

WELLINGTON MUSEUMS TRUST

STATEMENT OF INTENT

2006-07

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Wellington Museums Trust

1 The Status of the Trust

The Wellington Museums Trust Incorporated is incorporated under the Charitable Trust Act 1957 and is a not for profit organisation. It is currently responsible for the following facilities:

- The City Gallery Wellington
- The Museum of Wellington City and Sea
- Capital E
- The Colonial Cottage
- Wellington Cable Car Museum
- Inconstant/Plimmers Ark Conservation Project and Galleries
- New Zealand Cricket Museum

1.1 The Vision and Mission

The Vision of the Trust is

Making Wellington the ultimate arts and heritage destination in New Zealand as a place to live and as a place to visit.

The Mission is

To lead the cultural development and contribute to the economic development of the Capital

The Trust does this by being the umbrella organisation for a vibrant grouping of arts, cultural and heritage attractions based in New Zealand's political and creative capital. The Trust's facilities comprise the city's largest grouping of cultural and heritage attractions.

1.2 Objectives of the Wellington Museums Trust

These are as stated in the Trust Deed as agreed between the Wellington City Council and the Wellington Museums Trust.

The objects for which the Trust is established are:

- To manage and develop the Trust programmes and services and acquire and manage the Collections and to operate them for the benefit of the inhabitants of Wellington.
- To endeavour to achieve the objectives the City Council sets for the delivery of services in respect of the Trust Facilities as negotiated and set out in the Funding Agreement.

- To implement the City Council's policy as revised from time to time, for the development and enhancement of the Trust with an emphasis on Wellington, and in accordance with the Business Plan.
- To provide advice to the City Council on the City Council's long term policy for the development of museum and gallery services in Wellington.
- To establish exhibition programmes and education policies for the Trust Facilities.
- To develop acquisition, de-accession and Collection development policies for the Trust.
- To ensure all financial, administration, marketing, technology and other services required for the Trust are provided.
- To determine charges for viewing or using any of the Trust services/programmes, the Collections, or the Trust Assets with a view to maximising revenue from and public utilisation of the Trust Facilities.
- To conduct any other activities that the Trustees determine support the objectives of the Trust.
- To house and care for any art collections, antiquities or other articles acquired by, loaned to or otherwise made available to the Trust and particularly to preserve and maintain the Maritime Museum Collection (subject to any de-accession policies developed by the Trustees).
- To ensure so far as the Trustees determine is reasonable that the facilities provided by the Trust are complementary to those provided by the Museum of New Zealand.
- To liaise with Positively Wellington Tourism to maximise the attraction of visitors to Wellington.
- To acquire land or other assets where the Trustees determine that such land or other assets can be used in conjunction with the Trust Facilities or to promote the objectives of the Trust.
- To encourage and foster liaison and co-operative activities with related facilities, particularly those in the Wellington Region.
- Generally, to do all acts, matters and things that the Trustees consider necessary or conducive to further or attain the other objects of the Trust set out above.

2 Governance

The Wellington Museums Trust is a Council Controlled Organisation. It was established in 1995 by the Wellington City Council to develop and manage Wellington museums, galleries and arts facilities.

2.1 Role of the Board

The Trustees are responsible for setting the strategic direction for the Trust, and approving the Statement of Intent and Annual Business Plan. The Board monitors the organisational performance and ensures the ongoing viability of the organisation is maintained.

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

As part of the ongoing relationship with the Wellington City Council the Chair meets with the Mayor and CEO on a monthly basis and the CEO meets regularly with Officers of the Monitoring Unit and other Council Management when appropriate. The Chair and CEO attend the Monitoring Sub Committee as required.

2.2 Board membership

| | Term expires |
|--------------------|------------------|
| Bill Brien (Chair) | 31 December 2007 |
| Peter Blades | 31 December 2008 |
| Simon Marsh | 31 December 2007 |
| Viv Beck | 31 December 2007 |
| Helene Ritchie | October 2007 |

2.3 Board operations

The Board meets no less than nine times per year and has the following subcommittees.

2.4 Audit and Finance Sub Committee

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

2.5 Personnel Sub Committee

The Personnel Sub Committee reviews the terms and conditions of the Chief Executive and monitors performance.

3 The nature and scope of the activities to be undertaken

3.1 Background and operating environment

The Trust has a diverse range of operating activities and operates in the heritage, tourism, arts and cultural sectors.

It is reliant on financial support from the City, funding from grant agencies and sponsors, income from visitors to the city, income generated from exhibitions and continued support from a volunteer workforce to maintain its operating capability. The Trust competes with other city priorities for funding and is publicly accountable for its expenditure.

3.1.1 A portfolio approach to managing the city arts, heritage and cultural assets.

The Trust's strength is in its ability to manage a portfolio of the city's arts, heritage and cultural assets and have sufficient scale to retain the capability required to create high quality creative and heritage experiences, to engage the community, to manage the Trusts assets and achieve the outcomes sought by the city.

This approach is scaleable and there is opportunity to leverage this with other heritage and cultural assets with minimal investment. There are opportunities to continue to develop partnerships with other entities within the city.

3.1.2 Creative capacity and development

A core function of the Trust is to actively create, develop and promote its exhibits and programmes to maintain its audience numbers and market positioning. Retaining and building repeat visitation levels requires an ongoing exhibit development programme.

This requires core interpretative and creative capability to be retained within the Trust and its operations. Each facility has appropriate specialist resources and as a whole gives the Trust the ability for these resources to be retained and shared across the venues.

The Trust aims to rebuild the number of exhibits held each year at the Museum of Wellington City & Sea and the City Gallery. The City Gallery Wellington plans in the longer term to return to four seasons of international standard exhibitions each year. The Museum of Wellington City & Sea retains 10% of exhibit space for a regularly changing exhibition programme that should ideally see four new exhibitions developed each year.

