

# APPENDIX SIX

## WELLINGTON MUSEUMS TRUST

### REVIEW OF 2009/10 ANNUAL REPORT

The Wellington Museums Trust (the Trust) presents its Annual Report for 2009/10 including audited financial statements and performance measures.

#### Highlights for the year

- Strong visitation growth with 629,627 people visiting the Trust institutions during the year, against a target of 588,400. This was an increase of 17% over 2008/09.
- Visitor satisfaction levels remained high with an average of 94% of visitors to all Trust institutions rating their visit as good or very good.
- Re-opening of the City Gallery after an 11 month closure for its redevelopment and seismic strengthening with three new galleries and the state of the art Adam Auditorium. The *Yayoi Kusama: Mirrored Years* exhibition was recognised as *The Christchurch Press*' Best Visual Arts Exhibition of the decade and the *Wellingtonista*'s Best Visual Arts Experience 2009. In addition, the City Gallery building was named by *New Zealand Architecture* as one of New Zealand's five favourite new buildings in 2009.
- Museum of Wellington was recognised as a finalist in the 2010 Museums Aotearoa Awards for Exhibition Excellence for its collection based exhibition *10 Years in Wonderland*.

#### Performance

##### **1. Financial**

A review of the Trust's financial statements highlights the following points:

- After allowing for depreciation, the Trust had an overall deficit of \$253k against a budgeted deficit of \$358k.
- Excluding the rental grants for the occupation of Council owned buildings, 69% of funding (\$5.1m) was provided by WCC, compared to 71% (\$4.8m) in 2008/09.
- Revenue increased by 11% (\$0.93m) on 2008/09 to \$9.2m due to a higher Council operational grant (\$0.29m), a higher Council rental grant (\$0.27m) and 37% higher admissions income and sales (\$0.36m). Revenue was also higher than budget by \$0.41m, mainly due to higher than anticipated income from the City Gallery *Kusama* exhibition.
- Expenditure increased by 13% (\$1.1m) on 2008/09 to \$9.5m, largely driven by increased personnel costs (\$0.7m) due to the re-employment of permanent staff at City Gallery Wellington, the employment of casual staff for the opening exhibitions at the Gallery and the establishment of new positions across Trust institutions. Additional rental and occupancy costs of \$0.4m was the other major increase in spend. Total expenditure was \$0.3m over budget,

## APPENDIX SIX

largely reflecting some unanticipated costs relating to the City Gallery *Kusama* exhibition.

### Statement of Financial Performance

\$ '000	FY Actual	FY Budget	2008/09 Actual
Income (excluding interest)	9,165	8,754	8,238
Expenditure (excluding interest)	9,466	9,177	8,357
Depreciation & amortisation	360	423	395
Operating Surplus/(Deficit)	(253)	(358)	(53)

### Statement of Financial Position

\$ '000	FY Actual	FY Budget	2008/09 Actual
Current assets	706	627	731
Non current assets	4,681	4,679	4,773
Current liabilities	957	830	820
Non current liabilities	94	138	96
Equity	4,337	4,337	4,589
Current ratio	0.7 : 1	0.8 : 1	0.9 : 1
Equity ratio	80%	82%	83%

### Statement of Cash Flows

\$ '000	FY Actual	FY Budget	2008/09 Actual
Operating	495	71	342
Investing	(267)	0	(102)
Financing	(120)	(100)	(112)
Net	107	(29)	128
Closing balance	362	126	254

*Note: the Trust's financial statements have been prepared using NZ IFRS.*

## 2. KPIs

The Trust has achieved and exceeded its targets in most areas. Total visitor numbers of 629,697 were up 17% on 2008/09. The reopening of City Gallery Wellington following an 11 month closure resulted in visitor numbers of 174,995 for the nine months post the re-opening on 26 September 2009, against a visitor target of 180,000 (also a partial year target). However, the Trust did note when setting the target that the City Gallery visitor numbers may be lower than this target if admission charges applied, which was the case. The fact that the City Gallery came so close to making this target reflects the popularity of the *Yayoi Kusama: Mirrored Years* exhibition.

