark will not compete with, or replace quality standards, such as QualMark or the New Zealand Museums Standard Scheme.

A key part of the process of developing the Trust Mark is the identification of the characteristics in the development of the visitor experience that are, or should be, expressions of the Trust Mark. It is anticipated that this will underpin all visitor-experience products and services, but tailored to meet the particular needs of an institution's purpose and audience.

Objectives and Key Performance Indicators (KPIs)

- Objectives:**
- To ensure that the expanded City Gallery Wellington delivers a world class exhibition programme;
 - To develop and plan a Visitor Experience (VE) refreshment programme for the Museum of Wellington, the Wellington Cable Car Museum and the Colonial Cottage Museum;
 - To develop Capital E for the next generation of Wellingtonians;
 - To establish Trust Education as a flagship tourism enterprise designed to make Wellington a must visit destination for New Zealand's children;
 - To achieve agreed participation targets for visitor experiences, public programmes and events; and
 - To develop The Trust Mark as a quality mark.

Outputs	2009-10 KPIs	2010-11 KPIs	2011-12 KPIs
City Gallery Wellington	The Gallery is fully operational by 1 October 2009.		
	The programme achieves public and critical acclaim as evidenced through audience data and published articles.		
Museums Wellington	Conceptual framework for Museum of Wellington VE reviewed.	Proposed changes /additions to the Museum of Wellington VE documented and approved.	First stage of Museum of Wellington refreshment programme fully documented and ready for implementation in 2012-13
		Conceptual framework for Wellington Cable Car Museum and Colonial Cottage Museum VE reviewed.	Proposed changes /additions to the Cable Car Museum and Colonial Cottage Museum VEs documented and approved.
	The programme achieves public and critical acclaim as evidenced through audience data and published articles.		
Capital E	Council engaged about the building.	Feasibility Study and Business Case completed.	
	Capital E concept reviewed.	Options presented to Council.	Council approval sought.
		Capital funding strategy developed inclusive of commercial opportunities.	Detailed planning commenced subject to Council approval.

Outputs	2009-10 KPIs	2010-11 KPIs	2011-12 KPIs
Visitor Experience	At least 588,400 visits are achieved to Trust institutions. (See Table 1)	At least 690,668 visits are achieved to Trust institutions. (See Table 1)	At least 673,109 visits are achieved to Trust institutions. (See Table 1)
	At least 10 new temporary exhibitions presented.	At least 25 new temporary exhibitions presented.	At least 25 new temporary exhibitions presented.
	At least 3 exhibition segmental changes will be achieved.	At least 5 exhibition segmental changes will be achieved.	At least 7 exhibition segmental changes will be achieved.
	At least 33,000 visitors enjoy events. (See Table 2)	At least 34,750 visitors enjoy events. (See Table 2)	At least 35,500 visitors enjoy events. (See Table 2)
	At least 4 theatre productions are presented each year.		
	At least 10 exhibitions/theatre productions are toured nationally and internationally each year.		
	20% repeat visitation is achieved (City Gallery Wellington, Museum of Wellington, the Cable Car Museum and Capital E)	23% repeat visitation is achieved (City Gallery Wellington, Museum of Wellington, the Cable Car Museum and Capital E)	25% repeat visitation is achieved (City Gallery Wellington, Museum of Wellington, the Cable Car Museum and Capital E)
	90% of visitors to all Trust institutions rate their experience as good or very good.	92% of visitors to all Trust institutions rate their experience as good or very good.	95% of visitors to all Trust institutions rate their experience as good or very good.
	85% of residents are aware of City Gallery Wellington; Museum of Wellington; Capital E and the Cable Car Museum. ¹	87% of residents are aware of City Gallery Wellington; Museum of Wellington; Capital E and the Cable Car Museum. ¹	90% of residents are aware of City Gallery Wellington; Museum of Wellington; Capital E and the Cable Car Museum. ²
	Develop one new charged-for visitor experience targeting the tourism market per annum.		
	Develop at least one new cross-institutional annual signature event that celebrates Wellington.		
Visitor Experience Publications	At least 21 scholarly articles and/or catalogues are published.	At least 18 scholarly articles and/or catalogues are published.	At least 20 scholarly articles and/or catalogues are published.
	Sales targets of books/catalogues achieved.	Sales targets of books/catalogues achieved.	Sales targets of books/catalogues achieved.
Trust Education		Fully coordinated Trust Education service implemented for all Trust institutions.	Services extended to include at least one other education provider on a fee for service basis.
	At least 29,200 students attend curriculum-aligned education programmes at Trust institutions.	At least 32,000 students attend curriculum-aligned education programmes at Trust institutions.	At least 35,000 students attend curriculum-aligned education programmes at Trust institutions.
The Trust Mark	Achieve agreed benchmark measure.	Achieve agreed target.	Achieve agreed target.

² Annual Council Survey of residents' (ratepayers') awareness
Wellington Museums Trust

Table 1 provides a breakdown of projected visitor numbers by institution

Visitor Numbers	Qtr to 30-Sep-09	Qtr to 31-Dec-09	Qtr to 31-Mar-10	Qtr to 30-Jun-10	Forecast to 30-Jun-10	Forecast to 30-Jun-11	Forecast to 30-Jun-12
City Gallery Wellington ³	10,000	30,000	60,000	80,000	180,000	250,000	250,000
Museum of Wellington	18,000	21,000	25,000	26,000	90,000	92,700	95,481
Capital E	25,000	30,000	10,000	25,000	90,000	115,000	90,000
Cable Car Museum	40,000	58,000	89,400	37,000	224,400	228,888	233,466
Colonial Cottage Museum	400	400	900	300	2,000	2,040	2,081
Cricket Museum	300	500	1,000	200	2,000	2,040	2,081
Total	93,700	139,900	186,300	168,500	588,500	690,668	673,109

Table 2 provides a breakdown of projected visitor numbers to event programmes by institution

Event Attendance	2009-10	2010-11	2011-12
City Gallery Wellington	4,500	5,500	5,500
Museum of Wellington	3,000	3,500	4,000
Capital E	25,000	25,000	25,000
Wellington Cable Car Museum	250	375	500
Colonial Cottage Museum	250	375	500
Total	33,000	34,750	35,500

³ City Gallery Wellington Visitor numbers may be less than projected if admission charges are applied to exhibitions.

Partnerships and Relationship Management

Strategic Priority - The Trust's profile and Wellington's standing as arts and cultural capital are maintained and enhanced through effective partnerships and relationships.