Capital E has positioned Wellington as the site of New Zealand's premier children's theatre, and the Capital E National Arts Festival has developed as a key arts event in the capital city. Capital E provides children (through OnTV studio, SoundHouse NZ Studio, events and workshops) with the means to explore and express their creative voice, responding to exposure to a wide variety of creative and performance media. It is widely regarded by the museum, arts and education sectors as a primary link between children and the creative technology and performance arts industries.

It has redeveloped and opened the Cable Car Museum, integrating the restored Grip Car 3 (1904), improving the quality of displays, facilities and visitor access.

The Trust has reviewed the operation of the Colonial Cottage Museum and is now focussed on the published opening hours which will limit the opportunity to host school and other groups.

3.1.3 Collaboration and Partnerships

The Trust is part of a relatively small New Zealand sector which is reliant on cooperation and collaboration within the city, nationally and internationally. There are a number of smaller entities that operate in the heritage, cultural and arts sectors in Wellington which offers the opportunity to increasingly leverage resources and capability for joint benefit and the benefit of the city.

The Trust leverages its relationships to access resources for exhibitions and sponsorship to support its activities. The joint collaboration of New Zealand institutions enables a wider range of exhibits to be accessed by Wellington city residents.

The number of collaborative partnerships is extensive across cultural, heritage, arts, community and sponsoring organisations.

Touring exhibitions are undertaken by the City Gallery Wellington and the Museum of Wellington City & Sea which support the vision of Wellington being the creative capital. This includes the planned tour of Innocents Abroad in collaboration with Te Papa and the Frank Barnes maritime art exhibition.

New partnerships will be encouraged and fostered with other Wellington Arts and Heritage organisations such as, Katherine Mansfield Birthplace, New Zealand Centre for Photography (Shed 11 type project), New Zealand Portrait Gallery and other organisations where there is a synergy and a willingness that can be mutually beneficial for both organisations and for the city at large.

Capital E's National Theatre for Children is the New Zealand representative on the Asia Pacific Producers and Presenters Network (APPN). The coming year will see the theatre tour internationally, performing the Gavin Bishop inspired *Hinepau* at the Sydney Opera House and Victorian Arts Centre in Melbourne. Our relationship with festivals in Canada, Scotland and Australia make for excellent exchange opportunities. Our position as a leader in the SoundHouse field has seen us host the international conference of the SoundHouse Alliance, with members from China, US, South Africa, Australia, and Ireland. We are hosting graduates in creative industry sabbaticals from the US, France and Sweden this year.

3.1.4 Engaging the Community

The Trust actively engages with the Wellington community at each of its key facilities. This is undertaken by developing public programmes that support public exhibitions,

providing a venue for local community groups to present their own exhibitions and hold functions.

The City Gallery Wellington engages closely with the community through its public programmes and events with a strong linkage to education and groups with specialist needs.

The Museum of Wellington City & Sea actively promotes local artists, musicians and community art facilities through its exhibitions programme. The winter season at the Museum of Wellington City & Sea is particularly important in developing strong community linkages.

Active community participation and recreation is promoted with ONTV Studio, SoundHouse NZ, the Circus School, the Animation Workshop and the Capital E Whole Drama Programme. These programmes complement our theatre and arts programmes, shaped to inspire our child audience with works from a wide range of cultural experts and leading arts professionals. They promote active participation in after school, weekend and holiday creative activity throughout the year, with independent funding secured to ensure accessibility. They sit alongside our delivery to the education sector of hands on creative learning experiences.

3.1.5 Visitor audiences

The Trust operates in and is influenced by the local, domestic and international visitor markets.

In the past five years, visitors to the Wellington have increased due to increased visitor numbers to New Zealand and a growing reputation and brand for Wellington as a visitor destination.

International visitor arrivals to Wellington increased 8.8% from 547,793 in 2004 to 595,947 in year-end March 2005 and international visitor nights spent in Wellington increased 20% from 3,829,938 in 2004 to 4,597,574 in 2005 year-end March¹. Wellington city's guest nights have grown 21% since 2000 while the national growth in guest nights for the same period was 11%².

This is reflected in growth in visitor numbers at the Trust facilities in this period and has supported the overall viability of Trust activities. International visitor numbers make up 43% of visitors to the Museum of Wellington City & Sea, 70% of the Cable Car Museum visitors and up to 34% of City Gallery visitors during peak seasons.

However the tourism market is softening due a number of factors including the continuing high New Zealand dollar and this may impact on the financial performance in the medium term. Statistics New Zealand stated that the number of visitors coming to

