



*new ways of seeing arts, culture, heritage and Wellington*

## **Statement of Intent 2012-13, 2013-14, 2014-15**

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## Introduction

The Wellington Museums Trust (the Trust) was established by the Wellington City Council (Council) in 1995 and it is now the largest grouping of arts and cultural institutions in Wellington. As the owner of these assets the Council is the principal funder and the Trust is dependent on Council for its long-term financial sustainability and to operate as a going concern. We appreciate, and specifically wish to acknowledge the ongoing support of the Council.

The Carter Observatory (Carter) has been managed under a licence agreement with Council since 1 July 2010. We have now agreed with Council how to fully integrate Carter into the Trust.

The institutions that make up the Trust are:

- City Gallery Wellington
- Museum of Wellington City & Sea (including Plimmer's Ark Galleries at Queens Wharf and in the Old Bank Arcade)
- Wellington Cable Car Museum
- Colonial Cottage Museum
- Capital E
- Carter Observatory

The Trust also has a management agreement with the New Zealand Cricket Museum Incorporated to provide in kind support including financial management to the New Zealand Cricket Museum.

The Statement of Intent reflects the relationship and interest that the Council has in the Trust, and the contribution of the Trust to the Council's vision for the future of Wellington and its community outcomes. Specifically it outlines our intentions for the next three years with detailed focus on the financial period to 30 June 2013.

Appropriate Key Performance Indicators (KPI) are used to assess achievements and progress towards the Trust's vision, goals and strategic priorities, which link to Council's strategic priorities as expressed through *Wellington Towards 2040: Smart Capital* and relevant strategies and plans.

The Trust is a Council Controlled Organisation and this Statement of Intent is a strategic and compliance document presented in accordance with Section 59 of the Local Government Act 2002.

# Executive Summary

## Overview

The Wellington Museums Trust is proud of the key role it plays in Wellington's arts, cultural heritage and space science landscape. We are highly motivated to achieve a sustainable future and to continue to provide inspiring visitor experiences that are educational, entertaining and innovative for Wellingtonians and visitors to our city.

Our vision is that Wellingtonians and visitors to the city experience *new ways of seeing arts, culture, heritage and Wellington*:

- Our visitors are engaged in thought-provoking experiences that achieve high standards of quality, critical acclaim and public participation and appreciation.
- We build on individual strengths, including city and harbour locations, to maximise opportunities to deliver great visitor experiences across the city.
- We make a compelling contribution to Wellington as the cultural capital.
- Our organization is financially sustainable; we break-even or better each year and depreciation is fully funded.

We implemented a new strategic plan in 2011-12 to support our vision, and this Statement of Intent sets out our plan for 2012-13.

## Financial Sustainability

An important outcome for the Trust is financial sustainability. Key strategies are to break-even and fully fund depreciation, to increase our non-Council revenue and to improve efficiency. Excluding the impact of the Carter Observatory, which is included in the Trust's financial projections for the first time, the Trust will break-even by 30 June 2013. However, with Carter, the Trust shows a deficit in each of the financial periods to 30 June 2015. In 2014-15 the deficit is a combination of the Carter deficit plus increased costs.

The Trust's forward projections are also affected by the biennial Capital E National Arts Festival for young people which is included in 2012-13 alongside a reduced events programme. 2013-14 is a non-festival year so a fuller events programme is planned.

An additional and ongoing challenge to achieving break-even is our ability to absorb cost increases. For example, in 2011-12 we absorbed significantly increased energy costs and insurance premiums and in 2012-13 have provided for further likely increases in these costs. In 2013-14 we have provided for 2% growth in other major expenses, and in 2014-15, 2% growth in expenses.

As a consequence, our ability to absorb cost increases without affecting the programme is increasingly difficult to achieve. For example, at this stage we cannot commit to the 2015 Capital E National Festival for young people until we have formed realistic expectations about costs and revenue including Council's base-line funding.

At the same time our drive to find efficiencies continues and includes our commitment to Council's shared services review.

## Revenue Generation

In 2011-12 we refurbished the Cable Car Museum shop and updated the Museum of Wellington City & Sea shop, and the results are promising in terms of increased turnover and revenue. We will continue to develop our retail capability including through the redevelopment of the Museum of Wellington City & Sea, within refurbished or new accommodation for Capital E, and at City Gallery Wellington.

Other important revenue streams include sponsorship, venue hire and admissions. Our research into attitudes towards non-residential admission charges and the introduction of a Wellington Attractions Card has informed our policy on visitor-related revenue generation. At this stage, the Trust has decided not to introduce non-residential admission charges at City Gallery and the Museum of Wellington City & Sea.

We have developed a Trust wide fundraising strategy to guide our approach to fundraising in support of planned capital projects and the development and delivery of the visitor experience. Included in this strategy is our commitment to strengthening existing sponsorship relationships.

## **Visitation**

In the four financial years since 30 June 2007 the SOI visitation target has been exceeded and in three of the four years over 625,000 visits has been achieved. In 2008-09 City Gallery was closed for redevelopment and earthquake strengthening and actual visitation was just under 540,000 compared to a target of 500,000.

Visitation targets are based on previous performance and the programme that is being planned for the year (which in turn is a reflection of the available budget, and other factors such as the impact of admission charges on local visitation and economic conditions). For example, the inclusion in City Gallery's programme of a popular international exhibition on the scale of *Yayoi Kusama: Mirrored Years* (2009-10) significantly boosts visitation.

In 2012-13 we have set the total visitation target at 620,000 taking into consideration a vibrant and exciting programme at City Gallery but no major international show, the inclusion of the 2013 Capital E National Arts Festival but a reduced events programme, and the commencement of the redevelopment of the visitor experience at the Museum of Wellington City & Sea.

The visitation target is reviewed annually as part of business planning and the preparation of the Statement of Intent. At this stage our visitation projections for 2013-14 and 2014-15 show a reduced target due to the biennial programming of Capital E's festival and our decision not to commit to a festival in 2015 at this stage.

## **City Gallery Wellington**

City Gallery is a key contributor to Wellington's standing as the cultural capital of New Zealand. The 2012-13 programme offers audiences a range of experiences including an exhibition on the career of architect Ian Athfield, the work of nine artists, including Dame Robin White, Fiona Hall and John Pule, developed as a result of a voyage to the Kermadecs in May 2011, the photography of Ben Cauchi and an exhibition of the work of Rohan Wealleans.

This will also be new Director, Elizabeth Caldwell's first year in the role and provides an opportunity to evaluate City Gallery's future programming to meet the evolving interests of diverse audiences and to ensure that visitation continues to grow.

## **Museum of Wellington City & Sea**

We plan to redevelop the Museum of Wellington City & Sea visitor experience over a period of five to seven years. This redevelopment will confirm and expand the Museum's role as teller of Wellington's stories, with a multi-faceted, advanced approach to the visitor experience. At completion, the Museum will be a revitalized visitor experience sited over four levels of the Bond Store with a dominant external presence. It will also extend into the online world, supporting visit arrangements, sharing experience, and letting the visitor become part of a wider Museum community.

