

SOUTHLAND MUSEUM AND ART GALLERY TRUST BOARD

STATEMENT OF INTENT

1 July 2023 – 30 June 2024

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1. The Purpose of this Statement of Intent

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.

Note: this document is indicative only and not in place as a legal document.

2. Origins of the Collection

History of the Collection

The Scotch Pie Shop, which opened on Dee St, Invercargill in 1863 is credited as having been the site of the first Museum in Southland, which opened on 6 September 1872. The collection had been purchased by Andrew McKenzie over a three year period and several items in the collection are from the first Museum.

In 1870 the first meeting was held in Invercargill to establish the Athenaeum. Following site selection, the foundation stone was laid in August 1874. In the same year the Museum sub-committee was established.

The initial collection was a scientific collection. By 1874 formed the Museum collection of Andrew McKenzie was purchased by the Athenaeum. In July 1876, with the statue of Minerva on top of the building the Invercargill Athenaeum was opened.

There was a significant focus on collecting in the early years, including moa bones, Maori implements, natural history and objects which the whalers, sealers and settlers had bought with them.

Following the transfer of the collection to the Southland Technical College (STC) in 1912, the inaugural meeting of the Southland Museum Board Inc. was held on 15 May 1915. In 1934 Invercargill City Council reserved a site for the building of a Museum and Art Gallery. Two years later in August 1936 Frederick G Hall-Jones proposes a Provincial Museum and Art Gallery.

In May 1939 the "Southland Museums Trust Board" is incorporated under Part II of the Religious, Charitable and Educational Trusts Act 1908.

The foundation stone was laid by Sir Robert Anderson in February 1941, with the collection housed at STC relocated to the Queens Park site in December 1941. The Southland Centennial Memorial Museum opened in May 1942. In July 1946 F G Hall-Jones constitutes the Southland Art Gallery Trust Board and the Art Gallery extension opened in October 1961.

From 1978 building is referred to as the Southland Museum and Art Gallery. In July 1981 it was agreed that the Southland Museum Trust Board Inc. would change its name to Southland Museum and Art Gallery Trust Board Inc. reflecting the name of the building. The Friends of the Museum were renamed The Friends of the Southland Museum and Art Gallery in September 1981.

In 1980 the Southland Art Foundation was established as a joint partnership between the Southland Museum and Art Gallery Trust Board and the Southland Savings Bank. Both parties shared a 50/50 appointment of Trustees. In April 1981 the fundamental object of the Trust was that The Trust is further empowered to purchase works of art from time to time independent of the biennial exhibition. All articles so acquired to be labelled with applicate plaque and vested with the Southland Museum Trust Board Incorporated and should not be disposed of without first obtaining the approval of the trustees of the Foundation. Following the sale of Trust Bank to Westpac, the Community Trust initially took over the Trustee roles formerly held by Trust Bank. These positions were subsequently replaced by community trustees.

On 5 May 1982 (the meeting closest to the 40th anniversary of the opening of the building), the first meeting of The Southland Museum and Art Gallery Trust Board Inc. was held. The Southland Museum and Art Gallery name had been in place since 1981.

The deterioration of the existing building and extensions led to the development of a roof over the existing buildings. The roof was opened in 1990 and named Niho o Te Taniwha, colloquially known as the Pyramid.

Niho o Te Taniwha - the Pyramid was closed to the public in 2018 after it was identified as an earthquake risk.

Current Status of the Collections

In 2022 the collection is now estimated to be:

Category	Approximate Numbers
Taoka Māori	750,000
Natural History	200,000
Social History	100,000
Archaeological (This collection contains a high number of items that are significant to iwi)	1,500,000
Pasifika	1,000
Textiles	10,000
Photographic	2,000,000
Rare Book Collection	2,500
Art, Pottery, Sculpture, Fine Art Photography	4,000
Archives, Maps & Library	4,000
	4,571,500

This is based on survey estimates of the collection which are being refined as the rehousing of the collection is undertaken.