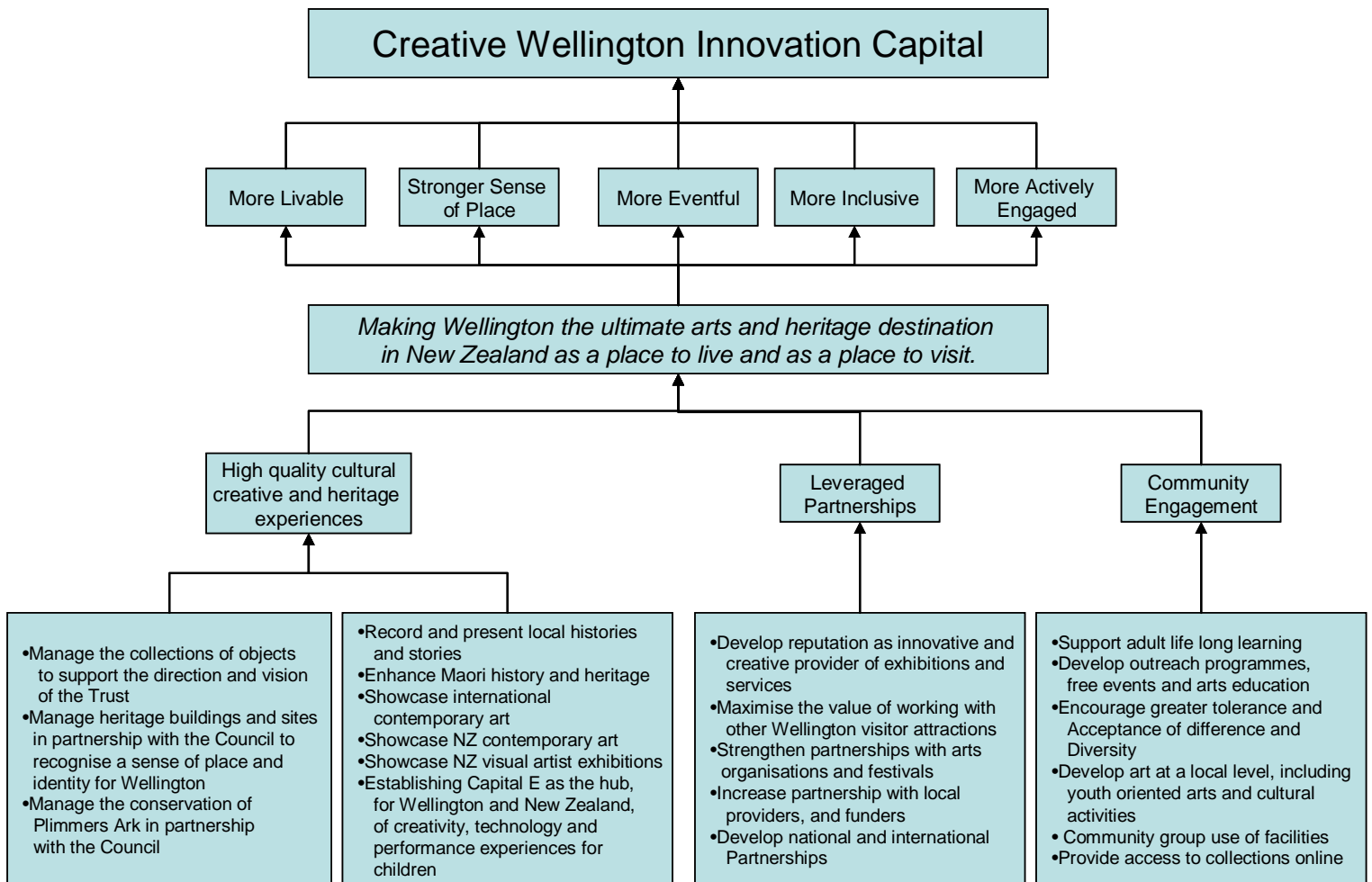
¹ Source: International Visitor Survey, Tourism Research Council NZ (TRCNZ)

² Source: Statistics NZ Commercial Accommodation Monitor, year-end September

New Zealand in December 2005 decreased by 1.9%. This will likely impact on the Cable Car Museum in particular.

3.2 Alignment with Council Outcomes

There is a strong linkage between the activities of the Trust and the outcomes being sought by the Council for Wellington city. It is the largest grouping of cultural, arts and heritage attractions in Wellington. The exhibitions, events and collections are a core infrastructural asset for the city that links and can deliver on the city's key strategic directions. The collective expertise of the staff gathered to curate and deliver these experiences is a key factor in the overall success of the Trust delivering on the city's outcomes.



3.3 Organisational Health and Capability

Organisationally the Trust is in a sound position however it is reliant on funding support from the Wellington City Council and other income generation such as grants or sponsorship sources to maintain its viability.

Maintaining operating viability is fundamental and any constraint in funding results in a consequent reduction in either service levels or core capability.

Central to its organisational health the Trust needs the ability to retain and enhance the creative skills of its staff to record local histories and stories, to work with contemporary arts community and to engage with community groups to create its programmes, exhibitions and events.

To maintain its viability the City Gallery Wellington has reduced the number of exhibition seasons each year to three and at the Museum of Wellington City & Sea the number of “temporary changing exhibitions” featured each year has been reduced. These should be regarded as short term measures as the expected outcome is a reduction in repeat visitation and a likely reduction in overall visitation. At Capital E, the biennial National Arts Festival currently can only be partly funded.

The systems to support delivery are important in leveraging the resources of the Trust. The investment in IT network support allows shared support services across the different entities within the Trust and creates opportunities to provide support services to other arts and heritage organisations.

3.4 Risk Management

The major risks that the Trust faces are as follows.

Financial Risk

- Failure of funding to keep pace with inflation and the cost of service delivery. The dependence on Council and other grant or sponsorship funding places the Trust in a position where revenue will not keep pace with the cost of service delivery and the activities of the Trust will need to be curtailed to manage the risk of a revenue shortfall.
- The limited financial flexibility due to a relatively low cash reserves position. While this ensures that it works closely with the Wellington City Council on funding issues, it also provides little scope for the Trust to manage changing working capital demands or other financial pressures.
- The loss of grant or sponsorship funding. A significant share of revenue is derived from grant or sponsorship entities. External influences outside the Trust’s control can result in a change in funding availability irrespective of the quality of the Trusts programmes.
- External economic influences can influence visitor numbers and result in a subsequent revenue reduction.

- The Trust is again planning to operate with an operational deficit but with a cash surplus however the risk in doing this long-term will see an unreasonable constraint on asset replacement. Part of this year's operational deficit will be funded from an \$80k transfer from the Capital E Development Fund that will be created this year by under-spending on their events activities to enable them to assist with the funding of their show piece, "National Arts Festival in 2007". The operational deficit for the year will therefore be reduced to \$120k but with a cash surplus.