Stage one of the redevelopment includes the opening in October 2012 of an exhibition with the working title *TestBed* which will promote the redevelopment, trial new ideas and technology and seek visitor input into the redevelopment plan. Also during 2012-13 we will engage consultants to work on the technical aspects of the redevelopment and commence the production of a new film for the Tall Screen.

## **Capital E**

The Capital E concept is designed to create New Zealand's premier cultural arts centre for young people and their families as a destination in the Wellington CBD and through outreach, including an interactive online experience. The concept emphasises the early engagement of young people in the arts and creativity through the development and production of high quality cultural experiences.

In 2012-13 we will complete the redevelopment of the Capital E website providing an interactive platform and (supported by a grant from Council through its Long-term Plan) a review of Capital E's

accommodation requirements. The accommodation feasibility study will include a review of options such as refurbishing the Capital E building through to moving to rental accommodation elsewhere in the CBD.

### **Carter Observatory**

Carter Observatory's visitor experience was completed in 2011-12 with the installation of the *Pickering Gallery* and the *Tuhura Modual*. With the completion of the permanent exhibitions and a changing planetarium programme and events, Carter is now well established as an important contributor to science education and a key component of Wellington's network of visitor attractions. This is reflected in the first two years of visitation and revenue results which have been significantly better than previously achieved but not to the level anticipated in Council's pre-opening business case.

Realistic targets have been set for 2012-13 based on this experience and included in the Trust's financial projections for the first time upon the assumption that we will reach agreement with Council on the future management of Carter.

### **Heritage Collections**

Clear policy and guidelines have enabled us to make significant progress in the management of heritage collections. We have also investigated collection storage options and entered into arrangements to refurbish our existing collection storage facility by July 2012. In this planning period we will continue to review collections, which may lead to de-accessioning and disposal of items in accordance with our Collections Policy.

Detailed preparatory work on moving the recovered Plimmer's Ark timbers from Shed 6 to a new location has been completed. This has involved a further estimate of the time required and likely cost involved to complete the conservation process. In light of this information we plan to review the project with Council before committing to the next phase in the project.

### **Goals and Strategic Priorities**

Our goals and strategic priorities on pages 12 – 16 provide information on the Trust's priorities for the reporting period, and the ways we will address Council's expectations as set out in its letter to the Trust of 16 December 2011. These are grouped under the headings of Visitor Experience, Heritage Collections and Organisation Effectiveness.

## **Financial Position**

The financial projections provided in Appendix 1 (pages 21 -24) include the Carter Observatory for the first time. Previously the Carter Observatory was reported separately in line with the Trust's agreement with Council.

The financial projections are presented on the basis that the Trust's Council base-line funding will be \$8,060,284 in 2012-13, inclusive of base-line funding for the Carter Observatory of \$300,000 and \$50,000 budgeted in 2011-12 for the 2013 Capital E National Festival and carried-over. Base-line funding also includes the occupancy grant used to pay rent on Council-owned buildings that the Trust occupies.

Total revenue is projected at \$11.2 million in 2012-13 decreasing to \$10.8 million in 2013-14 and 2014-15. Total expenses are projected at \$11.3 million in 2012-13 decreasing to \$10.8 million in 2013-14 and \$10.9 million in 2014-15.

The assumptions underpinning the Trust's Financial Projections for 2012-13; 2013-14; and 2014-15 are:

Projected revenue:

- Non-Council revenue is based on 2011-12 forecast levels and the inclusion of the Carter Observatory in the Trust's Financial Projections from 2012-13.
- Council revenue increases by \$300,000 with the inclusion of the Carter Observatory in the Financial Projections.
- No provision has been made for an increase in Council funding to cover cost increases.

Projected expenses:

- Salaries and wages include 1% growth.
- Increased provision of \$80,000 has been included for energy charges to run City Gallery Wellington's new HVAC.
- Insurance includes 10% increased provision to meet the cost of premiums.
- All other expenses have been kept at 2011-12 forecast levels.
- No provision has been made in 2014-15 for the Capital E National Festival for young people.

The 2013-14 and 2014-15 projections are based on the 2012-13 budget plus a growth in major expenses of 2%.

## **Carter Observatory Depreciation**

No provision has been made for Carter's depreciation, which is accounted for within Council's financial projections.

## **Supporting Financial Information**

The accounting policies are provided in Appendix 2 (pages 25 – 28).



## Key Performance Indicators (KPI)

The following represent high-level aggregate indicators of performance to measure achievement of our vision and Council's outcomes.

Detailed KPI information by institution is provided at Appendix 3 (pages 29 – 30).

KPI	2012-13	2013-14	2014-15
Visitation	620,000	605,000	607,200
Quality of visit	90%	90%	90%
Repeat visitation	27%	27%	28%
City residents' awareness - see Appendix 3 Table 4			
% of items aligned with Collections Policy	75%	85%	95%
Non Council Revenue \$,000	\$3,131	\$2,785	\$2,785
Subsidy per visit	\$13.04	\$13.29	\$13.24
Spend per visit	\$3.18	\$2.95	\$2.94

- Visitation is the total number of visits including general public, education and functions attendees.
- Quality of visit is a combination of the relevance of the experience, the knowledge gained, the friendliness of staff, the length of visit and overall enjoyment.
- Repeat visitation counts the number of visitors who have visited the institution at least once before in the previous twelve months.
- City residents' awareness is the number of city residents who know about our institutions and visit them.
- The percentage of items aligned with the Collections Policy assesses progress towards aligning collections in our care to our Collections Policy.
- Non-Council revenue includes revenue from all other sources.
- Subsidy per visit is calculated by dividing Council base-line funding by the number of visits per year.
- Spend per visit is calculated by dividing admissions/retail/venue hire revenue by the number of visits.

## Alignment with Council's vision and strategic priorities

The Trust contributes to the Council's 2040 vision of *Wellington Smart Capital* and the following table links the vision and community outcomes to our goals and strategic priorities. We are also committed to working with Council to help it achieve its Arts and Culture Strategy.

### Community Outcomes

### Our Contribution

#### *People Centred City*

*Toward 2040: A Smart Capital* recognizes that Wellington's people are the city's greatest asset.

Wellington's shape and character will continue to reflect the people who live in, work in, and visit the city. The city will be healthy, vibrant, affordable and resilient, with a strong sense of identity and 'place' expressed through urban form, openness and accessibility.

- We provide opportunities for Wellington's diverse communities to share their experiences, stories and culture in our venues and through creative technology offerings.
- We ensure that our audiences reflect the increasing diversity of Wellington's population by providing relevant, welcoming and engaging programmes.
- We contribute to Wellingtonians' sense of identity and place by providing sites where we can be inspired through art, or engaged in creative activities, or immersed in our heritage, or discover the wonders of the universe.
- We provide safe, accessible, affordable indoor experiences where people can enjoy the freedom of their imaginations.
- We are a significant employer that provides employment opportunities for artists and the creative community.

#### *Connected City*

*Toward 2040: A Smart Capital* sees Wellington as a connected city, with easy access to regional, national and global networks.

Connections will be physical, allowing for ease of movement of people and goods; virtual, in the form of world-class ICT infrastructure; and social, enabling people to connect with each other and their communities.