Overview

Stakeholder Relationships

The Trust is proud of its reputation as a solid, reliable governance body and of its productive working relationships with many organisations. During 2008-9 it developed a relationship-health benchmark which it will use to monitor its performance in managing key stakeholder relationships and professional partnerships. The Trust's stakeholders range from organisations such as the Wellington City Council through to sponsors and donors.

A critical relationship is with Iwi Māori. The development of the new Māori and Pacific Gallery as part of the City Gallery Wellington development provides an exciting new opportunity for the Trust to strengthen its links with Māori and particularly its relationship with the Tāngata Whenua of Wellington.

Likewise the Trust is very conscious of its role in presenting the stories of Wellington's diverse communities; it already has strong links to many communities, developed through visitor experience and collection projects and it will continue to build this important network.

The New Zealand Cricket Museum

The New Zealand Cricket Museum is managed by agreement with the New Zealand Cricket Museum Trust. While this has been managed successfully for both parties, there is potential to strengthen the link with other Trust institutions. The nature of the agreement will be reviewed during the planning period.

Carter Observatory

The Carter Observatory (the Carter) is a national institution that has been managed by the Wellington City Council under agreement with the Crown since December 2007. The Carter was established by the Carter Act 1938 as a national observatory. In taking over the management of the Carter, Council agreed to complete both the refurbishment of the heritage building and to develop a new multimedia visitor experience, which will now include a new planetarium.

The Carter will reopen to the public in late 2009, and the Council has indicated that it wishes to commence discussions with the Trust during the planning period about the long-term governance and management of the Carter.

The reopening of the Carter as Wellington's latest visitor attraction will also give impetus to the revival of the Cable Car Precinct project, which was initiated to improve the visitor amenities of this major tourism destination. The Trust was an enthusiastic participant in this project when it was first established, recognising the potential of the area, and is keen to re-engage with interested parties on this project.

Professional Partnerships

Professional partnerships developed by Trust institutions advance Wellington's standing as the arts and cultural capital of New Zealand. National and international cultural and arts sector relationships are an important part of the Trust's ability to deliver outstanding exhibitions, public programmes and theatre productions at affordable prices. It is vitally important, therefore, that the Trust maintains its position in this professional network and be viewed as a credible partner for visitor experience and theatre projects.

Friends and Supporters

Friends' organisations are an effective way for cultural and arts organisations to build networks within communities. Friends and Supporter members are attracted because of their interest in the institution's purpose (whether art, heritage or history) and pay a modest fee to enjoy additional benefits, including newsletters, previews and discounts. Many are advocates for the institution and are therefore important in raising awareness of the institution's role and the contribution it makes to the community.

In some cases the Friends' organisation will make donations to specific projects, or individual members may become volunteers, or progress to becoming a patron. Strengthening Friends' and Supporters' organisations, therefore, is in the interests of Trust institutions.

Objectives and Key Performance Indicators (KPIs)

- Objectives:**
- To maintain effective working relationships with stakeholder organisations and groups including funders and sponsors, Iwi Māori and community groups.
 - To develop and maintain positive, mutually beneficial partnerships which advance Wellington's standing as the arts and cultural Capital of New Zealand.
 - To develop and maintain strong Friends and Supporters organisations.

Outputs	2009-10 KPIs	2010-11 KPIs	2011-12 KPIs
Stakeholder Relationships	Relationship Health benchmark target set and achieved in respect of all critical stakeholder relationships.		
Professional Partnerships	Relationship Health benchmark target set and achieved in respect of all critical professional partnerships.		
	Review the agreement between the Trust and the New Zealand Cricket Museum	Implement recommendations of review.	
	Reach agreement with Council regarding the governance and management of the Carter Observatory.	Implement agreement.	
Friends and Supporters	Membership of Trust institutions' friends and supporters is 700 (see Table 3)	Membership of Trust institutions' friends and supporters is 1,100 (see Table 3).	Membership of Trust institutions' friends and supporters is 1,250 (see Table 3).
	Friends group for Museums Wellington ⁴ launched in November 2009		

Table 3 provides a breakdown of forecast Friends and Supporters membership by institution

Friends & Supporters	2009-10	2010-11	2011-12
City Gallery Wellington	300	375	450
Museum of Wellington	400	425	450
Capital E		300	350
Wellington Cable Car Museum			
Colonial Cottage Museum			
Total	700	1,100	1,250

⁴ A new Friends group will be launched as part of the Museum of Wellington's 10th birthday under the Museums Wellington banner, and will include the Colonial Cottage Museum and the Wellington Cable Car Museum.

Financial Sustainability

Strategic Priority – The Trust is financially sustainable and operates efficiently, providing value for money in all activities.

Overview

Financial Sustainability

As detailed in the section on the Financial Position (page 20 and Appendix 2), the Trust's Funding Proposal was based on the premise that additional Council funding now, and maintaining non-Council revenue at around 30% of total revenue (excluding the occupancy grant), would enable the Trust to build financial sustainability. This included the ability to fully fund depreciation which would enable it to invest in the refreshment of visitor experience assets. However, the funding proposed in the Long-term Council Community Plan is less than that sought and without the prospect of an annual inflation adjustment the Trust will not be in a position to fully fund depreciation until at least 2012-13.

Achieving break-even in 2012-13 will depend on the Trust's ability to achieve budget or better in the previous three financial years and a catch-up inflation adjustment of Council's base-line funding in 2012-13.

Value for Money

The Trust has a reputation for effective and efficient service delivery, and as a result Wellingtonians get excellent value for their investment in Wellington Museums Trust institutions. Based on the total Council contribution including the occupancy grant, divided by the number of visits, the current subsidy per visit is less than \$10 compared to the national average of \$19.98 per visit. The Trust's long-term objective is to keep the subsidy below \$12 per visit.

Objectives and Key Performance Indicators (KPIs)

- Objectives:**
- To work with Council towards achieving adequate baseline funding to support the Trust's long-term financial sustainability
 - To generate non-Council revenue of approximately 30% of total revenue (excluding the occupancy grant);⁵ and
 - To operate efficiently and to keep the Council subsidy (inclusive of the occupancy grant) to less than \$12 per visit.

Outputs	2009-10	2010-11	2011-12
Financial Sustainability	Increased baseline Council funding achieved.		
	Approximately 30% of total revenue is from non-Council sources.		
	To continue to engage Council on the importance of a mechanism to adjust the Trust's Council funding for inflation.		
Value for Money	The Council subsidy does not exceed \$12.00 per visit.		

