

WELLINGTON MUSEUMS TRUST STATEMENT OF INTENT

*New ways of seeing arts, culture, heritage &
Wellington*

2008-09

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1. Executive summary

The Wellington Museums Trust (the Trust) is a centrally managed and uniquely diverse group of arts, culture and heritage institutions located within the heart of Wellington. Established in 1995, the Trust is owned and funded by the Wellington City Council (the Council) and plays an integral role in achieving and sustaining Wellington's position as the Cultural Capital of New Zealand.

The Trust has undergone significant development since its establishment with the opening of Capital E (1997); the opening of the Museum of Wellington City & Sea (1999); the construction of a new visitor centre at the Colonial Cottage Museum (1999); and the development of the Wellington Cable Car Museum (2000). Also during this time, the City Gallery Wellington has enhanced its reputation as a leading contemporary art gallery showcasing the works of local, national and international artists. The New Zealand Cricket Museum is managed under a management agreement with the New Zealand Cricket Museum Trust.

Over half a million people visited or attended a programme or event undertaken by Trust institutions last year and while customer satisfaction remains high, there are a number of issues facing the Trust which need to be addressed through the plan period.

The organisation will need to take account of changing market dynamics and emerging technologies as it develops its visitor experience strategy. While population and tourist growth is anticipated in Wellington, there are more entertainment options competing for declining leisure time and discretionary spend. The population is ageing and ethnicity is changing and this will influence the type of arts and cultural experiences people are seeking.

Furthermore, funding has become increasingly tight in recent years, which puts pressure on the Trust's ability to deliver engaging, inspiring exhibitions across its institutions with regular turnover. A key priority during the plan period will be to review the Trust's funding strategy and the organisation to determine how it should best deliver its services in the future.

Key projects to be undertaken during the plan period include working with the Council on the redevelopment of the City Gallery Wellington and addressing the building maintenance issues of Capital E; and the development of a future focused collection strategy and new storage facility.

The Trust will continue to build its networks and develop new relationships critical to growing its position as a major contributor to Wellington's vibrant arts, cultural and heritage community. This will also involve taking a lateral view across the sector in Wellington to determine logical groupings and alliances with a view to improving the total visitor experience and delivery efficiency.

2. Our Vision

While the Trust is a stable, respected and award-winning organisation today, there is an opportunity to utilise its unique grouping of institutions and bring them together into an attractive package for the people of Wellington and its visitors. Museums are increasingly becoming storehouses of culture and story that allow visitors and locals to walk through Wellington's past, present and future. The aim is to ensure the "sum of the Trust parts is greater than the whole" as reflected in the following statement:

By 2013 the Trust brand will become a trust mark for an eclectic range of cultural offerings that are educational, entertaining and innovative.

*We have built on the individual and collective strengths of each Institution and on the environmental opportunities associated with our location. Wellingtonians and our visitors have come to expect that their experience with our museums will help them find **new ways of seeing and understanding arts, culture, heritage and Wellington**. Visitor numbers have increased.*

We have made a compelling contribution to Wellington as the Cultural Capital and have continued to manage our institutions prudently.

3. Our Objectives

Collection and Knowledge Management

- Collections are professionally managed and preserved.
- Collections record, illustrate and explore Wellington's heritage and the art and creativity of Wellington.

Visitor Experiences

- Visitor experiences are engaging, entertaining and relevant, providing new and diverse ways for residents and visitors to explore and understand arts, culture, heritage and Wellington.

Reputation Management

- The Trust's profile and position is maintained and enhanced as an integral part of New Zealand's Cultural Capital, with a reputation for excellence and critical acclaim.

Relationship Management

- Strategic partnerships are mutually beneficial and advance Wellington's standing as the cultural capital.
- Iwi and Maori participate in and contribute to the work of Trust institutions.
- Wellington's diverse communities participate in and contribute to the work of Trust institutions.

Trust Values

- To be a good employer.
- To operate efficiently and ensure value for money in all activities.
- To be responsive to the needs of key stakeholders.
- To exhibit social and environmental responsibility.

4. The Next Three Years

Challenges and Issues

The Trust faces a number of challenges and these are summarised below.

a. Collection and Knowledge Management

The Trust is responsible for professionally managing collections under its care. The most significant collection relates to the former Wellington Harbour Board, which was transferred across with the establishment of the Trust. In addition as part of its agreement with Council, all city objects that were previously held by the Wellington City Archive are now held by the Trust. This collection currently holds approximately 70,000 items, which are either on display at the Museum of Wellington City & Sea or in its collection store at Ngauranga Gorge. Cataloguing is underway and it is estimated that all objects will be fully catalogued by 30 June 2010 leaving only the extensive photographic collection to be catalogued.

The Trust is also responsible for maintaining the Colonial Cottage collection, the Cable Car collection, the Plimmer's Ark conservation project, the Wellington Historical and Early Settlers Association collection, the New Zealand Cricket Museum collection and the Wellington Medals collection. There is also a possibility the Trust will be asked to play a role in maintaining the Council's art collection.