- We are committed to building on the individual strengths of our city, harbour and Cable Car Precinct locations to maximise visitor experience opportunities and to engage communities.
- We engage local, regional, national and international audiences in thought-provoking experiences that entertain and ignite imaginations.
- We use our regional, national and international networks to bring visitor experiences to Wellington.
- We are committed to improving our World Wide Web connectivity and to enhance the opportunities for creative interactivity.
- We are committed to collaboration as an essential underpinning of financial and organisational sustainability.

### ***Dynamic Central City***

*Toward 2040: A Smart Capital* sets out a vision for a city with a dynamic centre - a place of creativity, exploration and innovation.

The central city will be a vibrant and creative place, helping Wellington to offer the lifestyle, entertainment and amenity of a much bigger city. The CBD will continue to drive the regional economy.

- We contribute to Wellington's quality of life and to its cultural and events brands.
- Our art gallery, museums, observatory, and cultural arts centre for young people in central city locations provide essential lifestyle choices to create and sustain a vibrant and creative city.
- We tell Wellington's story through art and museum exhibitions, planetarium shows, performances and by caring for Wellington's heritage collections.
- We bring to life and provide access to heritage buildings.
- We make a recognised contribution to Wellington's attractiveness as a place to visit and live.

### ***Eco City***

*Toward 2040: A Smart Capital* recognizes that developing Wellington as an eco-city means proactively responding to environmental challenges.

It is important that Wellington takes an environmental leadership role, as capital city of clean and green New Zealand. Our many natural assets give the city a head-start and opportunities as part of a green economy.

- We are committed to operating in an environmentally sustainable way by ensuring that all aspects of our business have the least harmful effect on the environment.
- Through our public education role we provide opportunities for communities to learn about and discuss important issues including climate change and the development of renewable energies.

# Goals, Performance and Strategic Priorities

## Visitor Experience

### GOAL

Our visitor experiences are thought-provoking and achieve high standards of quality, critical acclaim and public participation and appreciation; and we continue to make a compelling contribution to Wellington's arts and cultural capital brand.

### PERFORMANCE

Key performance indicators (KPI) measure:

- Visitation is the total number of visits including general public, education and functions attendees.
- Quality of visit is a combination of the relevance of the experience, the knowledge gained, the friendliness of staff, the length of visit and overall enjoyment.
- Repeat visitation counts the number of visitor who have visited the institution at least once before in the previous twelve months.
- City residents' awareness is the number of city residents who know about our institutions and visit them.

## 2012-13 STRATEGIC PRIORITIES

### *Visitation*

**Objective:** To increase the size and diversity of visitation to our institutions.

**Actions:**

- Strategies that optimize the use of audience and market research data in programming decisions developed and implemented.
- Policy on audience diversity developed and implemented.

### *City Gallery Visitation*

**Objective:** To turn around lower-than-budget visitor numbers experienced in 2011-12.

**Action:**

- Revised marketing plan developed and implemented to complement balanced exhibition programme, presented where appropriate with national and international partners.

### *Carter Observatory Visitation*

**Objective:** To achieve sustainable visitor numbers to support a break-even budget.

**Action:**

- Revised marketing plan developed and implemented.

### *Education*

**Objective:** To develop and implement a new strategy for the delivery of education services across the Trust.

**Actions:**

- Trust education services strategy developed and implemented.
- Trust renegotiates Learning Experiences outside the Classroom (LEOTC) funding contract with the Ministry of Education by 30 June 2014.

### ***Capital E Accommodation***

**Objective:** To ensure that Capital E's accommodation is appropriate for its purpose.

**Actions:**

- Undertake accommodation feasibility study.
- Accommodation plan approved.

### ***Museum of Wellington City & Sea Redevelopment***

**Objective:** To develop and implement a visitor experience redevelopment plan for the Museum of Wellington City & Sea.

**Actions:**

- Stage one of the redevelopment completed and opened.
- Planning for stage two underway with the concept and budget approved for opening in 2014-15.

### ***City Gallery Environmental Conditions***

**Objective:** To ensure that City Gallery Wellington maintains environmental conditions appropriate for the display of art.

**Action:**

- Work with Council to implement further changes to improve environmental conditions if required.

### ***Digitization***

**Objective:** To develop and implement a digitization strategy to support and enhance destination and virtual visitor experiences.

**Actions:**

- Complete the Capital E website development.
- Develop and implement a strategy for further website developments across the Trust.
- Develop a plan for the virtual visitor and the use of technology within the re-developed Museum of Wellington City & Sea's visitor experience.

## **Heritage Collections**

### **GOAL**

Our heritage collections contribute to our understanding of Wellington's unique identity, its history, art and creativity.

### **PERFORMANCE**

The key performance indicator (KPI) measures:

- The percentage of items aligned with the Collections Policy assesses progress towards aligning collections in our care to our Collections Policy.

### **2012-13 STRATEGIC PRIORITIES**

#### ***Collections Management***

**Objective:** To manage heritage collections in line with the Collections Policy, including housing them in appropriate storage.

**Actions:**

- Undertake a review of the Collections Policy incorporating the Carter Observatory Collection.
- Further items de-accessioned and disposed of in accordance with the Collections Policy.

#### ***Carter Observatory Collections***

**Objective:** To manage the Carter Observatory collection in line with the Collections Policy.

**Actions:**

- Move the Carter Collection to the Trust's off-site collection storage facility.
- Assess the Carter Collection against the revised Collections Policy.

#### ***Plimmer's Ark Conservation Project***

**Objective:** To review the conservation of the recovered Plimmer's Ark timbers and implement decisions.

**Actions:**

- The continued conservation of the recovered timbers is reviewed with Council.
- The conservation and interpretation of the Plimmer's Ark relic in situ at the Old Bank Arcade is continued.

## **Organisation Effectiveness**

### **GOAL**

We are a high performing organisation that is innovative and committed to the achievement of our vision, the effective and efficient use of resources, excellent stakeholder and partner relationships, and being socially and environmentally responsible.

### **PERFORMANCE**

Key performance indicators (KPI) measure:

- Non-Council revenue includes all revenue from other sources.
- Subsidy per visit is calculated by dividing the Council grant by the number of visits per year.
- Spend per visit is calculated by dividing admissions/retail/venue hire revenue by the number of visits.

### **2012-13 STRATEGIC PRIORITIES**

#### ***The Trust's Budget***

**Objective:** To ensure that the Trust's budget is break-even and that depreciation is fully funded.

#### **Actions:**

- Budget or better is achieved.
- Collaborative three-year rolling programme planning continues.

#### ***Carter Observatory***

**Objective:** To manage and operate Carter Observatory as part of the Trust on a cost neutral basis to the Trust and as agreed with Council.

#### **Actions:**

- Negotiate new agreement with Council
- Budget or better is achieved.

#### ***Revenue Generation***

**Objective:** To continue to develop the Trust's revenue generation capability.

#### **Actions:**

- Visitation revenue strategy (admissions and retail) developed and implemented.
- Commercial venue hire strategy developed and implemented.
- Planning for Cable Car Museum expansion and commercial opportunities underway.
- Museum of Wellington City & Sea commercial opportunities (potentially retail expansion including food and beverage) are developed in line with the redevelopment programme.
- Commercial opportunities associated with Capital E accommodation confirmed through business case.
- City Gallery commercial plan developed and implemented.
- Trust-wide fundraising strategy implemented.