Museum of Wellington City & Sea achieved 99,663 visitors (2008/09: 88,885), exceeding its 90,000 target, and Cable Car Museum exceeded its target by 29,608 with 253,608 visitors (2008/09: 247,422).

## APPENDIX SIX

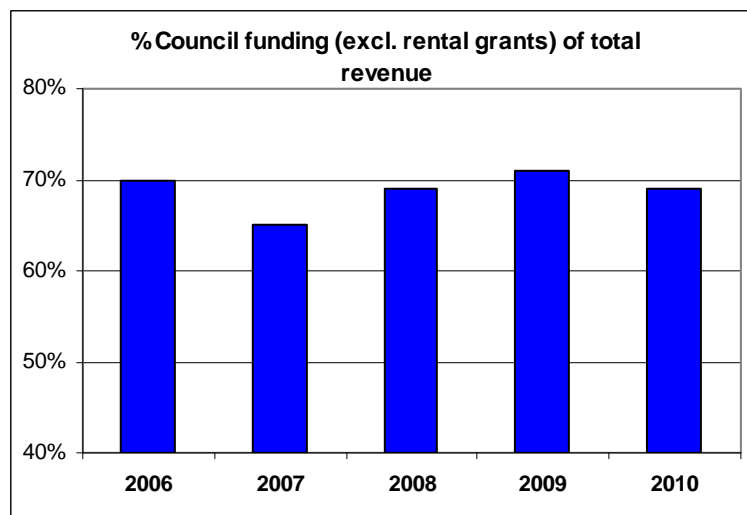
Education programmes and workshops were delivered to 55,076 students, an increase of 7% on 2008/09, and 25,876 more than target.

Levels of visitor satisfaction remain high across the institutions, with 94% of visitors to all Trust institutions rating their experience as good or very good (target of 90%). The rating by institution varies from 87% for City Gallery up to 97% for Capital E and Colonial Cottage. Using the Council's May 2010 Residents' Satisfaction Survey shows visitor satisfaction ratings by institution are also high, varying from 85% for Colonial Cottage to 91% for City Gallery and Museum of Wellington.

Repeat visitation levels were at 39% on average for the year (target of 20%); ranging from 21% for Museum of Wellington to 67% for Capital E. Resident awareness of Museum of Wellington, Cable Car Museum, City Gallery and Capital E is also high, averaging 87% (target 85%).

The Council subsidy per visit (including rental grant) was \$10.85 for the year, below the target of \$12.00 and the implied budgeted \$11.51 subsidy per the Statement of Intent. This compares to \$11.64 last year and \$9.67 in 2007/08. The Council subsidy last year was impacted by the lower visitor numbers with the closure of City Gallery for eight months of the year. Visitor numbers this year are very close to the level of 2007/08 (circa 630,000), however Council grants in 2009/10 were 14% higher (or \$0.8m).

The Trust achieved its target of 90% of its waste at Trust buildings being recycled or reused.



## APPENDIX SIX

Below is a summary of the key performance measures for the year:

<b>City Outcomes</b>	<b>Actual</b>	<b>Target</b>
<b>Attendance Targets:</b> City Gallery Wellington	174,995	180,000
Capital E	95,734	90,000
Museum of Wellington City and Sea	99,663	90,000
Colonial Cottage Museum	2,788	2,000
Cable Car Museum	253,608	224,400
NZ Cricket Museum	2,909	2,000
Percentage of visitors to Trust institutions who are satisfied with the experience	Museum of Wellington 96% City Gallery Wellington 87% Cable Car Museum 91% Colonial Cottage 97% Capital E 97 %	90% of visitors rate their experience as good or very good
Education programmes	55,076 students attended	A minimum of 29,200 students attend curriculum aligned education programmes
Council subsidy per visit (including rental grant)	\$10.85	The Council subsidy per visit does not exceed \$12
Non Council sourced revenue	31%	30% excl. Council rental grant

### 3. Operations

The Trust ran a broad range of activities during the year and 55,076 students participated in learning programmes and workshops. For example, the Capital E National Theatre for Children presented four productions to 39,797 children and their families in fourteen centres around New Zealand.

