

# TASMAN BAYS HERITAGE TRUST

## Statement of Intent

February 2016

### CONTACT DETAILS

Cnr Trafalgar and Hardy Sts  
PO Box 853  
Nelson 7040  
[www.museumnp.org.nz](http://www.museumnp.org.nz)

CEO  
Lucinda Blackley-Jimson  
T. 027 246 1881  
[ceo@museumnp.org.nz](mailto:ceo@museumnp.org.nz)

CHAIR  
Olivia Hall  
T. 021 02539048  
[olivia.a.hall@gmail.com](mailto:olivia.a.hall@gmail.com)

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## Introduction

This statement is submitted by the Tasman Bays Heritage Trust (the Trust) as a Council Controlled Organisation of Nelson City Council and Tasman District Council (the stakeholders), and in accordance with Section 64 of the Local Government Act, 2002, and sets out the intentions and expectations of the Trust for the period **1 July 2016 - 30 June 2017**.

## Statement of Intent for 2016-2019

This SOI defines **eight strategic objectives** with associated activities and KPIs, which underpin the strategic plans for the next decade. The goals of that strategic plan are largely derived from the perceived priorities and stated objectives of TBHT, combined with the expressed expectations of our two stakeholder Councils:

1. To increase visitor numbers and expand the visitor base into non-traditional audiences, reflecting the diverse communities of Nelson Tasman.
2. To consolidate, expand and diversify partnerships and relationships.
3. To maintain, grow and diversify the revenue sources.
4. To professionally manage and maintain all TBHT assets, including the Regional Heritage Collection.
5. To ensure the organisational framework and operating policies best deliver on strategic goals.
6. To develop programmes in response to a better understanding of our communities.
7. To increase online visitor engagement with our collections and programmes.
8. To develop a five-year plan to consolidate all museum operations at one site.

In presenting this Statement of Intent we wish to thank the Nelson City Council and Tasman District Council for their continued support of the Nelson Provincial Museum. We are confident that these plans will enhance the value of the Museum to our communities and add to the vibrancy and attractiveness of the region as a destination for visitors and for those seeking a new place to call home.

## Provisional Vision Statement

Nelson Provincial Museum will become the cultural hub for Nelson Tasman, with broad appeal across demographics, by telling relevant stories in fun, interactive and unexpected ways for residents and visitors.\*

\* Note that this Vision statement is provisional. Work on the Vision and Strategy will be undertaken in 2016 with the TBHT Board, Te Tai Ao Komiti, external consultants, staff and community consultation, which is expected to refine this statement.

## Mission

The Nelson Provincial Museum is the most substantial regional museum in Nelson Tasman. The Museum is the repository for material culture and a proponent of local, distinctive intangible culture, and as such will display regional history, natural history, mātauranga Māori and contemporary narratives through profiling its collection, and with an ongoing programme of displays and events; by maintaining its collection and records; and providing lifelong learning opportunities to challenge, inform, and engage the wider community including manawhenua iwi, as well as attracting tourists, both local and international.

## Values

The following principles underpin decision making and set the standard for performance interactions with the Museum's communities of interest:

- To be culturally inclusive by celebrating and respecting Aotearoa New Zealand's cultural heritage in respect of Tangata Whenua and Tangata Tiriti, along with Nelson Tasman's diverse multi-cultural mix, both past and present, and to show how that contributes to our distinctive regional identity;
- To be innovative, with imaginative approaches and solutions to all activities we undertake;
- To be customer focussed: a primary objective of the Museum is to serve its visitors – it will therefore be responsive to their needs;
- To act professionally, upholding quality museum practices within a context of scholarship and the Museums Aotearoa Code of Ethics;
- To be relevant to our community;
- To preserve our region's important heritage items and protect them for future generations;
- To be a good employer, and
- To be commercially positive, attracting resources and revenues that will underpin our Vision, Mission, and related activities.

## Activities

Nature and scope of activities to be undertaken:

- To manage and operate the Museum for the benefit of the residents of Nelson Tasman and visitors to the region.
- To acquire, manage, interpret, preserve and make accessible the Museum's collection for the benefit of those residents and visitors.
- To promote understanding and appreciation of the region's rich cultural heritage and environs.
- To develop and maintain partnerships that mutually benefit the Museum, the community, and allied organisations.