#### ***Positively Wellington Tourism (PWT) and Council Visitor Attraction Collaboration***

**Objective:** To collaborate with other Council visitor attractions and Positively Wellington Tourism (PWT) to optimise the Council's investment in Wellington attractions.

#### **Actions:**

- Continue formal and informal strategies to build collaboration and to leverage greater benefits from Council's investment.
- Collaborative marketing plan for Cable Car Precinct developed and implemented in partnership with PWT, Parks and Gardens, *Zealandia* and the Cable Car Company.

## **Collaboration: Wellington Museums Trust and Museum of New Zealand Te Papa Tongarewa**

**Objective:** To explore mutually beneficial opportunities for closer collaboration with the Museum of New Zealand Te Papa Tongarewa (Te Papa).

### **Actions:**

- Continue to develop the relationship.
- Achieve at least one collaborative project.

## **Environmental Sustainability**

**Objective:** To operate in an environmentally sustainable way by ensuring that all aspects of our business have the least harmful effect on the environment which is reasonable in all the circumstances.

### **Actions**

- Reinstate the Trust's environmental sustainability committee.
- Review sustainability policy.



## Operating Environment

### Financial

The economic environment will continue to affect revenue generation in 2012-13 although we have experienced an improvement in retail and venue hire revenues in 2011 compared to 2010. Fundraising will continue to struggle in a highly competitive environment and general economic conditions continue to place limits on discretionary spending.

Increasing fixed costs has placed strain on the Trust's budget, particularly as revenue is expected to remain largely static.

**Tourism** – Visitor arrivals from Australia to Wellington increased by 14% in 2011 against a national increase of 2%, while more traditional tourism markets for New Zealand, including UK and USA, visitors are static or in slight decline. The significance of this is that Australian visitors tend to visit for shorter periods of time and spend less than visitors from long-haul markets.

We expect good visitation from Australia to continue during 2012, particularly in the “visiting family and friends” and “business” markets. Visitors are now staying for shorter periods with many visits focusing on North or South Island destinations, rather than both.

The domestic market is showing signs of recovery with spend back to 2009 levels. Wellington topped a recent Colmar Brunton poll as the domestic destination of choice with 80% of respondents indicating an intention to take at least one overnight trip in the next six months, with the majority spending time with family and friends and a majority travelling by car.

**Social/Cultural** – The diversity of the New Zealand population continues to broaden with Māori, Pacific and Asian peoples increasing as a proportion of the population; in particular, New Zealand's youth is increasingly culturally diverse. Overall the New Zealand population is ageing, with the median age projected to increase to 45 years in 2101 compared to 35 years in 2001.

According to information published on the Council's website, Wellington city's population is young with 55.9% aged 18 - 49 years (2006) compared with 45.1% in New Zealand generally. Wellington city has higher proportions of Europeans (76.8%) and Asians (12.7%) than New Zealand as a whole, and lower proportions of Māori (7.4%) and Pacific peoples (6.6%). Over one-third (33%) of Wellington residents have a bachelor degree or higher qualification - the highest in the country.

Wellington city has a steadily growing population estimated at 195,500 people which is expected to grow by 20% over the next 20 Years. About 500,000 people live in the Wellington region. There are 68,901 dwellings in Wellington city and 25,284 Wellington-based businesses. It is estimated that 70% of dwellings have access to the internet.

Wellingtonians rate their quality of life as very high and in early 2009, Wellington city was ranked by a *Top Spots to Live* survey as New Zealand's best place for families, as well as New Zealand's greenest city. Porirua city was also in the top 10 in both categories.

## Operating Framework

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

### Governance

Wellington Museums Trust Trustees are appointed by Council and 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, who reports to the Board.

The Board meets no fewer than nine times per year and has established two committees which review relevant matters prior to consideration by the full Board. These are the Audit and Risk Committee and the People Planning and Performance Committee. In addition, the Board will convene ad hoc working groups to consider specific issues, and guidance in specialist areas is also provided as appropriate.

### Board committees

**Audit and Risk (A&R) Committee** assists the Board in carrying out its duties in regard to financial reporting, risk management and legislative compliance.

**People Planning and Performance (PPP) Committee** provides guidance and support to the Chief Executive in a Human Resources context.

### Board Membership

Trustee	Term expires	Committees
Quentin Hay, Chair	31 December 2013	<i>Ex officio</i>
Jo Bransgrove	30 June 2014	Chair, A & R
Jackie Lloyd	30 June 2014	PPP
Alick Shaw	30 June 2012	A & R
Philip Shewell	30 June 2013	Chair, PPP
Ray Ahipene-Mercer	October 2013	

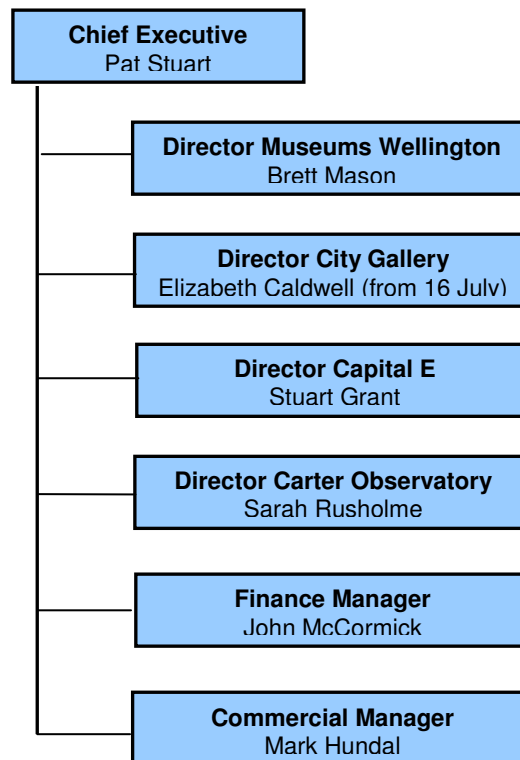
### Board Performance

The Board will meet best practice governance standards and will undertake an annual review of the overall Board, individual and the Chair's performance and report to the Chair of the Council Controlled Organisations Performance Subcommittee (CCOPS) by 30 September 2012.

## 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 within institutions.

The organisation chart follows:



## Risk Management

### *Business continuity*

The Trust's risk profile (Appendix 4, pages 31 - 35) identifies events, and the impact that these events may have on our operations using a system that ranks the probability and level of impact of the event. It includes risk management strategies for specific events, some of which require recovery plans, such as in the case of major natural disaster or pandemic. Overall the Trust's ability to continue to operate following a major event will depend on factors outside of its control such as the extent of material damage to buildings and the continuation of Council funding. The Board reviews the risk profile regularly.

### *Health and Safety Responsibilities*

The Trust is compliant with the Health and Safety in Employment Act 1992 and has a Health and Safety Plan incorporating policies and procedures. Health and safety issues relating to Council-owned buildings that the Trust occupies as a tenant are referred to Council in a timely manner. These have included the Colonial Cottage chimney, water seepage at the Cable Car Museum, and the fire egress and front-door design at Carter Observatory.