In addition to the above, there are items on loan from other institutions, iwi and individuals, that are cared for and managed under the management contract.

Both owned and loaned items are currently stored at Niho o Te Taniwha - the Pyramid. The collections require approximately 1,184 m² of storage and 547 m² auxiliary space. A project to build purpose-built storage was approved by Invercargill City Council during 2019-2022 triennium and is located on the Tisbury Reserve (corner Rockdale Road and Boxall Street).

The collection will be moved from late 2023 from its current location to the purpose built facility at Tisbury, with the full move expected to be completed by December 2024.

3. About The Board

3.1 Role of the Board

The Board is responsible for the governance of the Collection. The Board is responsible for setting the strategic direction, approving the Statement of Intent and monitoring the performance of the Management Contract with the Invercargill City Council (ICC).

3.2 Board Membership

The full Board structure is still being recruited for. Until the appointment process has been completed and the full board has had its first meeting, the board is still a Council Controlled Organisation with 4 trustees who represent the contributing authorities as well as a Mana Whenua appointee.

The Interim Board is comprised of:

Chief Executive, Invercargill City Council

M Day

Chief Executive, Southland District Council

C McIntosh

Chief Executive, Gore District Council

S Parry

Representative Of The four Murihiku Rūnaka – Waihōpai Rūnaka, Te Rūnanga O Awarua, Te Rūnanga O Ōraka Aparima, Hokonui Rūnanga

Evelyn Cook

3.3 Mana Whenua and Iwi Engagement

In addition to representation on the Board, the Board maintains a working relationship with iwi through the Iwi Liaison Komiti, which has representatives from the four Murihiku Rūnaka. The Iwi Liaison Komiti meets at least quarterly to discuss issues relating to the collections.

3.4 Management of the Collection

The Board has a management contract with ICC to carry out the Principal Activities of the Board. The Council employs the museum manager and staff who care for the collection.

The Board will approve the budget for expenditure on the collection each year.

3.5 Alignment with Community Outcomes

The Board contributes towards the achievement of the community outcomes and aspirations of the represented Councils and iwi.

The Councils and iwi have established a Southland Regional Heritage Committee (SHRC) which was established to create and implement a strategy for preserving the regional

heritage of Southland. SRHC is a major funder of the Board. The objects and purposes agreed to by the Councils and iwi for SHRC are:

- To be responsible for the establishment and implementation of a strategy for preserving the Regional Heritage in Southland, including but not limited to the following:
 - Preserving key heritage collections of regional significance by providing regional heritage funding to ensure the preservation and cataloguing of key heritage elements;
 - To develop collections to portray and promote Southland's Heritage in the context of the "Story of Southland" including the portrayal of elements of Southland Heritage near where the activities occurred adding relevance and context.
 - To provide the scope for local accountability and priorities and ensuring the opportunity for local Communities to develop their administration and exhibitions in a manner that reflects the importance placed on heritage by the local Communities in Southland and the promotion of visitor interest.
 - To ensure recognition of heritage as it relates to the whole of the Region including but not limited to:
 - a regional approach crossing territorial boundaries;
 - a recognition of the contribution individual territorial authorities make to the Regional Heritage Collection;
 - stimulating co-operation between all governing bodies;
 - increasing the potential for regional expertise and funding to be available to local Museums;
 - providing an integrated regional approach with local accountability;
 - developing the potential for the Regional Heritage Grants to encourage preservation and heritage collections;
 - establishment of grants for the development of heritage as it relates to the "Story of Southland"
 - To establish strategic plans and identify priorities for (but not exclusively) Museum and heritage development.
 - To achieve a co-ordinated and complementary approach and the implementation of existing programmes and projects of Southland Museums.
 - To establish a fund to facilitate, investigate, assess, evaluate and prepare feasibility studies for new initiatives relating to Regional Heritage and Museums.
 - To take a proactive approach towards accessing and distributing funds for Regional Heritage and Museums. Funding will not be allocated retrospectively and will not be eligible to offset capital development project over runs or operational deficits.
 - To develop and implement further partnerships with key agencies to implement projects and initiatives of benefit for the purposes of advancing regional heritage and museums, in Southland.
 - To promote community heritage projects and initiatives of benefit to Southlanders and visitors to Southland.
 - To encourage the preservation and maintenance of buildings and facilities and the preservation, management and development of collections and exhibits and obtaining of funds to support the objects and purposes of the Committee.
 - To facilitate seminars, public forums and education to develop skills and public awareness of issues and opportunities of Southland's Regional Heritage and Museums.