In 2005 the New Zealand Auditor General released a report on the state of collection care and management for collections under the control of local authorities. A key theme was that while generally, museums had in place the necessary components for collection management, most collection infrastructure needed an upgrade to comply with best practice. For the Trust, the report has reinforced concerns that the current collection storage facility is not fit for purpose and the collection in its care must be relocated by May 2009 when the lease expires. While the capital cost of relocating will be largely funded from external sources it is probable that ongoing operational costs of a new storage facility will increase.

The challenge for the Trust is to take a holistic approach to the collections to ensure that their care meets industry standards. A further challenge is to manage the storage relocation efficiently and ensure the optimum facilities are secured. Updating the Collection Policy is a high priority to ensure a strategic view of future collection development is taken.

In addition, effective knowledge management is a fundamental tenet to ensuring access to the collections for exhibitions, research and publications. The Trust is considering appropriate methods to make its collection accessible including electronically.

b. Visitor Experiences

The Trust provides diverse visitor experiences across its institutions through exhibitions, theatre productions, events, education and public programmes. As at December 2007, total visitor numbers were ahead of target by over 20,000 and well ahead of the previous year. Customer satisfaction remains consistently strong.

This is a pleasing result, but the Trust faces a number of issues, including competition for audience share and funding, and the challenge over the next three

years is to ensure the continuation of engaging, inspiring exhibitions and visitor experiences that meet the needs of diverse audiences, but also maximise the opportunity to leverage Trust resources.

In addition, there are a number of specific challenges for the individual facilities as outlined below.

City Gallery Wellington

The City Gallery Wellington is an internationally acclaimed contemporary art gallery. Approval has been granted for a major redevelopment of the historic gallery space and this is scheduled to be completed within the plan period.

This is a major opportunity for the Trust and the challenge will be to optimise the outcome from the development by ensuring an adequate level of operational funding to enable the Gallery to deliver the world-class exhibitions that the new spaces will command and which residents and visitors will expect.

The Trust is delighted with the support shown by Council for this project. The capital cost is being met by the Council, the Hancock Bequest, the New Zealand Lottery Environment and Heritage Committee, and contributions from private donors including the City Gallery Wellington Foundation, Denis and Verna Adam, the Michael Hirschfeld Family, and Roderick and Gillian Deane.

Capital E

Capital E provides imaginative and thought provoking theatre and creative technology experiences for children. It is located adjacent to the Michael Fowler Centre and while this location is within the heart of the civic centre, the building has had ongoing maintenance issues which need to be addressed in the plan period.

The Trust will fast track its planning regarding the future focus of Capital E and its associated accommodation requirements.

Museum of Wellington City & Sea

The Museum of Wellington City & Sea has evolved, in line with Council expectations, from a purely maritime focus to become Wellington's social history museum. In 2003 the museum became free of charge with a subsequent 70% increase in visitor numbers. In 2007 the museum recorded its highest ever visitation and it is anticipated that numbers will be similar in 2008. The museum's now established focus on Wellington will continue to be enhanced to ensure it is positioned as an outstanding must-see Wellington attraction.

Planned upgrades to the Queens Wharf precinct by Wellington Waterfront are seen as an opportunity for the museum to grow its presence in the iconic Bond Store and further develop its branding beyond the physical building and out on to the waterfront.

Plimmer's Ark

The management of the Plimmer's Ark conservation project was transferred to the Trust in 2001. The project has taken considerably longer than anticipated and encountered a number of issues such as deterioration and leakage from the conservation tanks. The main gallery is currently closed due to safety concerns. However, the essence of the story is maintained for visitors at the Old BNZ bank arcade site.

Options are being costed by the Trust and will be presented to Council so a decision can be made on the future of the Plimmer's Ark conservation very early in the plan period.

Cable Car Museum

The Cable Car Museum has very successfully capitalised on its location in a prime tourist catchment area. The ongoing challenge is to ensure its experiences are refreshed to maintain this strong position.

Colonial Cottage Museum

While offering the city a significant heritage attraction (the cottage celebrated its 150th anniversary in 2008) visitor numbers remain modest, as there is a restriction on how many visitors this fragile building can sustain in any one year without impacting negatively on the fabric of the building. The building's location in a high-density residential area with its lack of parking also impacts on the visitation levels that can be achieved. The Trust will continue to review options for the future.

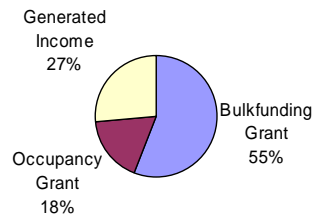
New Zealand Cricket Museum

The New Zealand Cricket Museum is managed by agreement with the New Zealand Cricket Museum Trust. While this has been managed successfully for both parties, there is potential to strengthen the link with other Trust institutions. The nature of the agreement will be reviewed during the planning period and objectives and outcomes reassessed.