### *Insurance*

The Trust has adequate insurance cover to meet its specific business needs, and deductibles are in line with generally accepted risk management principles and affordability.

## **Council Relationship Principles**

The Local Government Act 2002 requires local authorities to promote the cultural well-being of their communities. Funding arts and cultural institutions is one way in which Council meets this requirement. It is important that we are accountable for the ratepayer funds allocated and that we use these resources effectively and efficiently to provide visitor experiences and manage heritage collections.

We will provide quarterly reports in the agreed format to the Council Controlled Organisations Performance Subcommittee (CCOPS) on the agreed dates and present the Statement of Intent on the agreed date. Our Annual Report and audited accounts will be supplied to Council on 9 September 2012.

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

- Operating on a “no surprises” basis so that any significant event that may impact on either party is brought to their attention as soon as it can be reasonably done.
- Open and frank communication will occur between the Board and Council.
- Full disclosure of information will be provided to Council from the Board as deemed necessary by Council to ensure its interests are upheld.
- 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.

**APPENDIX 1: Wellington Museums Trust – Financial Projections 2012-13,  
2013-14; 2014-15**

Budget 30-06-12	STATEMENT OF FINANCIAL PERFORMANCE	Budget Qtr to 30-09-12	Budget Qtr to 31-12-12	Budget Qtr to 31-03-13	Budget Qtr to 30-06-13	Total YE 30-06-13	Total YE 30-06-14	Total YE 30-06-14
	<b>Revenue</b>							
1,863	Trading Income	423	423	423	423	1,694	1,513	1,513
6,241	Council Operating Grant	1,573	1,573	1,573	1,573	6,291	6,241	6,241
1,769	Council Rental Grant	442	442	442	442	1,769	1,769	1,769
653	Other Grants	194	194	194	194	778	714	714
188	Sponsorships and Donations	80	80	80	80	321	230	230
70	Investment Income	16	16	16	16	65	65	65
263	Other Income	69	69	69	69	274	264	264
11,048	<b>Total Revenue</b>	2,798	2,798	2,798	2,798	11,192	10,796	10,796
	<b>Expenditure</b>							
4,737	Employee Costs	1,174	1,174	1,174	1,174	4,698	4,797	4,889
1,769	Council Rent	442	442	442	442	1,769	1,769	1,769
4,249	Other Operating Expenses	1,109	1,109	1,109	1,109	4,437	3,919	3,909
375	Depreciation	94	94	94	94	376	376	376
0	Interest	0	0	0	0	0	0	0
11,129	<b>Total Expenditure</b>	2,820	2,820	2,820	2,820	11,281	10,861	10,943
(82)	<b>Net Surplus/(Deficit) before Taxation</b>	(22)	(22)	(22)	(22)	(89)	(66)	(147)
	Taxation Expense							
(82)	<b>Net Surplus/(Deficit)</b>	(22)	(22)	(22)	(22)	(89)	(66)	(147)
-0.7%	<b>Operating Margin</b>	-0.8%	-0.8%	-0.8%	-0.8%	-0.8%	-0.6%	-1.4%

**NOTES**

- The Carter Observatory Financial Projections are included for the first time, previously they were presented separately.
- The Financial Projections assume that Carter Observatory's assets continue to be licensed to the Trust free of charge and that the Council will continue to depreciate Carter's fixed assets within its accounts.
- Council Operating Grant includes \$50,000 budgeted in 2011-12 for the 2013 Capital E National Festival and carried-over.

**APPENDIX 1: Wellington Museums Trust – Financial Projections 2012-13,  
2013-14; 2014-15**

Total YE 30-06-12	STATEMENT OF FINANCIAL POSITION	Budget	Budget	Budget	Budget	Total YE	Total YE	Total YE
		30-09-12	31-12-12	31-03-13	30-06-13	30-06-13	30-06-14	30-06-14
<b>Shareholder/Trust Funds</b>								
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
38	Restricted Funds	38	38	38	38	38	38	38
1,481	Retained Earnings	1,459	1,437	1,414	1,392	1,392	1,327	1,179
3,642	<b>Total Shareholder/Trust Funds</b>	3,620	3,598	3,575	3,553	3,553	3,487	3,340
<b>Current Assets</b>								
14	Cash and Bank	14	14	14	14	14	14	14
158	Accounts Receivable	239	239	239	165	165	174	182
210	Other Current Assets	105	105	105	221	221	232	243
382	<b>Total Current Assets</b>	358	358	358	400	400	419	439
<b>Investments</b>								
234	Deposits on Call	239	221	424	18	18	(111)	(145)
0	Other Investments	0	0	0	0	0	0	0
234	<b>Total Investments</b>	239	221	424	18	18	(111)	(145)
<b>Non-Current Assets</b>								
4,043	Fixed Assets	4,049	4,055	4,061	4,071	4,071	4,148	4,044
20	Other Non-current Assets	20	20	20	16	16	13	10
4,063	<b>Total Non-current Assets</b>	4,069	4,075	4,081	4,087	4,087	4,161	4,054
4,679	<b>Total Assets</b>	4,666	4,654	4,863	4,505	4,505	4,469	4,348
<b>Current Liabilities</b>								
300	Accounts Payable and Accruals	303	306	530	315	315	320	320
600	Provisions	606	612	618	500	500	525	551
0	Other Current Liabilities	0	0	0	0	0	0	0
900	<b>Total Current Liabilities</b>	909	918	1,148	815	815	845	871
<b>Non-Current Liabilities</b>								
0	Loans - WCC	0	0	0	0	0	0	0
0	Loans - Other	0	0	0	0	0	0	0
137	Other Non-Current Liabilities	138	139	140	137	137	137	137
137	<b>Total Non-Current Liabilities</b>	138	139	140	137	137	137	137
3,642	<b>Net Assets</b>	3,620	3,598	3,575	3,553	3,553	3,487	3,340
0.42	<b>Current Ratio</b>	0.39	0.39	0.31	0.49	0.49	0.50	0.50
0.78	<b>Equity Ratio</b>	0.78	0.77	0.74	0.79	0.79	0.78	0.77