⁵ The Trust's Financial Projections (Appendix 2) are inclusive of the occupancy grant and total non Council revenue is 23% in 2009-10; 26% in 2010-11; and 23% in 2011-12. The occupancy grant is paid to the Trust to cover rent to Council on Council-owned buildings which are occupied by City Gallery Wellington, the Museum of Wellington and Capital E.
Wellington Museums Trust

Organisation

Strategic Priority – The Trust is a high performing organisation and meets its good-employer obligations.

Overview

High Performing Organisation

As at 31 December 2008 the Trust employed a total of 67 fulltime equivalent staff (FTEs), 49 FTEs on permanent or fixed-term contracts and 18 FTEs as casual staff. The employment of staff is the Trust's single largest cost and this strategic priority reflects its desire to ensure that its workforce is engaged in delivering a high performing organisation, and that it meets its good employer obligations of natural justice and fairness in all employment matters. It is also very conscious of the need to control salary costs to optimise efficiency and to maintain budget flexibility.

The Trust will strive to provide a workplace that is challenging and involving, and that will inspire staff to engage fully in the Trust's vision and strategic priorities. In 2008-9 the Trust commenced work on a values-based employee engagement benchmark to encourage staff engagement and to guide development strategies. These areas cover leadership, performance, commitment and accountability, professional development and the application of expertise, customer focus and team work. This system will be incorporated into the performance management/review system in 2009-10.

Staff retention is an important indicator of well-being, and a stable workforce ensures continuity of service delivery. The Trust is fortunate in the calibre of the staff employed. Its ability to provide an environment where they are inspired by the purpose and vision of the organisation, and engaged in creative work that will make a difference to their institution and city, has a positive influence on staff retention.

Good-employer Obligations

Ensuring that the Trust's human resources policy environment is appropriate is an important basis for meeting good-employer obligations. To ensure that policies meet best current practice, a review of Human Resources policies will be completed during the planning period.

Objectives and Key Performance Indicators (KPIs)

- Objectives:**
- To develop and implement a performance development strategy designed to engage staff in the creation of a high-performing organisation.
 - To review Human Resources policies to ensure that the Trust continues to meet its good employer obligations.
 - To maintain salary costs within 50% of the total operating budget.

Outputs	2009-10	2010-11	2011-12
High Performing Organisation	Benchmark system implemented for all permanent and contract staff.	90% of permanent and contract staff reach benchmark.	95% of permanent and contract staff reach benchmark.
Staff retention	90%	90%	90%
Good Employer	All Human Resources policies reviewed, approved and implemented.		
Personnel costs	Personnel costs do not exceed 50% of total operating expenditure.		

Environmental and Social Sustainability

Strategic Priority – The Trust is socially and environmentally responsible.

Overview

The Trust is an environmentally conscious and socially responsible organisation and its objective is to have a positive impact on the environment. With limited resources, the Trust's environmental initiatives are aimed at achieving positive and sustainable environmental targets that support its core business.

The Trust has implemented a range of strategies to reduce its environmental impact, including:

- regularly reviewing and setting targets in respect of its operation
- using materials and resources as efficiently as possible, choosing renewably sourced options whenever possible; and
- managing the production of waste, reusing and recycling where that is possible.

Monitoring performance and participating in the Get Sustainable Challenge (sponsored by the Sustainable Business Network) provide the Trust with an annual opportunity to measure performance and to benchmark itself against other not-for-profit organisations in the Wellington region.

Objectives and Key Performance Indicators (KPIs)

- Objective:**
- To renew recycling and reuse strategies to eliminate waste.
 - To encourage alternative transport options for Trust staff.

Outputs	2009-10	2010-11	2011-12
Recycling	90% of all waste is recycled or reused at Trust buildings.	95% of all waste is recycled or reused at Trust buildings.	98% of all waste is recycled or reused at Trust buildings.
Alternative transport	50% of staff walk, cycle or use public transport to get to and from work.	55% of staff walk, cycle or use public transport to get to and from work.	60% of staff walk, cycle or use public transport to get to and from work.

The Financial Position

The Trust's Funding Proposal to Council

Over the past five years key fixed overhead expenses have increased by 23%. However, the Trust's baseline Council funding over this period has only increased by 13%. The catch-up grant received from Council in 2007-8 was welcome, but it enabled the Trust only partially to reinstate infrastructure that had been lost as a result of the effects of inflation, and gave no regular funding adjustment or recognition of the operational pressures that constantly plague the Trust. For example, in 2007-8 and 2008-9 the inflationary effect is estimated at \$150,000 per year, which the Trust will carry into 2009-10.

The Council has acknowledged that this situation is not sustainable and has proposed a funding increase in the draft Long-term Council Community Plan (LTCCP). As noted previously, an inflation adjustment mechanism is not proposed.

The Trust's Funding Proposal to Council addressed three issues:

1. Projects coming online in 2009-10 and/or which are so pressing they cannot be deferred. These projects are:
 - The redevelopment and earthquake strengthening of City Gallery Wellington, which will be completed by 31 August 2009 and open to the public in late September 2009;
 - Moving the City's heritage collections to appropriate accommodation in response to several critical reports on the standard of accommodation for both heritage collections and staff; and
 - The implementation of the next phase in the Plimmer's Ark conservation project; a Council-led initiative managed by the Trust since 2001.
2. The need for increased investment in the Trust's operational infrastructure to provide a platform to build greater financial independence which will eventually enable the Trust to invest in the redevelopment and refreshment of the visitor experiences at Trust institutions. Increased Council investments will:
 - Build revenue generation capability;
 - Boost the curatorial capability of our museums; and
 - Develop Trust Education as a flagship enterprise.
3. The need for an annual inflation adjustment at 80% of the previous calendar year's Consumer Price Index (CPI) starting in 2010-11.

Financial Position

The Financial Projections (Appendix 2) are presented on the basis that the additional baseline funding, as presented in the Trust's revised Funding Proposal, is achieved. The Council's operating grant to the Trust will increase by \$350,000 in 2009-10; \$400,000 in 2010-11; and \$450,000 in 2011-12. The increases are cumulative and by 2011-12 the Council's baseline funding of the Trust will be \$7.6 million per annum compared to \$6.4 million in 2008-09 (inclusive of the occupancy grant). Council has advised that there will be no more increases in the Council's operating grant to the Trust before the end of the 2011-12 financial year.