- To utilise and manage funds, make necessary investments, enter into joint ventures, service contracts, lease and other agreements upon such securities or in such a manner and upon such terms and conditions as the Joint Committee may deem necessary and to apply funds received for the purposes for which they were granted or advanced or allocated.
- To maintain close liaison with community groups and local communities throughout Southland to ensure all Local and Regional Museum strategies and initiatives of benefit to Southland are identified, encouraged and addressed.
- To undertake as necessary any other activities which are incidental or conducive to the attainment of the above objects and purposes.

Southland Regional Heritage Committee provides strategic direction to the SMAG Board as a key funder. Southland Regional Heritage Committee's objectives need to be recognised when considering the collection.

The broad community outcomes contributed to by the operations of the Board are;

Ngāi Tahu – Waihōpai- Rūnaka, Te Rūnanga o Awarua, Te Rūnanga o Ōraka Aparima, Hokonui Rūnanga

- Whanaungatanga
- Tohungatanga
- Kaitiakitanga
- Mana Whenua

Invercargill City Council

- Enhance Our City
- Preserve its Character
- Embrace Innovation and Change

Southland District Council

- Kaitiakitanga for future generations
- A diverse economy creating healthy and affordable lifestyles

Gore District Council

- We value our history and heritage

4. Mission, Vision, and Strategic Objectives

4.1 Mission Statement

To celebrate the people, land and culture of Southland through the collection of stories and taoka.

4.2 Vision Statement

To be custodians of a nationally valued and unique collection that is expertly managed and enriches the pride, sense of belonging, curiosity and celebration of Southland.

4.3 Strategic Objectives

Through its activities the Board will:

- Continue to support and grow our relationships with Mana Whenua.

- Advocate for the collections and the organisations that exhibit them.
- Ensure a balanced approach between preservation/ conservation and accessibility to the collection.
- Enhance the collection through strategic acquisition, rationalisation and repatriation in order to ensure an authentic, relevant and comprehensive reflection of Southland, its people and its stories.
- Promote the collection and work cooperatively with the sector to encourage public display and access.

4.4 Key Activities

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

- The Collections – Caring for, enhancing the collections
- Collection Storage – Ensuring appropriate storage of collections at Tisbury.
- The Community – Be the facilitator, connector, activator, conductor and co-creator working with community.

5. Outputs Planned for the Year Ended 30 June 2024

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.

5.1 The Collection

Caring for, enhancing the collections

Output	Strategies to achieve Output	2023-24 Target
The collection is enhanced 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 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.	5,000 items
	Deaccessions are considered according to the Collection Management Policy.	The collections are reviewed to identify items appropriate for deaccessioning.