Capability Risk

- Core capability is retained in a small number of key positions. The loss of staff could undermine the achievement of Trust objectives.
- Partnerships (national and international) are often based on personal relationships and staff change could result in the loss of key strategic relationships
- Recent condition reports have shown that the storage facility at Tyers Road is of a poor standard and this, plus new audit recommendations for collection storage standards will pose additional costs on the Trust.
- The potential costs involved in future management of the Plimmers Ark may exceed current compensation levels.
- Future capital investment will be required to maintain buildings and equipment of Capital E.
- Future plans for the gallery and plans for maintaining a collection may impact on current gallery operations and revenue targets.
- Council and independent benchmarking highlights Wellington's relatively low cultural spend against overall income in comparison to other major centres and may jeopardise the City's position as the cultural capital.

The Trust's business planning identifies key risks and strategies to mitigate these risks.

3.5 Council Relationship Principles.

The Trust will provide quarterly reports in the agreed format to the Monitoring Sub Committee on the agreed dates and present its Summary Business Plan along with the Strategic Plan and Statement of Intent on agreed dates.

The Trust's Annual Report and audited accounts will be supplied to the Wellington City Council within 60 days of the end of the financial year.

The principles governing the relationship with Wellington City Council as its primary stakeholder will include;

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

4 Objectives

4.1 Collections and Conservation

| Objective | Goals | Performance Measures |
|---|---|---|
| <p>Develop and maintain collections that enable the Trust to document, illustrate and explore Wellington’s social and cultural heritage for the benefit of present and future generations.</p> | <p>Advise Wellington City Council on the conservation management and future development of the Plimmer’s Ark.</p> <p>Maintain and safely house the city’s collection of objects at its four sites to an acceptable international standard.</p> <p>To make accessible to the public information on the city’s collection.</p> <p>Provide advice and advocacy of the conservation of the Cable Car Trailer – Palace Tram in Kelburn</p> <p>Maintain the heritage values of the Colonial Cottage</p> | <p>Decision made by WCC on the long-term conservation of Plimmers Ark and WMT develops plan to implement WCC decision.</p> <p>Complete condition report on existing collection store at Tyers Road.</p> <p>Develop plans in conjunction with WCC to implement improvements or relocate this store.</p> <p>Maintain the large heritage objects displayed at the Cable Car Museum to recognised international standards.</p> <p>Manage the collection at the Colonial Cottage Museum to recognised international standards.</p> <p>Collection management system upgraded to enable collections to be available to the community using online technology</p> <p>Complete the fund raising to establish a Research Library in the Museum of Wellington City and Sea and library constructed.</p> <p>Develop in partnership with Cable Car Heritage an advocacy plan to restore and display tram.</p> <p>Manage the building at 68 Nairn Street in terms on the conservation plan and make the building accessible to the public at weekends and daily January and February.</p> |

4.2 Creative and Learning Experiences

| Objective | Goals | Performance Measures |
|--|--|--|
| <p>To develop high quality creative arts cultural and heritage experiences to enable people to develop a greater understanding of Wellington’s culture and heritage</p> | <p>To maximise visitation to the Wellington Museums Trust group that attracts local, national and international visitors.</p> <p>To provide education programmes for school students that are linked to curriculum standards and supports educational outcomes</p> <p>To provide public programmes that augment exhibition programmes, encourage public participation and cultural and heritage understanding.</p> | <p>To attract 85,000 visitors to the Museum of Wellington City & Sea.</p> <p>To attract 80,000 people through Plimmer’s Ark Gallery</p> <p>To attract 150,000 visitors to City Gallery Wellington.</p> <p>To attract 220,000 visitors to the Wellington Cable Car Museum</p> <p>To attract 2,700 visitors to the Colonial Cottage Museum.</p> <p>To increase MOWCAS repeat (Wellingtonians) visitation to 20%</p> <p>To attract 42,000 people to experience a theatre production, including 16,000 from Wellington.</p> <p>To attract 69,000 people to other Capital E activities.</p> <p>7,500 students experience the SoundHouse programmes</p> <p>7,500 students experience an ONTV programme</p> <p>6,000 students experience a programme at Museum of Wellington City & Sea</p> <p>2,000 students experience a programme at the Cable Car Museum and Colonial Cottage Museum.</p> <p>7,100 students experience the City Gallery Wellington programmes.</p> <p>Profile at the City Gallery Wellington the work of local artists, writers and commentators who have made significant contributions to the city through the provision of artist talks and other public programme events, e.g.: Elizabeth Thomson, Guy Ngan, Wellington-based Prospect artists.</p> |

| | | |
|--|---|--|
| | <p>To create and present a diverse and dynamic programme of exhibitions, events and visitor experiences that meet the objectives and vision of the Trust.</p> | <p>At Capital E weekend programme is established and utilised by Wellington families</p> <p>A season of weekend winter public programmes developed for the Cable Car Museum and Colonial Cottage Museum</p> <p>Present 12 exhibitions in the main galleries of City Gallery Wellington including Prospect 2007 (an exhibition of contemporary New Zealand artists) three international artists (Sam Taylor-Wood, Hany Armanious and Sall Tykka).</p> <p>Present 10 exhibitions in the Hirschfeld Gallery at the City Gallery Wellington and accompanying talks by artists dedicated to Wellington, Wellington artists and art about Wellington.</p> <p>Present three new temporary exhibitions at the Museum of Wellington City & Sea.</p> <p>Present 12 events at Capital E utilising the building and on occasions the Civic Square.</p> |
|--|---|--|