A key feature of the Trust's financial position is that it is projecting an operating deficit in each of the three financial years to 30 June 2012 of \$358,000 in 2009-10; \$335,000 in 2010-11; and \$169,000 in 2011-12. This is due to the projected effects of inflation and the cumulative effect of inflation from 2007-08 and 2008-09. Achieving break-even in 2012-13 will depend on the Trust's ability to achieve budget or better throughout the planning period and a catch-up inflation adjustment of baseline funding in 2012-13

The accounting policies are set out in Appendix 3.

Operating Framework

The Wellington Museums Trust is governed by a Trust Deed between the Wellington City Council and the Trust and was first executed on 18 October 1995 and updated on 15 August 2007.

1. Governance

The Wellington Museums Trust is a Council Controlled Organisation (CCO) and Trustees are appointed to govern the organisation on behalf of Council. Trustees are standard-bearers for the Trust's vision. They are responsible for setting the strategic direction for the Trust and approving the Statement of Intent and the Annual Business Plan. The Board monitors organisational performance, the organisation's ongoing viability and the maintenance of its competitiveness.

The Board delegates the day-to-day operation of the Trust to the Chief Executive and the management team who report regularly to the Board.

2. Board Membership

Trustee	Term expires	Committees
Viv Beck	31 December 2010	Chair and <i>ex-officio</i> member of all committees
Peter Cullen	31 December 2009	Chair People Planning & Performance
Quentin Hay	31 December 2009	Chair Strategy Chair Audit & Finance
Rhonda Paku	31 December 2010	Audit & Finance
Alick Shaw	30 June 2012	
Philip Shewell	31 December 2011	
Hayley Wain	October 2010	People Planning & Performance

The Board meets no fewer than nine times per year and has established the following committees to assist the Board to advance specific areas of interest. In addition, Trustees will provide guidance in specialist areas as appropriate from time to time.

3. Board Committees

Strategy

This committee has been established to provide guidance and support to the Chief Executive in the successful devolvement of the Trust's vision and key objectives. The committee will meet on an "as required" basis.

People Planning & Performance

This committee has been established to assess Chief Executive and senior management performance; and provide guidance and support to the Chief Executive in change and people management. The committee will meet on an "as required" basis.

Audit & Finance

The Audit and Finance Committee meets at least twice a year. It reviews and recommends the Draft Financial Plan and Annual Report to the full Trust.

4. Board Performance

The Chair of the Board will undertake an annual evaluation of Trustee performance and provide feedback to Council. The Board, recognizing the need for ongoing up-skilling will at least once a year evaluate the broader needs of the Trustees and implement a programme that will support the identified needs. This may include programmes of the Institute of Directors or specialist knowledge-building with input from agencies such as Creative New Zealand.

5. Management

The Trust is a balance of centralised services (governance, Chief Executive, finance, commercial, human resources and information technology) and multi-tasking teams led by directors that deliver visitor experience, education, collection management and marketing services within institutions.

In 2008-9 the Trust reviewed the organisation to ensure that it has a structure that can deliver its vision and the strategic priorities as set out in this Statement of Intent.

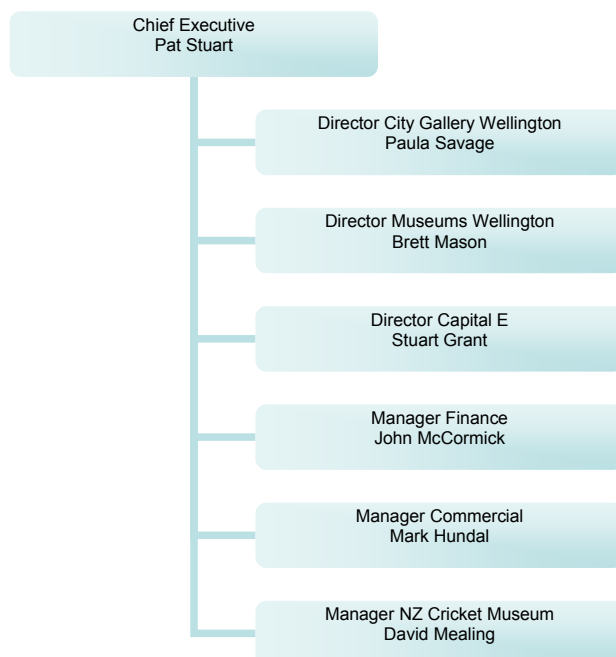
Key objectives of the review were:

- to ensure that the individual strengths of institutions were retained and content and curatorial capability were strengthened;
- to consider the impacts of projects coming on-line in the short to medium term (expanded City Gallery Wellington and new accommodation for the heritage collections); and
- to consider the staffing implications of new initiatives.

As a result of this review the Trust has introduced two new senior positions. The first is Director Museums Wellington, responsible for the Museum of Wellington, the Wellington Cable Car Museum and the Colonial Cottage Museum. This role will lead the refreshment programme proposed for these institutions and signals the Trust's intention to raise the profile of its museums and at the same time make better use of existing resources.

The second new position is the Manager Customer Services/Commercial, reporting to the Chief Executive. This manager will work across the Trust to deliver front-of-house services, to develop and deliver the Trust's commercial businesses including new opportunities.

The organisation chart follows:



6. Risk Management

The Trust's risk management profile identifies factors that are critical to the successful operation and delivery of the Trust's services. The focus is on financial and legal responsibilities, the maintenance of professional standards and customer service delivery. Other risks relate to the Trust's ability to deliver its Statement of Intent. The detail is set out in Appendix 4.

7. Council Relationship Principles

The Local Government Act 2002 requires local authorities to promote the cultural well-being of their communities. Funding of arts and cultural institutions is one way in which they meet this requirement. However, it is important that ratepayer funds are well spent, so that heritage collections are well cared for, documented and accessible to the public.

The Trust will provide quarterly reports in the agreed format to the Monitoring Subcommittee on the agreed dates and present its Statement of Intent on the agreed date. The Trust's Annual Report and audited accounts will be supplied to Council within 60 days of the end of the financial year.

The principles governing the relationship with Council as its primary stakeholder will include:

- Operating on a "no surprises" basis with open and full disclosure of information as required.
- Early advice to Council in the event of any situation that may be potentially contentious in nature.
- Disclosing within the Trust's Business Plan any significant transactions that are planned.

8. Alignment with Council's vision and strategic priorities

The Council has refined its strategic priorities under the vision statement *positioning Wellington as vibrant, internationally competitive and affordable*, and its strategic priority for cultural well-being has placed emphasis on shaping Wellington's unique identity, by:

- Taking a more pro-active role in protecting and enhancing local sense of place.
- Strengthening the Council's partnerships with arts organisations, festival groups and institutions.
- Engaging more effectively with the community on the benefits and relevance of a diverse city.
- Engaging more effectively with grassroots, community and youth-orientated arts and cultural activities.

