

The Statement of Intent for the Southland Museum & Art Gallery Trust Board has been prepared in accordance with the Local Government act 2002.

A review of the governance of the Southland Museum & Art Gallery Trust Board was undertaken and an interim board established whilst the appointment process for a new skills based permanent board is undertaken. This Statement of Intent has been prepared with a view to ensure business continuity. The non-financial KPIs will be expanded to a three year view when a refreshed SOI is drafted by the new board.

# **SOUTHLAND MUSEUM AND ART GALLERY TRUST BOARD**

## **STATEMENT OF INTENT**

**FOR THE FINANCIAL YEAR ENDING  
30 June 2023**



### **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 2022 to 30 June 2023.

## **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 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 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. Collection Storage – Ensuring appropriate storage of collections
3. The Community – Be the facilitator , connector, activator, conductor and co-creator working with community

## 1.5 Financial Forecasts

<u>Financial Forecasts</u>	2022/2023	2023/2024	2024/2025
<b><u>Income</u></b>			
Grant - SRHC	1,246,667	1,270,568	1,296,731
Grant - ICC - Trust Operations	20,000	20,000	20,000
<b>Total Income</b>	<b>1,266,667</b>	<b>1,290,568</b>	<b>1,316,731</b>
<b><u>Expenditure</u></b>			
Museum Collection Management Fee	1,246,667	1,270,568	1,296,731
Legal Fees			
General Expenses	10,000	10,000	10,000
Media Support			
Bank Fees			
Audit Fees	10,000	10,000	10,000
Depreciation & Impairment	2,268	2,268	2,268
<b>Total Expenditure</b>	<b>1,268,935</b>	<b>1,292,836</b>	<b>1,318,999</b>
<b>Net Operating Profit/(Loss)</b>	<b>(2,268)</b>	<b>(2,268)</b>	<b>(2,268)</b>

- *The loss is directly related to depreciation of assets the Trust has. Cash flow position is neutral each year.*

The SMAGTB receives an annual grant from the Southland Regional Heritage Committee.

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 most of the collection and is guardian of other parts of the collection.

## 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.

## **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 4 trustee members and three staff 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.

#### **CHIEF EXECUTIVE OFFICER INVERCARGILL CITY COUNCIL**

C Hadley

#### **CHIEF EXECUTIVE OFFICER SOUTHLAND DISTRICT COUNCIL**

C McIntosh

#### **CHIEF EXECUTIVE OFFICER GORE DISTRICT COUNCIL**

S Parry

#### **DULY ELECTED REPRESENTATIVE OF THE FOUR RUNAKA – WAIHOPAI RUNAKA; TE RUNAKA O AWARUA; TE RUNAKA O ORAKA APARIMA; HOKONUI RUNANGA**

Evelyn Cook

#### **STAFF (NON VOTING)**

Manager – W P Marriott, JP, MBA (ICC officer)

Secretary – T Amarasingha (ICC officer)

Treasurer – J Cross (ICC officer)

### **2.3 Management of the Southland Museum and Art Gallery**

The SMAGTB has a Management Contract with Invercargill City Council to carry out the Principle Activities of the Board. The Council employs the museum manager and staff who care for the collections and facility at the Southland Museum and Art Gallery; and work in partnership with the Invercargill Public Art Gallery to provide the operation of He Waka Tuia on Kelvin Street. 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.

<b>Enhance our City</b>	<b>Preserve its Character</b>	<b>Embrace Innovation and Change</b>
<b><i>We will know success when:</i></b>	<b><i>We will know success when:</i></b>	<b><i>We will know success when:</i></b>
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.

In addition to the above community outcomes the SMAGTB contributes towards the achievement of Southland District Council's community outcomes of;

<b>kaitiakitanga for future generations</b>	<b>A diverse economy creating healthy and affordable lifestyles</b>
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### 3.0 OUTPUTS PLANNED FOR THE YEAR ENDED 30 JUNE 2023

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.

<b>3.1 The Collections</b> Caring for, developing, and researching collections.		
Output	Strategies to achieve Output	2022-23 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) to the level of Stripped Stage 1.	1000 records
	Existing CMS records are updated to Stage 1 (Full Documentation).  Stage 1 is designed to make the updated records searchable, identify key hazards, and ensure that the items ready for relocation.	2,400 records
	Collections items to have digital images made.	0 items  (Photography will only be undertaken as required for the purposes of condition reporting, online presence, and the temporary gallery space.)

<b>3.2 Collection Storage</b> Ensuring appropriate storage of collections.		
Output	Strategies to achieve Output	2022-23 Target
The collection is prepared for removal from the building by 2022/23 (4 years)	Pack items for storage and transportation.  Stage 2a of the current Collection Relocation Plan involves packing and physically readying objects for relocation.  Stage 2b of the current Collection Relocation Plan involves implementing a temporary transporting/packing solution for objects to be safely transported off-site.	2000 items across Stage 2a and 2b.
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.	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

<b>3.3 The Community</b> Be the facilitator, connector, activator, conductor and co-creator working with community		
Output	Strategies to achieve Output	2022-23 Target
Maintain strong relationships with iwi over issues relating to the collections.	Iwi Liaison Komiti (representing the four Southland runanga; Waihopai, Oraka-Aparima, Hokonui, Awarua) meets regularly. keep	Four meetings
Promote a museum presence	Provide outreach to other museums and related organisations in the region and community.	No target

## **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**

There has been no change in accounting policies.

### **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**

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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**

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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.