| | | |
|---|--|--|
| <p>To position Wellington and New Zealand as the hub of creativity, technology and performance experiences for children.</p> | <p>Deliver the Capital E National Theatre for Children programme that allows children to explore, develop and present their arts and cultural heritage utilising contemporary technology and media</p> <p>To develop and deliver the biennial Capital E National Arts Festival for Children.</p> <p>To offer Sound House scholarships that nurture young musical, dance and technical talent and provide a safe and balanced entry into the world of professional performance.</p> <p>To develop at Capital E a programme of after school, weekend and holiday works that provides opportunities for the creative development of children.</p> | <p>Theatre to deliver four public and school seasons to Wellington Audiences</p> <p>National Tour of two productions will reach North and South Island audiences</p> <p>At least one show will be on sold within New Zealand, and one exported to Australia</p> <p>Theatre to develop and deliver a new work in collaboration with Footnote Dance.</p> <p>The two week Festival presented in March 2007 that features both national and international acts and attracts an audience of 24,000.</p> <p>30 students attend the scholarship programme and present as part of the annual performance programme.</p> <p>A programme of weekend workshops/events (including ONTV/SoundHouse activity) will take place for at least 30 weekends (or equivalent), and throughout school holidays</p> |
|---|--|--|

4.3 Effective Partnerships

| Objective | Goals | Performance Measures |
|---|--|---|
| <p>To work in partnership with Wellington city cultural, arts and heritage organisations to share resources and assist in positioning Wellington as the cultural capital</p> | <p>Develop and maintain strategic relationships and operational projects.</p> | <p>Tour the Innocents Abroad exhibition in conjunction with Te Papa to 8 New Zealand venues in 2006/07 and 2007/08</p> <p>Tour the Frank Barnes maritime art exhibition to regional New Zealand venues.</p> <p>Generate 20 partnerships with Wellington based arts and cultural organisations to deliver events, exhibitions or public programmes.</p> <p>Tour two productions from the Capital E National Theatre for Children nationally and one internationally.</p> |
| <p>To work in partnership with Wellington city cultural, arts and heritage organisations to share resources to assist in achieving sustainability</p> | <p>To establish long-term partnership agreements with Wellington based arts, cultural and tourist organisations.</p> | <p>Two new long-term partnership agreements established.</p> <p>Leadership role taken with the Cable Car Tourism Precinct group.</p> <p>New initiative developed to market the heritage attraction/museums as a group.</p> |
| <p>To work in partnership with national and international arts and heritage organisations to access exhibitions and resources for mutual benefit</p> | <p>Maintain relationships with national and international museums and galleries to share resources.</p> | <p>Develop two major international at the City Gallery Wellington with overseas institutions (Museum of Contemporary Art Sydney, Australia, Institute of Modern Art, Brisbane Australia).</p> <p>Develop and tour an exhibition of a senior New Zealand artist in partnership with another New Zealand arts institution (Dunedin Public Art Gallery and Laurence Aberhart).</p> |

4.4 Community Engagement

| Objective | Goals | Performance Measures |
|---|--|--|
| <p>To encourage participation and understanding of Wellington’s arts, culture an heritage by providing opportunities for participation by community groups</p> | <p>Become known as a welcoming, inclusive organization that recognizes the role of migrant groups and recognises the value and benefits of a culturally, socially and religiously diverse community by creating opportunities to tell their stories and share in their events.</p> | <p>Continue to partner with Te Taura Whiri the Maori Language Commission to organise events for Maori Language week.</p> <p>Explore opportunities to work with the Chinese community to organise, in association with the Guy Ngan exhibition, a conference, symposium, or panel discussion about artistic issues concerning the Asian community.</p> <p>City Cinema is used by at least 10 community groups and organisations in partnership with CGW to present lectures, screenings, readings, panel discussions and symposia to meet the needs of different communities.</p> <p>Continue to deliver and develop Deaf Community Tours in partnership with WCC.</p> <p>Capital E will provide THREE public events occur throughout the year and facilitate FIVE community partnership events</p> <p>Extend the programme of City Gallery into the Civic Square to enhance the vibrancy and diversity of Wellington... Continue with and develop the Late Night Sessions (opening the Gallery late on Thursday nights).</p> <p>Hold a Youth Arts Day at City Gallery in conjunction with the Muka Youth Prints.</p> <p>Explore partnering with ‘Square Eyes’ Children’s Film Society for youth film screenings.</p> |
| | <p>To work in partnership with local iwi and Maori to ensure recognition of the contribution of the tangata whenua</p> | <p>Recognize the importance of the Tangata whenua in its visitor experience</p> <p>Play a kaitiaki role in its care of the City’s Maori taonga in a culturally appropriate way</p> <p>Continue the planning to present “Wellington 10ths” – an examination of the Port Nicholson Block treaty claim</p> |

5 Measuring Performance

The Trust reports to Wellington City Council against a range of performance measures which reflect its contribution towards the City's desired outcomes, measures of organisational effectiveness and measures of the health and capability of the Trust.