Trust institutions are well placed to contribute to Council's vision and strategic priorities, particularly for cultural well-being. Many of the Trust's activities link directly to the Council's priorities. Refer to Appendix 5 for details.

APPENDICES

APPENDIX 1 - Wellington Museums Trust – Operating Environment

APPENDIX 2 - Wellington Museums Trust – Financial Projections 2009-10, 2010-11; 2011-12

APPENDIX 3 - Supporting Financial Information

APPENDIX 4 - Risk Management Framework

APPENDIX 5 - Alignment of Wellington Museums Trust and Wellington City Council Strategic Priorities

APPENDIX 1 Wellington Museums Trust – Operating Environment

Economic – The economic outlook of further deterioration in business confidence, negative growth, the credit crunch and higher unemployment will impact on the Trust's operating environment in the short to medium term.

An immediate effect has been in the fundraising environment, where charitable trusts have less money to distribute. This has resulted in the Trust making more applications for eligible projects, but achieving less funding overall, than in previous years. In addition, the refocusing of some community trusts and pub charities on sports has impacted on the Trust's efforts to raise funds. The corporate sponsorship environment is likely to deteriorate, so the prospect of attracting new sponsors is therefore limited in the short to medium term.

Trust retail sales are on a par with 2007-8 but likely to be affected by the worsening international tourism market. Admissions, particularly for the Capital E programmes, are steady. The impact of the economic downturn on venue hire and functions is unknown at this stage, but demand has been strong to date.

Local visitation and domestic tourism is expected to remain constant with the strong possibility that domestic tourism may grow. However, the outlook for international tourism is for a worsening situation. Currently, a wide range of tourism businesses are reporting 15-20 percent decreases in bookings compared to last year and Tourism New Zealand is predicting a 5% reduction in international visitor numbers.

The less than favourable exchange rate of the New Zealand dollar against major currencies means that the Trust will face significantly increased costs to secure international art exhibitions for the opening of the City Gallery Wellington in September 2009.

Local government has been urged to keep rate increases below the projected inflation rate, which means that the majority are making expenditure cuts and exploring alternative revenue options. Wellington City Council is no exception.

Social/Cultural – According to the 2006 population census, the diversity of the New Zealand population continues to broaden. Maori, Pacific and Asian peoples have increased considerably as a proportion of the population; in particular, New Zealand's youth is increasingly culturally diverse. Wellington's European population is 64.4% of the total and the next largest group is Wellington's Asian population at 12.1%.

Wellington City's population is 180,000, with approximately 450,000 residents in the greater Wellington region; the City population is projected to reach 200,000 in the middle of the next decade. The average age of the Wellington population is 32 and the most significant increase in age range numbers between the 2001 and 2006 census was in the 20 – 24 age-group. Overall the New Zealand population is aging, with the median age projected to increase to 45 years in 2101 compared to 35 years in 2001.

There are just under 68,000 households in Wellington City and 70% of these have access to the internet.

Museums, souvenir-shopping, art galleries and historic buildings continue to dominate the interests of visitors to the City. In addition interest is growing among New Zealanders in the importance of history and in preserving their heritage.

APPENDIX 2 Wellington Museums Trust – Financial Projections 2009-10, 2010-11, 2011-12

Estimate 30-Jun-09	STATEMENT OF FINANCIAL PERFORMANCE	Qtr to 30-Sep-09	Qtr to 31-Dec-09	Qtr to 31-Mar-10	Qtr to 30-Jun-10	Total YE 30-Jun-10	Total YE 30-Jun-11	Total YE 30-Jun-12
	Revenue							
1,142	Trading Income	242	332	252	298	1,124	1,333	1,229
6,422	Council Grants	1,693	1,693	1,693	1,695	6,774	7,199	7,649
547	Other Grants	290	100	100	100	590	632	612
412	Sponsorships and Donations	37	51	39	46	173	433	234
90	Investment Income	25	11	25	11	72	77	89
89	Other Income	23	23	23	24	93	98	103
8,701	Total Revenue	2,310	2,210	2,132	2,174	8,826	9,772	9,916
	Expenditure							
3,279	Employee Costs	914	915	915	915	3,659	3,928	4,110
1,622	Council Rent	436	436	436	436	1,744	1,769	1,769
3,296	Other Operating Expenses	720	991	751	889	3,351	3,953	3,742
428	Depreciation	105	106	106	106	423	457	464
25	Interest	5	0	2	0	7	0	0
8,649	Total Expenditure	2,180	2,448	2,210	2,346	9,184	10,107	10,086
52	Net Surplus/(Deficit) before Taxation	130	(238)	(78)	(172)	(358)	(335)	(169)
	Taxation Expense							
52	Net Surplus/(Deficit)	130	(238)	(78)	(172)	(358)	(335)	(169)
0.6%	Operating Margin	0	(0)	(0)	(0)	(0)	(0)	(0)

Estimate 30-Jun-09	STATEMENT OF FINANCIAL POSITION	Qtr to 30-Sep-09	Qtr to 31-Dec-09	Qtr to 31-Mar-10	Qtr to 30-Jun-10	Total YE 30-Jun-10	Total YE 30-Jun-11	Total YE 30-Jun-12
	Shareholder/Trust Funds							
2,123	Share Capital/Settled Funds	2,123	2,123	2,123	2,123	2,123	2,123	2,123
0	Revaluation Reserves	0	0	0	0	0	0	0
34	Restricted Funds	34	34	34	34	34	34	34
2,538	Retained Earnings	2,668	2,430	2,352	2,180	2,180	1,845	1,676
4,694	Total Shareholder/Trust Funds	4,824	4,586	4,508	4,336	4,337	4,002	3,833
	Current Assets							
28	Cash and Bank	30	32	33	34	34	28	21
367	Accounts Receivable	370	380	375	378	378	389	401
205	Other Current Assets	208	210	220	215	215	237	260
600	Total Current Assets	608	622	628	627	627	654	683
	Investments							
128	Deposits on Call	1,785	178	1,603	93	93	185	310
0	Other Investments	0	0	0	0	0	0	0
128	Total Investments	1,785	178	1,603	93	93	185	310
	Non-Current Assets							
4,961	Fixed Assets	4,856	4,750	4,644	4,538	4,538	4,111	3,817
47	Other Non-current Assets	47	47	47	47	47	47	47
5,009	Total Non-current Assets	4,903	4,797	4,691	4,585	4,586	4,158	3,864
	Total Assets							
5,736	Total Assets	7,296	5,597	6,922	5,305	5,305	4,998	4,857
	Current Liabilities							
443	Accounts Payable and Accruals	445	448	450	456	456	470	484
363	Provisions	528	355	513	374	374	385	397
0	Other Current Liabilities	1,288	22	1,289	1	0	0	0
806	Total Current Liabilities	2,261	825	2,252	831	830	855	881
	Non-Current Liabilities							
0	Loans - WCC	0	0	0	0	0	0	0
150	Loans - Other	125	100	75	50	50	50	50
85	Other Non-Current Liabilities	86	86	87	88	88	90	93
235	Total Non-Current Liabilities	211	186	162	138	138	140	143
	Net Assets							
4,694	Net Assets	4,824	4,586	4,508	4,336	4,337	4,002	3,833
0.74	Current Ratio	0.27	0.75	0.28	0.75	0.75	0.76	0.77
0.82	Equity Ratio	0.66	0.82	0.65	0.82	0.82	0.80	0.79