**APPENDIX 1: Wellington Museums Trust – Financial Projections 2012-13,  
2013-14; 2014-15**

Total YE 30-06-12	STATEMENT OF CASH FLOWS	Budget Qtr to 30-09-12	Budget Qtr to 31-12-12	Budget Qtr to 31-03-13	Budget Qtr to 30-06-13	Total YE 30-06-13	Total YE 30-06-14	Total YE 30-06-14
	<b>Cash provided from:</b>							
1,845	Trading Receipts	447	423	423	382	1,675	1,493	1,493
8,010	WCC Grants	2,015	2,015	2,015	2,015	8,060	8,010	8,010
653	Other Grants	194	194	194	194	778	714	714
188	Sponsorships and Donations	80	80	80	80	321	230	230
70	Investment Income	16	16	16	16	65	65	65
263	Other Income	69	69	69	69	274	264	264
11,030		2,821	2,798	2,798	2,756	11,173	10,776	10,775
	<b>Cash applied to:</b>							
4,730	Payments to Employees	1,173	1,173	1,173	1,177	4,698	4,797	4,889
6,614	Payments to Suppliers	1,715	1,715	1,494	2,057	6,981	6,380	6,374
(596)	Net GST Cashflow	(172)	(172)	(172)	(172)	(690)	(722)	(723)
0	Other Operating Costs	0	0	0	0	0	0	0
0	Interest Paid	0	0	0	0	0	0	0
10,748		2,716	2,716	2,495	3,062	10,989	10,455	10,540
282	<b>Total Operating Cash Flow</b>	105	82	303	(306)	184	321	235
	<b>Investing Cash Flow</b>							
	<b>Cash provided from:</b>							
0	Sale of Fixed Assets	0	0	0	0	0	0	0
0	Other	0	0	0	0	0	0	0
	<b>Cash applied to:</b>							
200	Purchase of Fixed Assets	100	100	100	100	400	450	270
0	Other	0	0	0	0	0	0	0
200		100	100	100	100	400	450	270
(200)	<b>Total Investing Cash Flow</b>	(100)	(100)	(100)	(100)	(400)	(450)	(270)

**APPENDIX 1: Wellington Museums Trust – Financial Projections 2012-13, 2013-14; 2014-15**

Budget 30-06-12	STATEMENT OF CASH FLOWS (CONT)	Budget Qtr to 30-09-12	Budget Qtr to 31-12-12	Budget Qtr to 31-13-13	Budget Qtr to 30-06-13	Forecast to 30-06-13	Forecast to 30-06-14	Forecast to 30-06-14
<b>Financing Cash Flow</b>								
<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>								
0	Repayment of Loans	0	0	0	0	0	0	0
0	Other					0	0	0
0		0	0	0	0	0	0	0
0	<b>Total Financing Cash Flow</b>	0	0	0	0	0	0	0
82	<b>Net Increase/(Decrease) in Cash Held</b>	5	(18)	203	(406)	(216)	(129)	(35)
166	<b>Opening Cash Equivalents</b>	248	254	235	438	248	32	-96
248	<b>Closing Cash Equivalents</b>	254	235	438	32	32	(96)	(131)
0		0	0	0	0	0	0	0
Budget 30-06-12	CASH FLOW RECONCILIATION	Budget Qtr to 30-09-12	Budget Qtr to 31-12-12	Budget Qtr to 31-03-13	Budget Qtr to 30-06-13	Forecast to 30-06-13	Forecast to 30-06-14	Forecast to 30-06-14
(82)	<b>Operating Surplus/(Deficit) for the Year</b>	(22)	(22)	(22)	(22)	(89)	(66)	(147)
<b>Add Non Cash Items</b>								
375	Depreciation	94	94	94	94	376	376	376
0	Other	0	0	0	0	0	0	0
293		72	72	72	72	287	311	229
<b>Movements in Working Capital</b>								
(8)	(Increase)/Decrease in Receivables	(82)	0	0	74	(8)	(8)	(9)
(10)	(Increase)/Decrease in Other Current Assets	105	0	0	(116)	(11)	(11)	-12
0	Increase/(Decrease) in Accounts Payable	3	3	224	(215)	15	5	0
7	Increase/(Decrease) in Other Current Liabilities	7	7	7	-121	-100	25	26
(11)		34	10	231	-378	-103	11	6
<b>Net Gain/(Loss) on Sale:</b>								
0	Fixed Assets	0	0	0	0	0	0	0
0	Investments	0	0	0	0	0	0	0
282	<b>Net Cash Flow from Operations</b>	105	82	303	(306)	184	321	235



## **APPENDIX 2: 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 is domiciled in New Zealand. It is a Council Controlled Organization (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, the Wellington Cable Car Museum and the Carter Observatory as from 1 June 2010.

The principal activity of the Trust is to manage the 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 have been 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 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 are prepared on the historical cost basis.

##### **c) Presentation currency**

These financial statements are 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 surplus/ (deficit) as an expense as incurred.

## **(ii) Depreciation**

Depreciation is charged to surplus/ (deficit) 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 equipment 25% SL
- Motor vehicles 20% SL
- Building Fittings 5%-25% SL
- Collections & artefacts Not depreciated

The residual value of assets is reassessed annually.

## **b) Collections and artefacts**

Collections and artefacts are carried at cost. A substantial amount of the collections were 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 2010. The Trustees reconfirmed that the carrying value at 30 June 2011 is appropriate and that no impairment event has occurred.

## **c) 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 surplus/ (deficit) 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

## **d) Trade and other receivables**

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

## **e) 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.

## **f) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits.

## **g) 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 surplus/ (deficit).

Estimated recoverable amount of other assets, e.g. property, plant and equipment and intangible asset, 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.

#### **h) Interest-bearing loans**

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

#### **i) Employee benefits**

**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.

#### **j) 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.

#### **k) Trade and other payables**

Trade and other payables are stated at cost.

#### **l) Revenue**

##### **(i) Funding**

The Trust's activities are supported by grants, sponsorship and admissions. 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 recognized 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 amortized to income throughout the period of the exhibition.

##### **(iii) Donations**

Cash donations from the community are recognized in the Income Statement at the point at which they are receipted into the Trust's bank account.

##### **(iv) Sale of merchandise**

Revenue from the sale of merchandise is recognised in surplus/ (deficit) 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.

## **m) Expenses**

### **(i) Operating lease payments**

Payments made under operating leases are recognised in surplus/ (deficit) on a straight-line basis over the term of the lease. Lease incentives received are recognised in surplus/ (deficit) 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 surplus/ (deficit) using the effective interest method.

## **n) 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 realized 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.

## **o) 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.

## **p) 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.
- 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 sought<sup>1</sup>**

The Trust seeks a core operational funding grant (excluding rental subsidy of \$1,768,938) of \$6,240,000 for the 2012-13 financial year and an extension of the Wellington Museums Trust Funding Deed executed on 28 October 1999 in accordance with clause 5.2 of the Deed.

## **6. Significant Obligations/Contingent Liabilities**

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.