5.1 City Outcomes

| Measure | Frequency of measure | Target 2006/07 |
|--|----------------------|------------------|
| Attendance Targets | | |
| - City Gallery | Quarterly | 150,000 |
| - Capital E | Quarterly | 85,000 |
| - City and Sea | Quarterly | 85,000 |
| - Plimmers Ark | Quarterly | 80,000* |
| - Colonial Cottage | Quarterly | 2,700 |
| - Cable Car Museum | Quarterly | 220,000 |
| - NZ Cricket Museum | Quarterly | 3,000 |
| * Plimmers Ark will be closed for two months for set-up and delivery of the Wearable Arts Show | | |
| Mount at least three temporary exhibitions including at least one community group exhibition at the Museum of Wellington City & Sea | | 3 |
| Hold a total of 12 exhibitions in the main galleries at the City Gallery Wellington and 10 exhibitions in the Michael Hirschfeld Gallery | | 12 10 |
| Capital E - 42,000 people experience a theatre production, including 16,000 from Wellington | | 42,000 16,000 |

5.2 Effectiveness Measures

The following measures will be reported quarterly

- a) Operating performance to budget
- b) Balance sheet
- c) Cash flows

| Measure | Frequency of measure | Target 2006/07 |
|------------------------------------|----------------------|----------------|
| Subsidy per Customer | Quarterly | \$9.01 |
| Average retail income per customer | Quarterly | \$1.15 |

5.3 Organisational Health and Capability Measures

| Measure | Frequency of measure | Target 2006/07 |
|---|----------------------|----------------|
| Community Support | Quarterly | |
| - Volunteer hours at the Museum of Wellington City & Sea | Quarterly | 1,000 |
| - Friends of the Gallery membership of 400 | Annually | 400 |
| -Foundation Club membership total 600 | Annually | 600 |
| Staff turnover | Quarterly | |
| Exhibit development expenditure | Quarterly | \$1,230,000 |
| | | |
| Repeat Visitation levels | | |
| - Increase repeat visitation (Wellingtonians) to 20% at the Museum of Wellington City & Sea | Quarterly | 20% |
| | | |
| Customer satisfaction measures | | |
| - 95% of visitors to all Trust facilities rate their visit as good or very good. | Annually | 95% |
| Awareness in WCC Council Annual Survey | | |
| -City Gallery | Annually | 85% |
| -Museum of Wellington City & Sea | Annually | 85% |
| -Capital E | Annually | 85% |
| -Cable Car Museum | Annually | 80% |

6 Financial Information

CCO: Wellington Museums Trust Inc.

Business Plan 2006/07

\$x000's

| Estimate 30-Jun- 06 | | Qtr to 30-Sep- 06 | Qtr to 31-Dec-06 | Qtr to 31-Mar- 07 | Qtr to 30-Jun-07 | Total YE 30-Jun-07 | Total YE 30-Jun-08 | Total YE 30-Jun-09 |
|---------------------------|--|-------------------------|---------------------|-------------------------|---------------------|-----------------------|-----------------------|-----------------------|
| | Revenue | | | | | | | |
| 895 | Trading Income | 313 | 286 | 222 | 234 | 1,054 | 959 | 959 |
| 5,525 | WCC Grants | 1,404 | 1,404 | 1,404 | 1,404 | 5,614 | 5,735 | 5,919 |
| 208 | Other Grants | 52 | 52 | 52 | 52 | 208 | 208 | 208 |
| 453 | Sponsorships and Donations | 143 | 213 | 209 | 137 | 702 | 523 | 523 |
| 76 | Investment Income | 27 | 11 | 27 | 11 | 76 | 76 | 76 |
| 32 | Other Income | 7 | 7 | 7 | 11 | 32 | 32 | 32 |
| 7,188 | Total Revenue | 1,945 | 1,972 | 1,921 | 1,849 | 7,686 | 7,533 | 7,717 |
| | Expenditure | | | | | | | |
| 2,630 | Employee Costs | 676 | 676 | 676 | 676 | 2,705 | 2,791 | 2,863 |
| 4,217 | Other Operating Expenses | 1,281 | 1,308 | 1,017 | 1,123 | 4,729 | 4,342 | 4,412 |
| 410 | Depreciation | 104 | 104 | 104 | 104 | 417 | 417 | 417 |
| 36 | Interest | 9 | 9 | 9 | 9 | 36 | 36 | 36 |
| 7,293 | Total Expenditure | 2,071 | 2,097 | 1,807 | 1,913 | 7,888 | 7,586 | 7,729 |
| (105) | Net Surplus/(Deficit) before Taxation | (125) | (125) | 114 | (64) | (201) | (53) | (12) |
| 0 | Taxation Expense | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (105) | Net Surplus/(Deficit) | (125) | (125) | 114 | (64) | (201) | (53) | (12) |
| -1.5% | Operating Margin | -6.5% | -6.4% | 5.9% | -3.5% | -2.6% | -0.7% | -0.2% |

| Estimate 30-Jun- 06 | STATEMENT OF FINANCIAL POSITION | Qtr to 30-Sep- 06 | Qtr to 31-Dec-06 | Qtr to 31-Mar- 07 | Qtr to 30-Jun-07 | Total YE 30-Jun-08 | Total YE 30-Jun-09 |
|---------------------------|--|-------------------------|---------------------|-------------------------|---------------------|-----------------------|-----------------------|
| | Shareholder/Trust Funds | | | | | | |
| 2,123 | Share Capital/Settled Funds | 2,123 | 2,123 | 2,123 | 2,123 | 2,123 | 2,123 |
| 0 | Revaluation Reserves | 0 | 0 | 0 | 0 | 0 | 0 |
| 28 | Restricted Funds | 28 | 28 | 28 | 28 | 28 | 28 |
| 2,769 | Retained Earnings | 2,643 | 2,518 | 2,632 | 2,567 | 2,514 | 2,502 |
| 4,919 | Total Shareholder/Trust Funds | 4,794 | 4,669 | 4,782 | 4,718 | 4,665 | 4,653 |
| | Current Assets | | | | | | |
| 11 | Cash and Bank | 56 | -52 | 12 | -5 | -77 | -87 |
| 120 | Accounts Receivable | 170 | 180 | 150 | 100 | 100 | 100 |
| 270 | Other Current Assets | 275 | 320 | 290 | 250 | 250 | 250 |
| 401 | Total Current Assets | 501 | 448 | 452 | 345 | 273 | 263 |
| | Investments | | | | | | |
| 0 | Deposits on Call | 845 | 0 | 852 | 50 | 170 | 270 |
| 0 | Other Investments | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | Total Investments | 845 | 0 | 852 | 50 | 170 | 270 |
| | Non-Current Assets | | | | | | |
| 5,379 | Fixed Assets | 5,354 | 5,270 | 5,216 | 5,111 | 4,944 | 4,777 |
| 0 | Other Non-current Assets | 0 | 0 | 0 | 0 | 0 | 0 |
| 5,379 | Total Non-current Assets | 5,354 | 5,270 | 5,216 | 5,111 | 4,944 | 4,777 |
| | | | | | | | |
| 5,779 | Total Assets | 6,700 | 5,718 | 6,520 | 5,506 | 5,387 | 5,309 |
| | Current Liabilities | | | | | | |
| 400 | Accounts Payable and Accruals | 433 | 610 | 315 | 395 | 395 | 395 |
| 105 | Provisions | 99 | 118 | 81 | 105 | 106 | 108 |
| 0 | Other Current Liabilities | 1,037 | 0 | 1,037 | 0 | 0 | 0 |
| 505 | Total Current Liabilities | 1,568 | 728 | 1,433 | 500 | 501 | 503 |