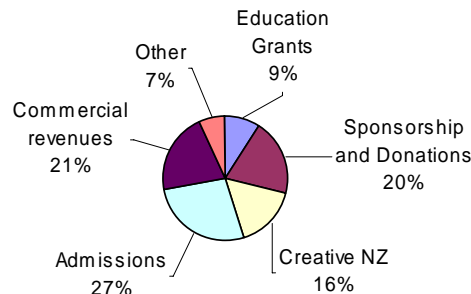
c. Funding

The Trust is recognised as an efficient and fiscally sound organisation. The Council subsidy represents approximately 70% of the Trust's total revenue and is critical to its financial viability. The Trust also receives funding from Creative New Zealand for the delivery of the Capital E national theatre programme for children and Ministry of Education funding to support the education programme.

Income is generated from a variety of sources as set out in the following chart describing projected income for 2008/09.



Non Council projected income for 2008/09 is as follows:



The Trust received a catch-up in core funding in the 2007/08 financial year from the Council to offset the impact of accumulated CPI in the previous four years, which had seen the Trust budgeting operational deficits and implementing service cuts.

In order to avoid this situation recurring, a request to cover CPI increases that will be incurred during 2008/09 was sought but declined. This is of concern because the bulk of the shortfall is required for cost of living increases and it is not possible to secure external funding for such costs. Should the Trust need to consider service level cuts in order to absorb the effect of not receiving a CPI adjustment in 2008/09, the maintenance of quality over quantity will be given priority.

Council has, however, agreed to consider an appropriate mechanism to cover such increases in future years. In the interim, the Trust will develop a funding strategy to focus on retention of existing funding streams and seeking new funding opportunities.

d. Reputation Management

The Trust is proud of its reputation as a solid, reliable governance body. However, it is keen to revitalise its image and present as a “Trust Mark” for visitors to its eclectic range of institutions. Work will be done during the planning period to determine how this can best be achieved.

Trust institutions have developed their own profile and image. A stock take will be done across the Trust and a plan developed to ensure the individual reputations are managed within the bigger picture of the Trust profile. Ensuring an ongoing reputation for excellence and critical acclaim for the work of Trust institutions will be a key driver.

e. Relationship Management

The Trust has strong relationships with its core funder the Council and secondary funders Creative New Zealand, the Ministry of Education, sponsors and other organisations critical to its financial viability.

These key relationships will be maintained and developed during the plan period, and other organisations critical to the future success of the Trust identified. Notably, the Trust will ensure that Iwi and Maori as well as Wellington’s diverse communities continue to have an opportunity to participate in and contribute to the work of the Trust institutions.

The Trust will also work with Council on planned Carter Observatory developments.

5. Summary of Key Activities to be undertaken

The key projects to be undertaken relate to achieving the Trust's Vision, ensuring Objectives are achieved and addressing the issues outlined above. Projects are grouped into five key areas:

- Collection and knowledge management
- Visitor experiences
- Funding
- Relationships
- Organisation

a. Collection and Knowledge Management

The Trust needs to progress with both the quality of care of its Collection (storage) and its use of the Collection (knowledge). It will take a cross-institutional approach and ensure leading practice in the collection, storage and access to stories, historical items and authentic experiences. Key outcomes to be achieved in the plan period include:

- The collections in the care of the Trust are developed and managed to support the Trust's vision.
- Access to collections is achieved through exhibitions, publications and through digital media.

Key Activities for the Planning Period	Review the Trust's Collection Policy which will cover collection development, management and deaccessioning. Trust digitisation strategy developed to enhance Collection accessibility. Collection storage requirements determined and relocation implemented.		
Measures	2008/09	2009/10	2010/11
Collection policy	Policy approved by 31 December 2008. Collection managed and developed in accordance with policy.	Collection managed and developed in accordance with policy.	Collection managed and developed in accordance with policy.
Collection catalogued	A minimum of 2,000 collection items are fully catalogued.	The cataloguing of all objects is completed by 30 June 2010. A minimum of 2,000 photographs are fully catalogued.	Objects acquired during the year are fully catalogued. A minimum of 2,000 photographs are fully catalogued.
Collection store	Collection relocated to new store.	Collection unpacked and fully arranged without loss or damage.	
Collection digitisation	Digitisation strategy developed and approved.	Digitisation target set and achieved in accordance with strategy and available resources.	Digitisation target set and achieved in accordance with strategy and available resources.

b. Visitor Experiences

Opportunity will be taken to view Visitor Experiences from a holistic perspective, whilst not detracting from the uniqueness of each Institution. Taking account of what Wellingtonians and visitors want from these experiences will be important and effective analysis of customer data will be paramount.

The key outcomes in this area will be:

- Trust institutions will articulate the Trust's vision and brand values through exhibitions and other public programmes whilst meeting the needs of their particular audiences.
- Visitors will enjoy coherent, high quality, engaging cultural experiences endorsed by the Trust.
- By 2013 "The Trust Mark" is an endorsement that the experience may vary, but the quality of the experience is assured.
- The Trust's reputation for excellence and critical acclaim is maintained and enhanced with Trust facilities recognised as major attractions of importance to Wellington.
- Experiences reflect the creative aspirations of the Council for the Cultural Capital and look beyond the current configuration of experiences within the Trust.
- Students visiting Trust Institutions enjoy high quality and relevant education programmes.