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## APPENDIX 3: Performance by Institution

**Table 1 Visitation<sup>2</sup>**

Visitor Numbers	Qtr to 30-Sep-11	Qtr to 31-Dec-11	Qtr to 31-Mar-12	Qtr to 30-Jun-12	Forecast to 30-Jun-13	Forecast to 30-Jun-14	Forecast to 30-Jun-15
City Gallery Wellington	32,000	35,500	38,500	37,000	143,000	143,000	143,000
Museum of Wellington	24,000	24,000	23,000	22,800	93,800	93,800	93,800
Capital E	23,000	30,000	28,000	21,000	102,000	76,000	76,000
Cable Car Museum	50,000	72,000	60,000	45,000	227,000	238,000	240,000
Carter Observatory	11,400	12,000	12,800	13,800	50,000	50,000	50,000
Colonial Cottage Museum	430	720	500	450	2,100	2,100	2,200
Cricket Museum	430	720	500	450	2,100	2,100	2,200
<b>Total</b>	<b>141,260</b>	<b>174,940</b>	<b>163,300</b>	<b>140,500</b>	<b>620,000</b>	<b>605,000</b>	<b>607,200</b>

**Table 2 Quality of Visit**

Quality of the Visitor Experience	2012-13	2013-14	2014-15
City Gallery Wellington	90%	90%	90%
Museum of Wellington	90%	90%	90%
Capital E	90%	90%	90%
Wellington Cable Car Museum	90%	90%	90%
Carter Observatory	90%	90%	90%
Colonial Cottage Museum	90%	90%	90%
<b>Average</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>

**Table 3 Repeat Visitation**

Repeat Visitation	2012-13	2013-14	2014-15
City Gallery Wellington	25%	25%	25%
Museum of Wellington	25%	25%	25%
Capital E	40%	40%	45%
Wellington Cable Car Museum	25%	25%	25%
Carter Observatory	23%	25%	25%
<b>Average</b>	<b>27%</b>	<b>27%</b>	<b>28%</b>

**Table 4 Residents' Awareness (Annual Survey)**

Residents' Awareness	2012-13	2013-14	2014-15
City Gallery Wellington	88%	90%	92%
Museum of Wellington	90%	92%	92%
Capital E	85%	87%	90%
Wellington Cable Car Museum	90%	92%	92%
Carter Observatory	87%	90%	92%
Colonial Cottage Museum	55%	57%	60%
Cricket Museum	55%	57%	60%

**Table 5 Non Council Revenue**

Non Council Revenue \$'000	2012-13	2013-14	2014-15
City Gallery Wellington	373	373	373
Museums Wellington <sup>3</sup>	600	590	590
Capital E	1,330	994	994
Carter	612	612	612
<b>Wellington Museums Trust</b>	<b>3.131</b>	<b>2,785</b>	<b>2.785</b>

**Table 6 Efficiency**

Subsidy per Visit	2012-13	2013-14	2014-15	Spend per Visit	2012-13	2013-14	2014-15
City Gallery Wellington	\$13.73	\$13.83	\$13.83	City Gallery Wellington	\$1.20	\$1.20	\$1.20
Museums Wellington	\$5.05	\$4.80	\$4.77	Museums Wellington	\$1.51	\$1.42	\$1.41
Capital E	\$12.60	\$14.66	\$14.66	Capital E	\$6.30	\$6.07	\$6.07
Carter	\$7.78	\$7.84	\$7.84	Carter	\$10.41	\$10.41	\$10.41
<b>Wellington Museums Trust</b>	<b>\$13.04</b>	<b>\$13.29</b>	<b>\$13.24</b>	<b>Wellington Museums Trust</b>	<b>\$3.18</b>	<b>\$2.95</b>	<b>\$2.94</b>

<sup>3</sup> Museums Wellington includes the Museum of Wellington City & Sea, the Cable Car Museum and the Colonial Cottage Museum. Direct resources and overheads are shared across all institutions and revenue and subsidy per visit is aggregated.

## APPENDIX 4 Risk Profile

No.	Areas at risk	Risk Identification	Prob.	Impact	Risk value	Risk Management	Owner
1	Financial H & S Operational Visitation Collections	Natural Disaster (Earthquake/tsunami) causing destruction and infrastructure failure.	-2	7	5	<ul style="list-style-type: none"> <li>▪ Emergency preparedness reviewed annually and focused on the safety of people first and collections second.</li> <li>▪ Disaster recovery plan in place for operation including collections.</li> <li>▪ Insurance cover for loss or damage to collections and property and for business Interruption in place.<sup>4</sup></li> </ul>	CEO
2	Financial H & S Operational Visitation Collections Lender confidence	Flood	-1	5	4	<ul style="list-style-type: none"> <li>▪ Emergency procedures in place for people, collections and equipment.</li> <li>▪ Recover plan in place for operation including collections.</li> <li>▪ Insurance cover in place for loss or damage to collections and property and for business Interruption.</li> </ul>	CEO
3	Financial H & S Operational Visitation Collections	Influenza Epidemic/Pandemic	-1	5	4	<ul style="list-style-type: none"> <li>▪ Epidemic/Pandemic preparedness plan in place.</li> <li>▪ Staff training.</li> <li>▪ Communications plan prepared.</li> <li>▪ Manager/supervisor/staff awareness of symptoms.</li> <li>▪ Free flu shots offered to staff.</li> </ul>	CEO
4	Financial Operational Reputation	Loss of Council confidence	-3	6	3	<ul style="list-style-type: none"> <li>▪ No surprises policy.</li> <li>▪ Compliance with accountability requirements.</li> <li>▪ Regular and open communication with Mayor, Councillors and officers.</li> <li>▪ Achieve KPIs.</li> </ul>	Trustees / CEO
5	Financial Operational Visitation Collections Reputation	Attraction and retention of key staff	-1	4	3	<ul style="list-style-type: none"> <li>▪ Succession planning.</li> <li>▪ Staff development.</li> <li>▪ Remuneration strategy.</li> </ul>	CEO / Trustees

<sup>4</sup> Business Interruption insurance cover is in place for Wellington based activities which generate revenue. E.g., through admissions and retail.

No.	Areas at risk	Risk Identification	Prob.	Impact	Risk value	Risk Management	Owner
6	Financial Operational Visitation Collections Reputation	Key staff incapacity due to serious illness or injury, or sudden death due to illness or accident.	-2	5	3	<ul style="list-style-type: none"> <li>▪ HR Policies (sick leave)</li> <li>▪ Succession planning.</li> <li>▪ Staff development.</li> <li>▪ Insurance cover.</li> </ul>	CEO / Trustees
7	Financial Operational Stakeholder confidence	Commercial revenues not achieved (Admissions, retail, venue hire and fundraising)	-1	4	3	<ul style="list-style-type: none"> <li>▪ Realistic budgeting based on actual performance and operating environment.</li> <li>▪ Monthly/weekly/daily/ tracking as appropriate.</li> <li>▪ Early advice of potential failure.</li> <li>▪ Weekly or monthly reporting on areas underperforming.</li> <li>▪ Contingencies for fundraising.</li> </ul>	CEO/ Directors/ Commercial Manager/ Finance Manager
8	Financial Operational Visitation Collections	IT, including websites and utilities infrastructure loss and failure	-1	4	3	<ul style="list-style-type: none"> <li>▪ System back-up.</li> <li>▪ Ongoing upgrade.</li> <li>▪ Preventative maintenance.</li> </ul>	Finance Manager
9	Financial H& S Operational Visitation Collections Lender confidence Reputation	Security breach/damage to collections on display	-3	6	3	<ul style="list-style-type: none"> <li>▪ Display strategies minimise risk.</li> <li>▪ CCTV monitoring.</li> <li>▪ Staff monitoring/awareness.</li> <li>▪ Visible security presence at City Gallery and elsewhere as required.</li> <li>▪ Staff training on how to deal with potential or real threat.</li> <li>▪ Insurance cover in place for loss or damage to collections and property.</li> </ul>	CEO/ Directors / Commercial Manager
10	Financial H& S Operational Visitation Public/ stakeholder confidence Reputation	Significant site incident causing serious harm or death of staff member or visitor	-2	5	3	<ul style="list-style-type: none"> <li>▪ H&amp;S Plan, Policies and Procedures in place.</li> <li>▪ Annual H&amp;S audits of all sites.</li> <li>▪ Staff training including first-aid.</li> <li>▪ Emergency response procedures in place and understood by staff.</li> <li>▪ Public Liability and Employers Liability insurance in place.</li> </ul>	CEO