Estimate 30-Jun-09	STATEMENT OF CASH FLOWS	Qtr to	Qtr to	Qtr to	Qtr to	Total YE	Total YE	Total YE
		30-Sep-09	31-Dec-09	31-Mar-10	30-Jun-10	30-Jun-10	30-Jun-11	30-Jun-12
	Cash provided from:							
2,578	Trading Receipts	242	332	252	1,835	2,661	2,884	2,778
4,800	WCC Grants	2,515	0	2,515	0	5,030	5,430	5,880
547	Other Grants	290	100	100	100	590	632	612
412	Sponsorships and Donations	37	51	39	46	173	433	234
90	Investment Income	25	11	25	11	72	77	89
258	Other Income	23	23	23	210	279	284	288
8,685		3,132	517	2,954	2,202	8,805	9,739	9,881
	Cash applied to:							
3,149	Payments to Employees	914	915	915	731	3,475	3,791	3,969
5,013	Payments to Suppliers	720	991	751	2,763	5,225	5,797	5,614
9	Net GST Cashflow	(191)	191	(165)	174	9	9	9
0	Other Operating Costs	0	0	0	0	0	0	0
25	Interest Paid	5	0	2	18	25	25	0
8,195		1,448	2,097	1,503	3,686	8,734	9,622	9,593
489	Total Operating Cash Flow	1,684	(1,580)	1,451	(1,484)	71	117	288
	Investing Cash Flow							
	Cash provided from:							
0	Sale of Fixed Assets	0	0	0	0	0	0	0
0	Other	0	0	0	0	0	0	0
	Cash applied to:							
370	Purchase of Fixed Assets	0	0	0	0	0	30	170
0	Other	0	0	0	0	0	0	0
370		0	0	0	0	0	30	170
(370)	Total Investing Cash Flow	0	0	0	0	0	(30)	(170)

Forecast to 30-Jun-09	STATEMENT OF CASH FLOWS (CONT)	Qtr to 30-Sep-09	Qtr to 31-Dec-09	Qtr to 31-Mar-10	Qtr to 30-Jun-10	Forecast to 30-Jun-10	Forecast to 30-Jun-11	Forecast to 30-Jun-12
	Financing Cash Flow							
	<i>Cash provided from:</i>							
0	Drawdown of Loans	0	0	0	0	0	0	0
0	Other	0	0	0	0	0	0	0
	<i>Cash applied to:</i>							
90	Repayment of Loans	25	25	25	25	100	0	0
0	Other					0	0	0
90		25	25	25	25	100	0	0
(90)	Total Financing Cash Flow	(25)	(25)	(25)	(25)	(100)	0	0
29	Net Increase/(Decrease) in Cash Held	1,659	(1,605)	1,426	(1,509)	(29)	87	118
126	Opening Cash Equivalents	156	1,815	210	1,636	156	126	213
156	Closing Cash Equivalents	1,815	210	1,636	127	126	213	331

Forecast to 30-Jun-09	CASH FLOW RECONCILIATION	Qtr to 30-Sep-09	Qtr to 31-Dec-09	Qtr to 31-Mar-10	Qtr to 30-Jun-10	Forecast to 30-Jun-10	Forecast to 30-Jun-11	Forecast to 30-Jun-12
52	Operating Surplus/(Deficit) for the Year	130	(238)	(78)	(172)	(358)	(335)	(169)
	Add Non Cash Items							
428	Depreciation	105	106	106	106	423	457	464
0	Other	0	0	0	0	0	0	0
480		235	(132)	28	(66)	65	122	295
	Movements in Working Capital							
(11)	(Increase)/Decrease in Receivables	(3)	(10)	5	(3)	(11)	(11)	(12)
(6)	(Increase)/Decrease in Other Current Assets	(3)	(2)	(10)	5	(10)	(22)	(24)
13	Increase/(Decrease) in Accounts Payable	2	3	2	6	13	14	14
13	Increase/(Decrease) in Other Current Liabilities	1,453	(1,439)	1,426	(1,426)	13	14	14
9		1,449	(1,448)	1,423	(1,418)	5	(5)	(7)
	Net Gain/(Loss) on Sale:							
0	Fixed Assets	0	0	0	0	0	0	0
0	Investments	0	0	0	0	0	0	0
489	Net Cash Flow from Operations	1,684	(1,580)	1,451	(1,484)	71	117	288

APPENDIX 3 Supporting Financial Information

Significant Accounting Policies

The following accounting policies which have a material effect on the measurement of results have been adopted by the Trust.

1. Reporting entity

The Wellington Museums Trust Incorporated (the Trust) is registered as a charitable entity under the Charities Act 2005 and domiciled in New Zealand. It is a Council Controlled Organisation (CCO) in terms of the Local Government Act 2002.

The financial statements of the Trust include the activities of the following business units - the Wellington Museums Trust, the Museum of Wellington City & Sea, City Gallery Wellington, Capital E, the Colonial Cottage Museum and the Wellington Cable Car Museum.

The principal activity of the Trust is to manage Trust institutions and to operate them for the benefit of the residents of Wellington and the public generally.

2. Basis of preparation

a) Statement of compliance and basis of preparation

The financial statements of the Trust will be prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP), applying the Framework for Differential Reporting for entities adopting the New Zealand equivalents to International Financial Reporting Standards, and its interpretations (NZ IFRS). The Trust is a public benefit entity, as defined under NZ IAS 1.