Key Activities for the Planning Period	<p>Articulate the Trust's vision to guide all Trust activities.</p> <p>Develop a Trust exhibition planning framework and confirm market positioning for each Institution.</p> <p>Articulate the characteristics of "The Trust Mark" to endorse Trust Institutions' visitor attractions.</p> <p>Work with Council on the redevelopment of City Gallery Wellington through to a successful relaunch in 2009.</p> <p>Further develop the Capital E strategy and work with Council on accommodation issues.</p> <p>Continue to attract and meet or exceed audience expectations.</p>		
Measures	2008/09	2009/2010	2010/2011
Vision	Develop a benchmark measure for the Trust's vision.	Achieve agreed increase in benchmark measure.	Achieve agreed target.
Publicity	Develop and implement a tracking measure for Trust publicity.	Achieve agreed increase in benchmark measure.	Achieve agreed target.
Visitation*	A minimum of 500,000 visits is achieved to Trust institutions	A minimum of 580,000 visits is achieved to Trust institutions	A minimum of 605,000 visits is achieved to Trust institutions
Repeat Visitation	20% of visitors to City Gallery Wellington, Museum of Wellington and the Cable Car Museum are repeat visitors.		
Customer Satisfaction	95% of visitors to all Trust institutions rate their experience as good or very good.		
Awareness in Council survey	85% of residents (ratepayers) surveyed in the annual Council awareness survey are aware of City Gallery Wellington; Museum of Wellington; Capital E and the Cable Car Museum.		

* See page 22 for breakdown of visitor projections by institution.

Measures	2008/09	2009/2010	2010/2011
Visitor Experiences			
Temporary Exhibitions	A minimum of 12 new temporary exhibitions presented.*	A minimum of 10 new temporary exhibitions presented.*	A minimum of 25 new temporary exhibitions presented.
Refreshment of Permanent Exhibitions	A minimum of 3 segmental changes will be achieved.	A minimum of 3 segmental changes will be achieved.	A minimum of 5 segmental changes will be achieved.
Events (includes performances, floor talks, lectures)	A minimum of 80 events will be presented.*	A minimum of 90 events will be presented.*	A minimum of 120 events will be presented.
Publications	A minimum of 15 articles, catalogues and newsletters are published.*	A minimum of 17 articles, catalogues are published.*	A minimum of 25 articles, catalogues are published.
Curriculum aligned Education Programmes	A minimum of 29,000 students attend curriculum aligned education programmes.	A minimum of 29,200 students attend curriculum aligned education programmes.	A minimum of 29,500 students attend curriculum aligned education programmes.
Theatre Productions	A minimum of 4 theatre productions are presented.	A minimum of 4 theatre productions are presented.	A minimum of 4 theatre productions are presented.
Touring Product	A minimum of 10 products are toured nationally and internationally	A minimum of 10 products are toured nationally and internationally	A minimum of 10 products are toured nationally and internationally

* The achievement of these targets may be affected by the completion of the City Gallery Wellington redevelopment.

c. Funding

The Trust will continue to focus on ensuring the efficiency of the operation. At the same time significant effort will go into developing a funding strategy that increases opportunity to diversify revenue and source funding from alternative networks for non-core expenditure and improving the overall visitor experience. This will include a cross institution review of the retail strategy. Key outcomes will include:

- The Trust's annual funding from Council is CPI adjusted.
- The Trust's operation is both effective and efficient.
- Significant increases in services are adequately resourced.

Key Activities for the Planning Period.	Develop and implement a funding strategy. Work with Council to develop and implement a CPI adjustment mechanism applicable to the 2009/10 and future financial periods. The impact on operating costs of an expanded City Gallery is fully assessed and adequately funded. The impact on operating costs of a new collection store are fully assessed and adequately funded.		
Measures	2008/09	2009/2010	2010/2011
External revenue*1	A minimum of \$2.2 million is achieved each year.		
Council subsidy per Visit*2	The Council subsidy per visit does not exceed \$12.00.		

*1 Subject to review in 2009/10 following the completion of the Trust's funding strategy.

*2 Averaged across all Trust institutions and subject to visitor numbers achieved.

d. Relationships

The Trust values its relationships with a wide variety of organisations and will ensure existing ones are maintained and enhanced. However, focus will go on identifying

and developing partnerships that will be important to achieve the vision and strategic objectives. This will involve increased connection with the wider community and identified interest groups, and relationships with relevant commercial organisations.

The key outcomes in this area will be:

- The Trust's stakeholder relationships are positive, mutually beneficial and advance Wellington's standing as Cultural Capital.
- Relationships developed with targeted community groups, and with Iwi and Maori.
- New relationships identified and established with organisations critical to achieving the Trust vision.