Funding of \$360,950 was received from Creative New Zealand to support the Capital E theatre programme. In addition the City Gallery's LEOTC contract resumed and Museum of Wellington City & Sea, Cable Car Museum and Colonial Cottage Museum negotiated increased LEOTC funding in recognition of multi-site education delivery in 2010/11.

# APPENDIX SIX

## **Governance**

The Trustees during the year were:

Viv Beck (Chair)  
Quentin Hay  
Hayley Wain (WCC)  
Peter Cullen  
Rhonda Paku  
Philip Shewell  
Alick Shaw

Hayley Wain's term expires at the end of this triennium. Viv Beck and Rhonda Paku's terms expire on 31 December 2010.

## **Key issues going forward**

### **1. Carter Observatory**

With the repeal of the Carter Observatory Act on 31 May, the Carter assets vested to the Council and management responsibility for Carter Observatory was transferred to the Trust. An interim Memorandum of Understanding (MoU) has been signed between the Trust and the Council and, as a result, Carter Observatory is included in the Trust's results from 1 June 2010. More detailed management and lease agreements to replace the MoU are currently being worked on by the Trust and Council officers.

Carter has already made an impact with visitation ahead of target and excellent feedback to date. Financial reporting for Carter will remain ring-fenced until 30 June 2012 to ensure operational transparency for both the Trust and the Council.

During the current year, Carter Observatory will be undertaking a material project to create exhibition spaces in the Pickering and Discovery Rooms. This project is being funded by the Lotteries Commission.

### **2. Financial and operational reviews**

The Trust's deficit position was approved by the Council in recognition of operational demands. In the 2009 LTCCP the Council agreed to a funding increase over three years. With this planned increase in Council funding, the Trust's commitment to generate at least 30% non Council sourced revenue presents a growing challenge.

Progress was made during the year in developing the Trust's commercial revenue generation strategy which will focus on admission charges, retail opportunities, fundraising and venue hire.

## APPENDIX SIX

As discussed in its Statement of Intent, the Trust is currently reviewing its priorities to give greater focus to financial and organisational sustainability, with the aim of achieving breakeven and fully funding depreciation by 2012/13. The Board's review of its priorities is expected to be completed in draft strategic form by the end of 2010.

In addition to this overall Board review, a number of operational reviews were also progressed during the year. The conceptual framework for Museum of Wellington's visitor experience was reviewed and considered by the Board in June 2010. The Trust will now look to develop a 10-year plan for this institution.

As part of a broader discussion on the New Zealand Cricket Museum, the Trust undertook a review of this agreement and confirmed its interest in continuing to be involved with this institution.

A review of the Capital E concept has also begun and audience and stakeholder input will be sought for the further development of a draft concept prior to discussion with the Council. An ongoing issue for the Trust is the Capital E building which remains a less than optimal environment for the presentation of children's programmes.

### **3. Relocation of heritage collections & Plimmer's Ark timbers**

The Council approved a one-off grant of \$283k in 2010/11 to provide for the relocation of its heritage collections and the relocation of the Plimmer's Ark recovered timbers. The Trust's plan to relocate the collections in storage will be delayed for 12 months while they reassess the relocation plan.

### **4. City Gallery ventilation system**

Following the identification of some concerns with the operation of the HVAC system at City Gallery, the Trust is continuing to work with Council officers on resolving this issue.

### **5. Exhibitions**

The Trust is involved in planning a number of exhibitions to coincide with Rugby World Cup 2011, including a proposed major joint exhibition initiative between City Gallery and Te Papa. The proposed exhibition is titled *Oceania* and would open in August 2011.

## **Conclusion**

The Trust had a successful year, reporting an overall deficit of \$253k against a budgeted deficit of \$358k, and delivering 32 temporary exhibitions with 47,991 visitors attending public events. The reopening of the City Gallery received excellent feedback, there was good growth in visitor numbers and continued high visitor satisfaction levels. The Trust's biggest challenge in the next few years is to increase commercial revenue streams so that it can achieve its target of 30% of non Council revenue and fully fund its depreciation.