5.2 Collection Storage

Ensuring appropriate storage of collections

Output	Strategies to achieve Output	2023-24 Target
The collection is prepared for removal from the building.	Pack items for storage and transportation. The current Collection Relocation Plan involves packing and physically readying objects for relocation. The Collection Relocation Plan involves implementing a temporary transporting/packing solution for objects to be safely transported off-site to Tisbury.	4,500,000 collection items
Collections are maintained in optimal conditions for their long term preservation	Storage space is kept at temperature of 19oC±1oC, 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.	Followed
	A procedure to avoid loss or damage to objects in the collection or on loan is followed.	Followed

5.3 The Community

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

Output	Strategies to achieve Output	2023-24 Target
Maintain strong relationships with iwi over issues relating to the collections.	Iwi Liaison Komiti (representing the four Murihiku rūnaka; Waihōpai, Ōraka-Aparima, Hokonui, Awarua) meets regularly.	Four meetings
Promote displays of the collection.	Provide outreach to museums and related organisations in the region, community and nationally for items to be displayed.	Continue existing partnerships to show the collection
Promote the preservation of the regions collections	Provide outreach to museums and related organisations in the region	Continue to strengthen existing partnerships and establish new relationships within the wider Southland community

6. Financial Forecasts

Financial Forecasts	2023/2024	2024/2025	2025/2026
<u>Income</u>			
Grant - SRHC	1,290,000	1,330,000	1,360,000
Grant - ICC - Trust Operations	20,000	20,000	20,000
Total Income	1,310,000	1,350,000	1,380,000
<u>Expenditure</u>			
Museum Collection Management Fee	1,290,000	1,330,000	1,360,000
Trustees remuneration			
Trust Board Operating Expenses	10,000	10,000	10,000
Audit Fees	10,000	10,000	10,000
Depreciation & Impairment	1,642	1,478	1,330
Total Expenditure	1,311,642	1,351,478	1,381,330
Net Operating Profit/(Loss)	(1,642)	(1,478)	(1,330)
SRHC Grant Breakdown			
	2023/2024	2024/2025	2025/2026
SRHC Special Collection Grant (Icc & SDC Grant - Cataloguing Project)	182,844	182,844	182,844
SRHC Direct Museum Grant	1,107,156	1,147,156	1,177,156
TOTAL	1,290,000	1,330,000	1,360,000

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

The Board receives an annual grant from SRHC. In addition the Board also receives a grant from the SRHC for the collection cataloguing project.

The Board will approve the budget for expenditure on the collection each year.

The Board is legally responsible for most of the collection, and is a guardian of other parts of the collection.

7. Accounting Policies

7.1 Basis of Preparation

The Board has elected to report in accordance with Tier 3 Not-For-Profit PBE Accounting Standards on the basis that the Board does not have public accountability and has total annual expenses of less than \$2 million.

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

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

The Board 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 Board do not have the power to amend the financial statements after issue.

7.2 Changes in Accounting Policies

There has been no change in accounting policies.

7.3 Goods and Services Tax (GST)

The Board 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.

7.4 Revenue

Revenue is recognised to the extent that it is probable the economic benefit will flow to the Board 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.

7.4.1 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.

7.4.2 Donations

Donations are recognised as revenue upon receipt.

7.4.3 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.

7.4.4 Interest Revenue

Interest revenue is recognised on an accrual basis.

7.4.5 Other Revenue

Revenue is measured at the fair value of consideration received.

7.5 Expenditure

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

7.6 Income Tax

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

7.7 Donated Services

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

7.8 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.

7.9 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.

7.10 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.

7.11 Creditors and Accrued Expenses

Creditors and other payables are measured at the amount owed.

7.12 Property, Plant and Equipment

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

Property, plant, and equipment held at cost that has a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value, less costs to sell, and value in use. The total impairment loss is recognised in the surplus or deficit.

The Trust has elected not to revalue property plant and equipment

7.12.1 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.

7.12.2 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:

Information Technology	40%	DV
Plant and Equipment	10 - 20%	DV

7.13 Heritage Assets

The Board legally holds 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 Board.

The bulk of the Board'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 Board's collection is undervalued in these financial statements.

The result of this accounting policy means that the vast majority of the Board'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 Board is the preservation and management of the extensive collection of heritage assets. These are the tasks that make up the bulk of the Board'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 insured value of the collection as at 30 October 2022 is \$10,380,000.