Key Activities for the Planning Period	Relationship strategy including a relationship health benchmark developed and implemented. Key partnerships identified including Iwi and Maori are developed to advance the Trust's strategic objectives. Trust institutions' friends' organisations are further developed.		
Measures	2008/09	2009/2010	2010/2011
Relationships	Relationship health benchmark developed	Target set and achieved	Target set and achieved
Relationships/partnerships achieved with targeted organisations	Two new long-term partnership agreements established each year.		
Membership organisations	Membership of Trust institutions is 800	Membership of Trust institutions is 850	Membership of Trust institutions is 900

e. Organisation

The key driver is to ensure the most efficient delivery of Trust services in order to achieve the vision and strategic objectives. The goal is to ensure an environment where people are challenged and inspired by their involvement in creative work that contributes enormously to the city, with a strong sense of team amongst and across Trust institutions. The key outcomes will be:

- A high performing organisation that is optimally structured and resourced to deliver the vision and achieve objectives.
- The Trust continues to provide value for money.
- The Trust continues to be socially and environmentally responsible

Key Activities for the Planning Period	The optimum structure and resource is in place to deliver the Trust's Vision. Review performance management system to ensure staff objectives and targets are aligned with the Trust's vision and strategic plan. The organisation culture supports relevant learning and professional development. The Trust continues to implement sustainable business practices. The volunteer programme is developed further to support the Trust's objectives.		
Measures	2008/09	2009/2010	2010/2011
Employee engagement	Develop benchmark measure	Benchmark implemented and achieved	Benchmark implemented and achieved.
Staff retention	85%	90%	90%
Total personnel costs	Personnel costs do not exceed 40% of total operating expenditure.		
Sustainability	90% of all waste is recycled.		

6. Summary of Financial Position

Refer Financial Projections Appendix 1

7. Capital Expenditure

The Trust plans to commit around \$280,000 to capital expenditure in 2008/09 that relates to the scheduled replacement of fixed assets and these will be funded from depreciation.

A major capital project will be the relocation of the collection store to leased premises. Funding will be required for the relocation, fit-out and installation of the climate control system and additional funds will be sought through an application to the New Zealand Lottery Environment and Heritage Committee.

8. Operating Framework

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

a. Governance

The Wellington Museums Trust is a Council Controlled Organisation (CCO) and Trustees are appointed to govern the organisation on behalf of Council. Trustees are standard bearers for the Trust's vision and 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 and ensures the ongoing viability and competitiveness of the organisation is maintained.

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

b. Board Membership

	Term expires	Committees
Viv Beck	31 December 2010	Chair of Trust & ex officio all committees
Peter Blades	31 December 2008	Chair Strategy Chair Finance & Audit
Quentin Hay	31 December 2009	Strategy Finance & Audit
Peter Cullen	31 December 2009	Chair People Planning & Performance
Hayley Wain	October 2010	People Planning & Performance
Rhonda Paku	31 December 2010	Guidance on collection policy & Iwi relationships

The Board meets no less than nine times per year and has established the following committees to assist the Board with advancing specific areas of interest. In addition, Trustees will provide guidance in specialist areas as may be appropriate from time to time.

c. Board Committees

Strategy

This committee has been established to provide guidance and support to the Chief

Executive in the development and successful devolvement of the Trust's vision and key objectives. The committee will meet on an "as required" basis.

People Planning & Performance

This committee has been established to assess Chief Executive and senior management performance; and provide guidance and support to the Chief Executive in change and people management. The committee will meet on an "as required" basis.

Audit & Finance

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

d. Board Performance

The Chair of the Board will undertake an annual evaluation of Trustee performance and provide feedback to Council. The Board, recognizing the need for ongoing up-skilling will at least once a year evaluate the broader needs of the Trustees and implement a programme that will support the identified needs. This may include IOD programmes or specialist knowledge building with input from such agencies as Creative New Zealand.

e. Management

The Trust currently operates with a small central administrative office where the Chief Executive and Finance Manager are located. They are supported by the Directors at City Gallery Wellington, Capital E and the Museum of Wellington City & Sea.

f. Council Relationship Principles

The Local Government Act 2002 requires local authorities to promote the cultural well-being of their communities. Funding of arts and cultural institutions is one way in which they meet this requirement. However, it is important that ratepayer funds are well spent, so that heritage collections are well cared for, documented and accessible to the public.

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 Council within 60 days of the end of the financial year.

The principles governing the relationship with 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 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.

g. Alignment with Council Outcomes

There is a strong linkage between the activities of the Trust and the outcomes being sought by Council. The exhibitions, events and collections are a core infrastructural asset for the city that link and can deliver on the city's key strategic directions.

The city's expectations are expressed through the high level outcome of being "Creative Wellington, Innovation Capital" and the Trust's activities lead into Council's key objectives. Refer to Appendix 4.