No.	Areas at risk	Risk Identification	Prob.	Impact	Risk value	Risk Management	Owner
11	Financial H& S Operational Visitation Collections Lender confidence	Fire	-3	5	2	<ul style="list-style-type: none"> <li>▪ All buildings and sites are code compliant through building WoF (sprinkler systems in all buildings, VESDA system in Gallery)</li> <li>▪ Emergency procedures in place for people and collections.</li> <li>▪ Disaster recover plan in place for operation including collections.</li> <li>▪ Insurance cover in place for loss or damage to collections and property and for business Interruption.</li> </ul>	CEO
12	Financial H& S Operational Collections Lender confidence Reputation	Collection deterioration due to environmental conditions within collections store	-2	4	2	<ul style="list-style-type: none"> <li>▪ Collections Policy and procedures in place and are followed.</li> <li>▪ Collection store refurbishment.</li> <li>▪ Monitor environmental conditions.</li> </ul>	CEO/ Director Museums Wellington
13	Financial H& S Operational Collections Lender confidence Reputation	Borrowed art work deterioration due to environmental conditions within City Gallery	-2	4	2	<ul style="list-style-type: none"> <li>▪ Monitor and record conditions.</li> <li>▪ Review sensor placement and make adjustments.</li> <li>▪ If required prepare remedial insulation plan in consultation with Council.</li> <li>▪ Manage relationships with institutional and private collectors.</li> </ul>	CEO/ Director City Gallery Wellington

No.	Areas at risk	Risk Identification	Prob.	Impact	Risk value	Risk Management	Owner
14	Financial Operational Visitation Stakeholder confidence	Policy and/or procedural failure leading to legal action	-3	4	1	<ul style="list-style-type: none"> <li>▪ Relevant legislation identified.</li> <li>▪ Policies and procedures align with legislation.</li> <li>▪ Policies and procedures reviewed at least every 3 years or with changes to legislation.</li> <li>▪ Delegations (financial and HR understood and followed).</li> </ul>	CEO
15	Financial Operational Reputation Fundraising	Staff fraud	-3	4	1	<ul style="list-style-type: none"> <li>▪ Fraud Policy</li> <li>▪ Policy and procedures covering delegations, signatories, cash handling, sensitive expenditure.</li> <li>▪ Staff training/awareness.</li> <li>▪ Code of Conduct.</li> <li>▪ Audit.</li> <li>▪ Fidelity Guarantee insurance cover.</li> </ul>	CEO / Finance Manager
16	Financial Operational	Impairment of value due to damage or slow moving inventory	-3	4	1	<ul style="list-style-type: none"> <li>▪ Inventory managed / reviewed at least annually.</li> </ul>	Finance Manager
17	Financial Operational	Legislative compliance	-3	4	1	<ul style="list-style-type: none"> <li>▪ All relevant legislation identified.</li> <li>▪ Key compliance areas identified.</li> <li>▪ Internal policies and procedures align with legislation.</li> <li>▪ Legislation list reviewed annually.</li> </ul>	CEO / Finance Manager

Score	Probability that the event will occur
1	Almost certain to occur and / or could occur frequently
0	Likely to occur and / or could occur more than once
-1	Could occur and / or could occur at least once
-2	Unlikely to occur and / or might occur once
-3	Almost certain that it will not occur

Score	Level of impact if the event occurs
7	Catastrophic Damage value greater than 50% and / or Major delay to output delivery and / or Major impact on this and other business opportunities
6	High Impact Damage value between 20% and 50% and / or Significant delay to project completion and / or Significant impact on this and other business opportunities
5	Major Impact Damage value between 5% and 20% and / or Completion or delivery affected and / or Some impact on this and other business opportunities
4	Minor Impact Damage value less than 5% and / or Completion or delivery not affected but an aspect may be affected / or The business opportunities could be impacted
3	Negligible Damage value covered by contingency and any delays are barely noticeable Business unaffected
2	Minimal

## Directory

### Wellington Museums Trust

Pat Stuart, Chief Executive

Trust Office: The Bond Store  
Queens Wharf, PO Box 893, Wellington  
P: 471 0919, F: 471 0920  
E: [trust@wmt.org.nz](mailto:trust@wmt.org.nz)  
[www.wmt.org.nz](http://www.wmt.org.nz)

### City Gallery Wellington

Elizabeth Caldwell, Director (from 16 July)

Civic Square  
101 Wakefield Street  
PO Box 2199, Wellington  
P: 801 3021, F: 801 3950  
E: [citygallery@wmt.org.nz](mailto:citygallery@wmt.org.nz)  
[www.city-gallery.org.nz](http://www.city-gallery.org.nz)

### Capital E

Stuart Grant, Director

Civic Square  
101 Wakefield Street  
PO Box 3386, Wellington  
P: 913 3720, F: 913 3735  
E: [capitale@wmt.org.nz](mailto:capitale@wmt.org.nz)  
[www.capitale.org.nz](http://www.capitale.org.nz)

### Carter Observatory

Dr Sarah Rusholme, Director

Botanic Gardens  
PO Box 2909, Wellington  
P: 910 3140  
E: [info@carterobservatory.org](mailto:info@carterobservatory.org)  
[www.carterobservatory.org](http://www.carterobservatory.org)

### Museums Wellington

Brett Mason, Director

### Museum of Wellington City & Sea (Museum of Wellington)

Queens Wharf  
PO Box 893, Wellington  
P: 472 8904, F: 496 1949  
E: [museumswellington@wmt.org.nz](mailto:museumswellington@wmt.org.nz)  
[www.museumswellington.org.nz](http://www.museumswellington.org.nz)

### Cable Car Museum

1 Upland Road  
PO Box 893, Wellington  
P: 475 3578, F: 475 3594  
E: [cablecar@wmt.org.nz](mailto:cablecar@wmt.org.nz)  
[www.cablecarmuseum.co.nz](http://www.cablecarmuseum.co.nz)

### Colonial Cottage Museum

68 Nairn Street  
PO Box 893, Wellington  
P: 384 9122, F: 384 9202  
E: [colonialcottage@wmt.org.nz](mailto:colonialcottage@wmt.org.nz)  
[www.colonialcottagemuseum.co.nz](http://www.colonialcottagemuseum.co.nz)

### Plimmer's Ark Galleries

Queens Wharf (recovered timbers)  
Old Bank Arcade (timbers in situ)

### New Zealand Cricket Museum

David Mealing, Manager

The Old Grandstand, Basin Reserve  
PO Box 578  
Wellington  
P: 385 6602, F: 384 3498  
E: [cricket@wmt.org.nz](mailto:cricket@wmt.org.nz)  
[www.nzcricket.co.nz](http://www.nzcricket.co.nz)