The Trust qualifies for differential reporting exemptions as it has no public accountability and the Trust is small in terms of the size criteria specified in the Framework for Differential Reporting. All available reporting exemptions allowed under the Framework for Differential Reporting have been adopted, except for NZ IAS 7, *Cash flow Statements*.

b) Basis of measurement

The financial statements will be prepared on a historical cost basis.

c) Presentation currency

The financial statements will be presented in New Zealand dollars (\$).

3. Significant accounting policies

The accounting policies set out below will be applied consistently to all periods presented in the financial statements.

a) Property, plant and equipment

Items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses.

(i) Subsequent costs

Subsequent costs are added to the carrying amount of an item of property, plant and equipment when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Trust and the cost of the item can be measured reliably. All other costs are recognised in the Income Statement as an expense incurred.

(ii) Depreciation

Depreciation is charged to the Income Statement using the straight line method. Depreciation is set at rates that will write off the cost or fair value of the assets, less their estimated residual values, over their useful lives. The estimated useful lives of major classes of assets and resulting rates are as follows:

▪ Computer equipment	33% SL
▪ Office and facility equipment	25% SL
▪ Motor vehicles	20% SL
▪ Museum fittings	5%-25% SL
▪ Collections & artefacts	Not depreciated

The residual value of assets is reassessed annually.

Collections and artefacts are carried at cost. A substantial amount of the Collection was acquired on 29 February 1996 from the Wellington Maritime Museum Trust. All subsequent purchases are recorded at cost. Because the useful life of the collections and artefacts is indeterminate they are not depreciated. They are periodically reviewed for impairment. The Trustees obtained a valuation on specific items to support the carrying value at 30 June 2007. The Trustees reconfirmed that the carrying value at 30 June 2008 is appropriate and that no impairment event has occurred.

b) Intangible assets

Computer software

Software applications that are acquired by the Trust are stated at cost less accumulated amortisation and impairment losses.

Amortisation is recognised in the Income Statement on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

- Computer software 33% SL

c) Trade and other receivables

Trade and other receivables are measured at their cost less impairment losses.

d) Inventories

Inventories (merchandise) are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Trust's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

f) Impairment

The carrying amounts of the Trust's assets other than inventories are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the Income Statement.

Estimated recoverable amount of other assets, e.g. property, plant and equipment and intangible assets, is the greater of their fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting these to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

g) Interest-bearing loans

Interest-bearing loans are recognised initially at fair value less attributable transaction costs.

h) Employee benefits

i) Long service leave

The Trust's net obligation in respect of long service leave is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value. The discount rate is the market yield on relevant New Zealand government bonds at the Balance Sheet date.

i) Provisions

A provision is recognised when the Trust has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market rates and, where appropriate, the risks specific to the liability.

j) Trade and other payables

Trade and other payables are stated at cost.

k) Revenue

(i) Grant funding

The Trust's activities are supported by grants, sponsorship and donations. Grants received that are subject to conditions are initially recognised as a liability and revenue is recognised only when the services are performed or conditions are fulfilled.

(ii) Services provided

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. Income is recognised as the service is provided (e.g. exhibition run). Where exhibitions are not scheduled to run until the following fiscal year, revenue is deferred and amortised to income throughout the period of the exhibition.

(iii) Sale of merchandise

Revenue from the sale of merchandise is recognised in the Income Statement when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of the merchandise, or where there is continuing management involvement with the merchandise.

i) Expenses

(i) Operating lease payments

Payments made under operating leases are recognised in the Income Statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Income statement over the lease term as an integral part of the total lease expense.

(ii) Finance income and expenses

Finance income comprises interest income. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings. All borrowing costs are recognised in the Income Statement using the effective interest method.

m) Availability of future funding

The Trust is reliant on the Wellington City Council for a large part of its income and operates under a Funding Deed with the Council. The Funding Deed is for a period of three years and is extended annually for a further year subsequent to the initial 3 year term.

If the Trust were unable to continue in operational existence for the foreseeable future, adjustments may have to be made to reflect the fact that assets may need to be realised other than at the amounts stated in the balance sheet. In addition, the Trust may have to provide for further liabilities that might arise, and to reclassify property, plant and equipment as current assets.

n) Income tax

The Trust is registered as a Charitable Trust and is exempt from income tax. The Trust is not exempt from indirect tax legislation such as Goods and Services Tax, Fringe Benefit Tax, PAYE or ACC and accordingly it is required to comply with these regulations.

o) Goods and services tax

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

4. Ratio of Total Assets: Liabilities

- The Trust prefers to remain debt-free with the exception of the Museum of Wellington fitout.
- Debt may not be raised to finance operating expenses.
- The Trust has a policy ratio of total assets to total liabilities of 3:1.

5. Activities for which compensation from Council is sought⁶

The Trust is seeking a core operational funding grant (excluding rental subsidy of \$1,743.938) of \$5,030,000 for the 2009-2010 financial year.

6. Significant Obligations/Contingent Liabilities⁷

The Museum of Wellington capital exhibition project has now been completed. There remains a term loan estimated to be \$105,000 at 1 July 2008 secured by a Wellington City Council guarantee. This loan is planned to be repaid during the 2010-2011 financial year.

The Trust currently holds no cash reserves to meet operational requirements and to mitigate risks.

The Trust has no contingent liabilities.

7. Distribution to Settlor

The Wellington Museums Trust does not make a distribution to the Settlor.

⁷ The loan will be paid off by 31 July 2010.
Wellington Museums Trust

Key strategic risks & mitigation strategies

The major strategic risks that the Trust faces are as follows and the Trust's business planning identifies strategies to mitigate these risks.

Strategic risk	Impact description	Likelihood	Impact	Mitigation strategy
Funding				
Failure to meet funding needs to deliver agreed service levels.	<ul style="list-style-type: none"> ▪ Contribution to City vision diminished. ▪ Quality of experience impaired. ▪ Programme slowed/spaces closed to public. ▪ Loss of brand profile. ▪ No reserves to mitigate financial risks. ▪ Unable to increase non-Council revenue. 	Probable	H	<ul style="list-style-type: none"> ▪ Negotiate with Council ▪ Reprioritise strategic projects. ▪ Cut services
Failure to secure sufficient funding to optimise use of new City Gallery exhibition spaces	<ul style="list-style-type: none"> ▪ Public and donor expectations not met ▪ Gallery's purpose compromised. ▪ Fewer, longer exhibition seasons resulting in stagnation and a drop in attendance ▪ Damage to brand profile ▪ Participation with international tours threatened. 	Possible	H	<ul style="list-style-type: none"> ▪ Negotiate with council. ▪ Identify alternative sources of funding. ▪ Consider alternative uses of space. ▪ Delay opening new spaces to public
Failure to secure new premises and funding for collection store	<ul style="list-style-type: none"> ▪ Council Cultural Well-Being (Shaping Wellington's unique identity) compromised. ▪ Further deterioration of collection likely. ▪ Volunteer/staff morale declines. ▪ New objects not gifted 	Possible	M	<ul style="list-style-type: none"> ▪ Negotiate with Council ▪ Compelling funding applications submitted ▪ Implement transition strategy with a focus on implementing Collections Policy. ▪ Appropriate planning