APPENDIX 1 Wellington Museums Trust Financial Projections 2008/09; 2009/10 and 2010/2011

\$x000's

Estimate 30-Jun-08	STATEMENT OF FINANCIAL PERFORMANCE	Qtr to 30-Sep-08	Qtr to 31-Dec-08	Qtr to 31-Mar-09	Qtr to 30-Jun-09	Total YE 30-Jun-09	Total YE 30-Jun-10	Total YE 30-Jun-11
	Revenue							
993	Trading Income	240	330	257	296	1,123	999	1,156
6,055	Council Grants	1,545	1,545	1,545	1,545	6,178	6,465	6,665
208	Other Grants	52	52	52	52	208	208	208
591	Sponsorships and Donations	165	164	310	165	804	596	808
76	Investment Income	27	11	27	11	76	76	76
33	Other Income	5	5	5	13	27	27	27
7,957	Total Revenue	2,034	2,106	2,196	2,081	8,416	8,372	8,941
	Expenditure							
2,971	Employee Costs	789	789	789	789	3,158	3,232	3,381
4,543	Other Operating Expenses	1,132	1,296	1,135	1,256	4,819	4,710	5,137
417	Depreciation	106	106	106	106	422	422	422
25	Interest	4	4	4	4	17	7	0
7,957	Total Expenditure	2,031	2,196	2,034	2,155	8,416	8,372	8,941
0	Net Surplus/(Deficit) before Taxation	2	(90)	162	(74)	0	0	(0)
0	Taxation Expense	0	0	0	0	0	0	0
0	Net Surplus/(Deficit)	2	(90)	162	(74)	0	0	(0)
0.0%	Operating Margin	0.1%	-4.3%	7.4%	-3.6%	0.0%	0.0%	0.0%

Estimate 30-Jun-08	STATEMENT OF FINANCIAL POSITION	Qtr to 30-Sep-08	Qtr to 31-Dec-08	Qtr to 31-Mar-09	Qtr to 30-Jun-09	Total YE 30-Jun-10	Total YE 30-Jun-11
	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	29	29	29	29	29	29
2,669	Retained Earnings	2,500	2,410	2,572	2,497	2,497	2,497
4,820	Total Shareholder/Trust Funds	4,652	4,562	4,724	4,649	4,649	4,649
	Current Assets						
15	Cash and Bank	3	8	13	24	24	24
100	Accounts Receivable	170	180	150	105	105	105
250	Other Current Assets	275	320	290	270	280	280
365	Total Current Assets	448	508	453	399	409	409
	Investments						
200	Deposits on Call	1,235	110	1,252	347	470	520
0	Other Investments	0	0	0	0	0	0
200	Total Investments	1,235	110	1,252	347	470	520
	Non-Current Assets						
5,043	Fixed Assets	4,958	4,920	4,865	4,741	4,480	4,430
0	Other Non-current Assets	0	0	0	0	0	0
5,043	Total Non-current Assets	4,958	4,920	4,865	4,741	4,480	4,430
5,608	Total Assets	6,641	5,539	6,569	5,487	5,358	5,358

Estimate 30-Jun-08	STATEMENT OF FINANCIAL POSITION (cont)	Qtr to 30-Sep-08	Qtr to 31-Dec-08	Qtr to 31-Mar-09	Qtr to 30-Jun-09	Total YE 30-Jun-10	Total YE 30-Jun-11
	Current Liabilities						
395	Accounts Payable and Accruals	433	610	315	520	500	500
105	Provisions	198	202	206	209	209	209
0	Other Current Liabilities	1,267	90	1,267	109	0	0
500	Total Current Liabilities	1,897	902	1,787	838	709	709
	Non-Current Liabilities						
0	Loans - WCC	0	0	0	0	0	0
288	Loans - Other	92	75	58	0	0	0
0	Other Non-Current Liabilities	0	0	0	0	0	0
288	Total Non-Current Liabilities	92	75	58	0	0	0
4,820	Net Assets	4,652	4,562	4,724	4,649	4,649	4,649
0.7	Current Ratio	0.2	0.6	0.3	0.5	0.6	0.6
85.9%	Equity Ratio	70.0%	82.4%	71.9%	84.7%	86.8%	86.8%

Estimate 30-Jun-08	STATEMENT OF CASH FLOWS	Qtr to 30-Sep-08	Qtr to 31-Dec-08	Qtr to 31-Mar-09	Qtr to 30-Jun-09	Total YE 30-Jun-09	Total YE 30-Jun-10	Total YE 30-Jun-11
	Cash provided from:							
1,053	Trading Receipts	195	220	377	326	1,118	989	1,186
6,055	WCC Grants	1,545	1,545	1,545	1,545	6,178	6,465	6,665
208	Other Grants	52	52	52	52	208	208	208
591	Sponsorships and Donations	165	164	310	165	804	596	808
76	Investment Income	27	11	27	11	76	76	76
33	Other Income	5	5	5	13	27	27	27
8,017		1,989	1,996	2,316	2,111	8,411	8,362	8,971
	Cash applied to:							
2,971	Payments to Employees	789	789	789	789	3,158	3,232	3,381
4,727	Payments to Suppliers	59	2,262	279	2,175	4,775	4,839	5,177
(266)	Net GST Cashflow	(274)	(25)	30	(5)	(274)	0	(10)
0	Other Operating Costs	0	0	0	0	0	0	0
25	Interest Paid	4	4	4	4	17	7	0
7,457		579	3,030	1,103	2,964	7,676	8,078	8,548
560	Total Operating Cash Flow	1,410	(1,035)	1,213	(853)	735	284	422
	Investing Cash Flow							
	Cash provided from:							
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
	Cash applied to:							
282	Purchase of Fixed Assets	20	68	50	(18)	120	161	372
0	Other	0	0	0	0	0	0	0
282		20	68	50	(18)	120	161	372
(282)	Total Investing Cash Flow	(20)	(68)	(50)	18	(120)	(161)	(372)