| Estimate 30-Jun- 06 | STATEMENT OF FINANCIAL POSITION (CONT) | | | | Qtr to 30-Sep- 06 | Qtr to 31-Dec-06 | Qtr to 31-Mar- 07 | Qtr to 30-Jun-07 | Total YE 30-Jun-08 | Total YE 30-Jun-09 |
|---------------------------|---|-------|-------|-------|-------------------------|---------------------|-------------------------|---------------------|-----------------------|-----------------------|
| | | | | | | | | | | |
| | Non-Current Liabilities | | | | | | | | | |
| 0 | Loans - WCC | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 355 | Loans - Other | 338 | 321 | 305 | 288 | 221 | 153 | 221 | 153 | |
| 0 | Other Non-Current Liabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 355 | Total Non-Current Liabilities | 338 | 321 | 305 | 288 | 221 | 153 | 221 | 153 | |
| 4,919 | Net Assets | 4,794 | 4,669 | 4,782 | 4,718 | 4,665 | 4,653 | 4,665 | 4,653 | |
| | | | | | | | | | | |
| 0.8 | Current Ratio | 0.3 | 0.6 | 0.3 | 0.7 | 0.5 | 0.5 | 0.5 | 0.5 | |
| | | | | | | | | | | |
| 85.1% | Equity Ratio | 71.6% | 81.7% | 73.4% | 85.7% | 86.6% | 87.6% | 86.6% | 87.6% | |

| Estimate 30-Jun- 06 | STATEMENT OF CASH FLOWS | | | | | Total YE 30-Jun-07 | Total YE 30-Jun-08 | Total YE 30-Jun-09 |
|---------------------------|----------------------------------|---------------------|-------------------------|---------------------|-------|-----------------------|-----------------------|-----------------------|
| | Qtr to 30-Sep- 06 | Qtr to 31-Dec-06 | Qtr to 31-Mar- 07 | Qtr to 30-Jun-07 | | | | |
| | Cash provided from: | | | | | | | |
| 999 | Trading Receipts | 308 | 176 | 342 | 289 | 1,114 | 959 | 999 |
| 5,525 | WCC Grants | 1,404 | 1,404 | 1,404 | 1,404 | 5,614 | 5,735 | 5,919 |
| 208 | Other Grants | 52 | 52 | 52 | 52 | 208 | 208 | 208 |
| 453 | Sponsorships and Donations | 143 | 213 | 209 | 137 | 702 | 523 | 523 |
| 76 | Investment Income | 27 | 11 | 27 | 11 | 76 | 76 | 76 |
| 32 | Other Income | 7 | 7 | 7 | 11 | 32 | 32 | 32 |
| 7,293 | | 1,940 | 1,862 | 2,041 | 1,904 | 7,746 | 7,533 | 7,757 |
| | Cash applied to: | | | | | | | |
| 2,630 | Payments to Employees | 676 | 676 | 676 | 676 | 2,705 | 2,791 | 2,863 |
| 4,464 | Payments to Suppliers | 507 | 2,118 | 342 | 2,026 | 4,993 | 4,340 | 4,471 |
| 10 | Net GST Cashflow | (239) | (25) | 30 | (5) | (239) | 0 | (20) |
| 0 | Other Operating Costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 36 | Interest Paid | 9 | 9 | 9 | 9 | 36 | 36 | 36 |
| 7,140 | | 954 | 2,778 | 1,057 | 2,706 | 7,495 | 7,168 | 7,350 |
| 153 | Total Operating Cash Flow | 987 | (916) | 983 | (803) | 251 | 365 | 407 |

| Estimate 30-Jun- 06 | STATEMENT OF CASH FLOWS (CONT) | Qtr to 30-Sep- 06 | Qtr to 31-Dec-06 | Qtr to 31-Mar- 07 | Qtr to 30-Jun-07 | Total YE 30-Jun-07 | Total YE 30-Jun-08 | Total YE 30-Jun-09 |
|---------------------------|---|-------------------------|---------------------|-------------------------|---------------------|-----------------------|-----------------------|-----------------------|
| | Investing Cash Flow | | | | | | | |
| | <i>Cash provided from:</i> | | | | | | | |
| 0 | Sale of Fixed Assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | <i>Cash applied to:</i> | | | | | | | |
| 237 | Purchase of Fixed Assets | 80 | 20 | 50 | (0) | 150 | 250 | 250 |
| 0 | Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 237 | | 80 | 20 | 50 | (0) | 150 | 250 | 250 |
| (237) | Total Investing Cash Flow | (80) | (20) | (50) | 0 | (150) | (250) | (250) |
| | Financing Cash Flow | | | | | | | |
| | <i>Cash provided from:</i> | | | | | | | |
| 0 | Drawdown of Loans | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | <i>Cash applied to:</i> | | | | | | | |
| 68 | Repayment of Loans | 17 | 17 | 17 | 17 | 67 | 67 | 67 |
| 0 | Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 68 | | 17 | 17 | 17 | 17 | 67 | 67 | 67 |
| (68) | Total Financing Cash Flow | (17) | (17) | (17) | (17) | (67) | (67) | (67) |
| (152) | Net Increase/(Decrease) in Cash Held | 890 | (953) | 917 | (820) | 34 | 48 | 90 |
| 163 | Opening Cash Equivalents | 11 | 901 | (52) | 864 | 11 | 45 | 93 |
| 11 | Closing Cash Equivalents | 901 | (52) | 864 | 45 | 45 | 93 | 183 |