Strategic risk	Impact description	Likelihood	Impact	Mitigation strategy
Visitor Experience				
Failure to implement refreshment programme at museums and Capital E.	<ul style="list-style-type: none"> ▪ Institutions become irrelevant to residents and visitors. ▪ Commercial opportunities lost. ▪ City standing as vibrant cultural capital diminishes. ▪ Ratepayer dissatisfaction. ▪ Loss of funder/sponsor support ▪ Health and safety issues escalate. 	Possible	M	<ul style="list-style-type: none"> ▪ Negotiate with Council ▪ Other funding sources explored ▪ Appropriate planning
Organisation				
Loss of key personnel and inability to attract quality staff.	<ul style="list-style-type: none"> ▪ Service disruption ▪ Loss of Intellectual Property (IP) ▪ Loss of corporate knowledge ▪ Failure to achieve vision. 	Possible	M	<ul style="list-style-type: none"> ▪ Performance management ▪ Professional development ▪ Broaden responsibilities ▪ Competitive salaries ▪ Resources to deliver programmes
Failure to keep technology functioning to support organisation.	<ul style="list-style-type: none"> ▪ Service disruption ▪ Inefficiencies develop ▪ Potential loss of critical data. 	Possible	H	<ul style="list-style-type: none"> ▪ ICT strategy reviewed regularly ▪ Planned upgrades actioned ▪ Back-ups in place.

H: High. **M:** Moderate

APPENDIX 5 Alignment of Wellington Museums Trust and Wellington City Council Strategic Priorities

Council Vision - *Positioning Wellington as vibrant, internationally competitive and affordable*

Strategic Priority - Cultural Well-Being *Shaping Wellington's Unique Identity*

Taking a more pro-active role in protecting and enhancing local sense of place. Strengthening the Council's partnerships with arts organisations, festival groups and institutions. Engaging more effectively with the community on the benefits and relevance of a diverse city. Engaging more effectively with grassroots community and youth-orientated arts and cultural activities.		
Trust Strategic Priorities	Trust Objectives	Trust/Council Link
<ul style="list-style-type: none"> ▪ Heritage collections in the care of the Trust are professionally managed and contribute to our understanding of Wellington and its history, art and creativity. ▪ Visitor experiences support the Trust's reputation for excellence and are engaging, entertaining and relevant to the people of Wellington, and provide new and diverse ways for residents and visitors to explore and understand arts, culture, heritage and Wellington. 	<ul style="list-style-type: none"> ▪ Appropriate accommodation for the City's heritage collections. ▪ Collection Policy and Procedures. ▪ Research opportunities and public access to the collections. ▪ Plimmer's Ark conservation project. ▪ City Gallery Wellington delivers a world-class exhibition programme. ▪ Refresh the visitor experience at our museums. ▪ Prepare Capital E for the next generation of Wellingtonians. ▪ Destination Wellington for New Zealand's children. ▪ Resident and visitor participation in visitor experiences, public programmes and events. ▪ Quality Assurance. 	<ul style="list-style-type: none"> ▪ Unique identity. ▪ Protecting and enhancing local sense of place. ▪ Diverse city ▪ Grassroots community and youth-orientated arts and cultural activities. ▪ Unique identity. ▪ Vibrant City. ▪ Internationally competitive. ▪ Diverse City. ▪ Grassroots community and youth-orientated arts and cultural activities.

Trust Strategic Priorities	Trust Objectives	Trust/Council Link
<ul style="list-style-type: none"> ▪ The Trust's profile and Wellington's standing as arts and cultural capital are maintained and enhanced through effective partnerships and relationships. 	<ul style="list-style-type: none"> ▪ Effective working relationships with stakeholder and community groups. ▪ Positive, mutually beneficial partnerships advance Wellington's standing as the arts and cultural Capital of New Zealand. ▪ Friends and Supporters organisations. 	<ul style="list-style-type: none"> ▪ Unique identity. ▪ Effective partnerships. ▪ Diverse City. ▪ Vibrant City. ▪ Grassroots community and youth-orientated arts and cultural activities.
<ul style="list-style-type: none"> ▪ The Trust is financially sustainable and operates effectively and efficiently providing value for money in all activities. 	<ul style="list-style-type: none"> ▪ Financial sustainability ▪ Non Council revenue achieved at 30% of total revenue (exclusive of the occupancy grant). ▪ Council subsidy maintained at less than \$12 per visit. 	<ul style="list-style-type: none"> ▪ Affordable. ▪ Efficient. ▪ Competitive.
<ul style="list-style-type: none"> ▪ The Trust is a high performing organisation and meets its good employer obligation 	<ul style="list-style-type: none"> ▪ High performing organisation. ▪ Good employer obligations. ▪ Salary costs within 50% of the total operating budget. 	<ul style="list-style-type: none"> ▪ Transparent and accountable. ▪ High performing. ▪ Affordable.
<ul style="list-style-type: none"> ▪ The Trust is socially and environmentally responsible. 	<ul style="list-style-type: none"> ▪ Recycling and reuse to eliminate waste. ▪ Staff use alternative transport. 	<ul style="list-style-type: none"> ▪ Environmental quality. ▪ Energy efficient.

WELLINGTON MUSEUMS TRUST

Trust Office: The Bond Store
Queens Wharf, PO Box 893, Wellington
Phone: +64 4 471 0919
Facsimile: +64 4 471 0920
Email: trust@wmt.org.nz
Website: www.wmt.org.nz

CITY GALLERY WELLINGTON

Civic Square, Wellington

MUSEUM OF WELLINGTON CITY & SEA

The Bond Store, Queens Wharf, Wellington

THE WELLINGTON CABLE CAR MUSEUM

1 Upland Road, Wellington

THE COLONIAL COTTAGE MUSEUM

68 Nairn Street, Wellington

CAPITAL E

Civic Square, Wellington

NEW ZEALAND CRICKET MUSEUM

The Old Grandstand, Basin Reserve, Wellington