Estimate 30-Jun-08	STATEMENT OF CASH FLOWS (CONT)	Qtr to 30-Sep-08	Qtr to 31-Dec-08	Qtr to 31-Mar-09	Qtr to 30-Jun-09	Total YE 30-Jun-09	Total YE 30-Jun-10	Total YE 30-Jun-11
	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>							
67	Repayment of Loans	196	17	17	58	288	0	0
0	Other	0	0	0	0	0	0	0
67		196	17	17	58	288	0	0
(67)	Total Financing Cash Flow	(196)	(17)	(17)	(58)	(288)	0	0
210	Net Increase/(Decrease) in Cash Held	1,194	(1,120)	1,146	(894)	327	123	50
139	Opening Cash Equivalents	215	1,238	118	1,265	349	371	494
349	Closing Cash Equivalents	1,409	118	1,265	371	677	494	544

Estimate 30-Jun-08	CASH FLOW RECONCILIATION	Qtr to 30-Sep-08	Qtr to 31-Dec-08	Qtr to 31-Mar-09	Qtr to 30-Jun-09	Total YE 30-Jun-09	Total YE 30-Jun-10	Total YE 30-Jun-11
(0)	Operating Surplus/(Deficit) for the Year	2	(90)	162	(74)	0	0	(0)
	Add Non Cash Items							
417	Depreciation	106	106	106	106	422	422	422
0	Other	0	0	0	0	0	0	0
417		108	16	268	31	422	422	422
	Movements in Working Capital							
20	(Increase)/Decrease in Receivables	(70)	(10)	30	45	(5)	0	0
20	(Increase)/Decrease in Other Current Assets	(25)	(45)	30	20	(20)	(10)	0
102	Increase/(Decrease) in Accounts Payable	37	178	(295)	205	125	(20)	0
0	Increase/(Decrease) in Other Current Liabilities	1,360	(1,173)	1,180	(1,154)	213	(109)	0
142		1,302	(1,050)	945	(884)	313	(139)	0
	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
560	Net Cash Flow from Operations	1,410	(1,035)	1,213	(853)	735	284	422

Estimate 30- Jun-08	FIXED ASSEST BY CATEGORY	Qtr to	Qtr to	Qtr to	Qtr to	Total	Total	Total
		30-Sep-08	31-Dec-08	31- Mar-09	30- Jun-09	YE 30- Jun-09	YE 30- Jun-10	YE 30- Jun-11
2,333	Collections and Artefacts	2,333	2,333	2,333	2,333	2,333	2,333	2,333
25	Computer Equipment	29	23	17	10	10	36	61
75	Computer Software	122	118	115	111	111	106	102
374	Office Equipment	371	397	405	344	344	276	420
356	Leasehold Improvements	345	334	323	312	312	268	224
0	Motor Vehicles	0	0	0	0	0	0	0
1,880	Museum Fittings	1,838	1,795	1,753	1,710	1,710	1,540	1,370
5,043	Total Fixed Assets	5,038	5,000	4,944	4,821	4,821	4,560	4,510

Assumptions

- Council grant includes CPI catch up in 2009/10 year relating to 2008/09 year.
- Council grant for 2009/10 and 2010/11 years include CPI adjustment of \$200K.
- Retail sales and admissions increased by 3% each year.
- Theatre Creative New Zealand & Learning Experiences Outside the Classroom grants kept at 2007/08 level.
- Salaries increased by 5% for 2008/09 year thereafter at 3%pa.
- Council rental grant and rent paid to Council kept at 2007/08 levels.
- Capital E festival included in 2008/09 and 2010/11 years.
- CPI adjustment of 4% included in exhibition costs for 2009/10, 2010/11 years.
- City Gallery budget is included on basis of current exhibition space.

Visitor Numbers	2008/09	2009/10	2010/11
City Gallery Wellington	75,000*1	180,000	180,000
Museum of Wellington	90,000	90,000	90,000
Capital E	113,000*2	88,000	113,000*2
Cable Car Museum	220,000	220,000	220,000
Colonial Cottage Museum	2,000	2,000	2,000
Total	500,000	580,000	605,000

*1Achieving or exceeding this target is dependent on the impact of the redevelopment of the building on City Gallery Wellington functioning.

*2Increased visitation owing to the Capital E National Arts Festival for Children.