| Estimate 30-Jun- 06 | CASH FLOW RECONCILIATION | Qtr to 30-Sep- 06 | Qtr to 31-Dec-06 | Qtr to 31-Mar- 07 | Qtr to 30-Jun-07 | Total YE 30-Jun-07 | Total YE 30-Jun-08 | Total YE 30-Jun-09 |
|---------------------------|--|-------------------------|---------------------|-------------------------|---------------------|-----------------------|-----------------------|-----------------------|
| (105) | Operating Surplus/(Deficit) for the Year | (125) | (125) | 114 | (64) | (201) | (53) | (12) |
| | Add Non Cash Items | | | | | | | |
| 410 | Depreciation | 104 | 104 | 104 | 104 | 417 | 417 | 417 |
| 0 | Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 305 | | (21) | (21) | 218 | 40 | 216 | 364 | 406 |
| | Movements in Working Capital | | | | | | | |
| 121 | (Increase)/Decrease in Receivables | (50) | (10) | 30 | 50 | 20 | 0 | 0 |
| (28) | (Increase)/Decrease in Other Current Assets | (5) | (45) | 30 | 40 | 20 | 0 | 0 |
| (257) | Increase/(Decrease) in Accounts Payable | 33 | 178 | (295) | 80 | (5) | 0 | 0 |
| 13 | Increase/(Decrease) in Other Current Liabilities | 1,030 | (1,018) | 1,000 | (1,013) | 0 | 1 | 1 |
| (152) | | 1,008 | (895) | 765 | (843) | 35 | 1 | 1 |
| | Net Gain/(Loss) on Sale: | | | | | | | |
| 0 | Fixed Assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | Investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 153 | Net Cash Flow from Operations | 987 | (916) | 983 | (803) | 251 | 365 | 407 |

7 Supporting Financial Information

7.1 Trust Accounting Policies

Accounting Policies

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

a) Accounts Receivable

Accounts receivable are stated at expected realisable value after providing against debts where collection is doubtful.

b) Depreciation

Fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided on a straight line basis at rates that will write off the cost of the assets, less their estimated residual values, over their estimated useful lives. The depreciation rates of the major classes of assets are as follows:

| | | |
|------------------------|-----|--------|
| Computer equipment | 33% | SL |
| Office equipment | 25% | SL |
| Furniture & fittings | 25% | SL |
| Computer software | 33% | SL |
| Motor Vehicles | 20% | SL |
| Museum Fittings | 5% | -25%SL |
| Leasehold improvements | 5% | -25%SL |

c) Valuation of Collection & Artifacts

The Collection and Artifacts were transferred to the Trust from the Wellington Maritime Museum Trust on 29 February 1996 and have not been depreciated in the year to 30 June 2006. The Trust has chosen to use the same valuation method used by the Wellington Maritime Museum Trust, that of trustee valuation. Additions since are at cost.

d) Merchandise

Merchandise is stated at the lower of cost and net realisable value.

e) Taxation

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.

f) Availability of Future Funding

The Trust is reliant on the Wellington City Council (the 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.

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

g) Comparatives

Certain comparative information has been reclassified in order to provide a more appropriate basis for comparison.

h) Differential reporting

The Trust qualifies for differential reporting because it is not publicly accountable and the owner is a member of the Trust's governing body. The Trust has applied differential reporting exemptions available under the following:

FRS-31 Disclosure of Information about Financial Instruments
SSAP-23 Financial Reporting for Segments

i) Adoption of New Zealand International Financial Reporting Standards

The Trust intends to adopt NZ IFRS for external reporting purposes for the accounting period commencing 1 July 2006. This is one year earlier than the 1 July 2007 deadline. This timeline is in accordance with the adoption date for the Wellington City Council, which the Trust is consolidated into for reporting purposes.

7.2 Ratio of Total Assets: Liabilities

The Trust prefers to remain debt free with the exception of the Museum of Wellington City & Sea fit out.

Debt may not be raised to finance operating expenses.

The Trust has a policy: ratio of total assets to total liabilities of 3:1.

Total assets exclude the value of the collections and artifacts but include all other fixed and current assets. Total liabilities include all current and term liabilities of the Trust.

7.3 Activities for which compensation from Council is sought.

The Trust is seeking a core operational funding grant (including rental subsidy) of

\$5,614 for 2006/2007

7.4 Significant Obligations/Contingent Liabilities

- (a) The Museum of Wellington City & Sea project has now been completed. There remains a term loan estimated to be \$356,000 at 1 July 2006 secured by a Bank Guarantee from the Wellington City Council. This loan is planned to be repaid over a period of ten years.
- (b) The Trust currently holds a modest cash reserve (for less than one months operation) to meet operational requirements and to mitigate risks.
- (c) The Trust has no contingent liabilities

7.5 Distribution to Settlor.

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

W.A.Brien
Chairman
Wellington Museums Trust