APPENDIX 2

Supporting Financial Information

Accounting Policies

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

a) Recognition of exhibition costs and collected income

Income is recognized as the service is provided (exhibition run). Where exhibitions are not scheduled to run until the following fiscal year, revenue is deferred and amortised to income throughout the period of the exhibition. Related expenditures are also deferred as they are deemed to provide future service potential.

b) Accounts Receivable

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

c) 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
Computer software	33%	SL
Motor Vehicles	20%	SL
Museum Fittings	5%	SL
Leasehold improvements	5%-25%	SL

d) Valuation of the Collection

The collection is carried at cost. A substantial amount of the collection was acquired on 29 February 1996 from the Wellington Maritime Museum Trust. All subsequent purchases are recorded at cost. The Trust obtained a valuation on specific items to support the carrying value at 30 June 2004. The Trust reconfirmed that the carrying value at 30 June 2007 is appropriate and that no impairment event has occurred. The collection has not been depreciated in the year to 30 June 2007, and the impact on the Statement of Financial Performance is not significant.

e) Merchandise

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

f) 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.

g) 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 subsequent to the initial three year term.

If the Trust was 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.

h) Comparatives

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

i) 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. All available differential reporting exemptions allowed under the framework for differential reporting have been adopted except for SSAP (Related Party Disclosure) and FRS-10 (Statement of Cash Flows). In regards to related party disclosure,, the Trust either complies with full reporting disclosure requirements or very closely complies.

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 but include all other fixed and current assets. Total liabilities include all current and term liabilities of the Trust.

Activities for which compensation from Council is sought

The Trust is seeking a core operational funding grant (excluding rental subsidy of \$1,472,075) of \$4,706,304 for the 2008/2009 financial year.

Significant Obligations/Contingent Liabilities

The Museum of Wellington City & Sea capital exhibition project has now been completed. There remains a term loan estimated to be \$105,000 at 1 July 2008 secured by a Wellington City Council guarantee. This loan is planned to be repaid during the 2008/09 financial year.

The Trust currently holds no cash reserves to meet operational requirements and to mitigate risks.

The Trust has no contingent liabilities.

Distribution to Settlor

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

APPENDIX 3

Risk Management

Framework

The Trust undertakes the following functions to assure the Board and Council that the risks of the operations of the Trust are identified and the appropriate measures are in place to manage these risks.

Type of Risk	Risk Management Approach	Frequency
Financial and Legal	<ul style="list-style-type: none"> ▪ External audit and review of the Financial Accounts ▪ External review of HR policies, recruitment processes and contracts ▪ External review of Insurance policies ▪ External Health and Safety Review 	Annual Annual Annual Annual
Professional Standards	<ul style="list-style-type: none"> ▪ Peer review and subject expert input into all major exhibitions ▪ Review of collection standards 	Every three years
Customer Service Standards	<ul style="list-style-type: none"> ▪ Qualmark Accreditation of the Cable Car Museum, Museum of Wellington City & Sea, City Gallery Wellington and Colonial Cottage Museum ▪ Regular Customer surveys are undertaken to ensure service standards are maintained 	Biennial At least annually

Key strategic risks & mitigation strategy

The major strategic risks that the Trust faces are as follows and the Trust's business planning identifies strategies to mitigate these risks.

Strategic risk	Impact description	Likelihood	Impact	Mitigation strategy
Funding				
Failure to meet funding needs to deliver agreed service levels	<ul style="list-style-type: none"> ▪ Quality of experience impaired ▪ Loss of brand profile ▪ No reserves to mitigate financial risks 	Possible	H	<ul style="list-style-type: none"> ▪ Negotiate with Council ▪ Cut services ▪ Generate new funds ▪ Find sponsors
Failure to secure sufficient funding to optimise use of new City Gallery exhibition spaces	<ul style="list-style-type: none"> ▪ Public and donor expectations not met ▪ Loss of brand profile 	Possible	H	<ul style="list-style-type: none"> ▪ Negotiate with council ▪ Funding strategy

Failure to secure new premises and funding for collection store	<ul style="list-style-type: none"> ▪ Deterioration in fabric of collection ▪ Storage of Council's collections at risk ▪ New objects not gifted 	Possible	M	<ul style="list-style-type: none"> ▪ Compelling funding applications submitted ▪ Appropriate planning
Visitor Experience				
Failure to resource technology to maintain engagement levels and deliver visitor experiences through new media.	<ul style="list-style-type: none"> ▪ Lack of engagement by technology savvy consumer 	Possible	M	<ul style="list-style-type: none"> ▪ Strategy clearly articulated ▪ Sufficient funds sourced.
Effective interpretation of changing market dynamics	<ul style="list-style-type: none"> ▪ Visitor experiences become less relevant 	Possible	M	<ul style="list-style-type: none"> ▪ Effective cross institution audience and market research underpinning product development.
Organisation				
Loss of key personnel and inability to attract quality staff.	<ul style="list-style-type: none"> ▪ Service disruption ▪ Loss of IP ▪ Loss of corporate knowledge ▪ Failure to achieve vision. 	Possible	M	<ul style="list-style-type: none"> ▪ Performance management ▪ Professional development ▪ Broaden responsibilities ▪ Competitive salaries ▪ Resources to deliver programmes

H: High. **M:** Moderate

APPENDIX 4

Alignment of Wellington Museums Trust's Outcomes with Wellington City Council Priorities