## Key Priorities

Key priorities in the current three-year timeframe:

- The aim is for a significantly more vibrant and dynamic museum experience with increased visitation across demographics, particularly youth and children, through exhibitions with cross-generational appeal and interactivity.
- In part this will be achieved by better utilisation of the centrally located exhibition and education facilities.
- Develop an innovative and exciting exhibition and events programme that will include increased numbers at public programmes, increased online visitors and significant numbers of visitors to exhibitions in regional locations.
- Continue support for both formal and informal learning providers to enrich and enhance the relevance of the visitor experience throughout the province, with increased numbers of outreach programmes provided by our Educators in the Tasman region.

This will be achieved through:

- A visioning process based upon the recommendations in the 2014 strategic review, incorporating a clear and agreed statement of value. This will form the basis for the strategic plan.
- The CEO will undertake a functional analysis as part of this process, identifying what roles are required to deliver on the resulting strategic targets. The resulting organisational framework will better enable the Museum to deliver its core business.
- The Trust will strengthen relationships with our iwi, heritage and community groups, and with regional museums.
- The Museum will review our collection policy framework, including de-accession, to prepare the collection stores for relocation.
- The Museum will prioritise enabling a healthy team culture, acknowledging the impact of the geographical divide between the current facilities and instituting measures to minimise this disruption in the period before physical consolidation.
- The Museum will instigate discussions with NCC and TDC about the best location for the Library & Archives unit, with a focus on minimising duplication of services and consolidation of core business. A recommendation to Councils will be delivered by late 2016.
- The Museum will explore the possibility of developing shared non-collection stores and workshops in partnership with Founders Park and other institutions.
- The Museum will undertake a 'whole of business' facility plan.
- The Museum will develop a bi-cultural and bi-lingual strategy in consultation with the Iwi Advisory Komiti in order to increase relevance to manawhenua iwi and to better incorporate mātauranga Māori in Museum activities across the board.
- The Museum will review retail, sponsorship and commercial opportunities to better generate revenue.

### **Strategic Goals**

Looking beyond the current three-year Statement of Intent the Trust has identified six longer term **strategic goals**:

We will:

- identify and scope a long term solution to collection storage and research facility needs, with a view to consolidating all Museum operations into one building within five years.
- offer an enhanced and improved visitor experience – on-site, out-reach and on-line – resulting in increased uptake.
- contribute to the vibrancy of what the region offers its iwi, residents, national and international visitors.
- have increased heritage (historical, cultural and environmental) engagement across the region.
- maximise digital and online opportunities.
- actively seek to diversify funding sources and increase earned revenue.

## **Alignment with NCC/TDC outcomes**

- Our unique natural environment is healthy and protected – we will profile a variety of environmental issues and encourage engagement with, and protection of, our regional biodiversity through education, exhibitions and events.
- Our urban and rural environments are people-friendly, well-planned and sustainably managed, ensuring our communities have access to a range of social, educational and recreational facilities and activities – we will create a welcoming and engaging Museum that is recognised as the place to understand the cultural heritage of the region, activating the museum as a dynamic social space.
- Our infrastructure is efficient, cost effective and meets current and future needs – we will create a must-experience cultural hub that promotes the region’s unique attributes, as well as through employment, exhibitions, and through local and international tourism.
- Our communities are healthy, safe, inclusive and resilient – we provide opportunities for community engagement and provide opportunities for life-long learning.
- Our communities have opportunities to celebrate and explore their heritage, identity and creativity - through a range of exhibitions reflecting the multicultural diversity of Nelson Tasman, and our preservation of the region’s treasures.
- Our communities have access to a range of social, educational and recreational facilities and activities – we provide social engagement across demographics and opportunities for life-long learning, recreation and leisure.
- Our Council provides leadership and fosters partnerships, a regional perspective and community engagement – the Museum will promote positive engagement of the wider community to develop an appreciation of Nelson Tasman heritage, and aim to be recognised as the key custodian of significant material and intangible culture of the region.
- Our region is supported by an innovative and sustainable economy – the Museum is commercially positive and contributes to the central business district by encouraging visitation and dwell time.

## **Key Strategic Objectives, Performance Measures and Targets 2015 - 2018**

### **Visitors**

To increase visitor numbers and expand the visitor base into non-traditional audiences:

- A reduction in Council spend per visitor through a 5% increase in attendees per year.
- Actively participate in a broad range of regional activities and events by holding one event per quarter and report on both the Museum input and community outcomes.
- Monitor visitor satisfaction and maintain 80%+ satisfaction ratings with results reported to Councils at mid and end of year.
- Increase programmes and exhibitions that are shared with Tasman museums each year through identifying their needs and scheduling a touring exhibition programme.
- Develop a programme of visible changes in the Museum including a new window treatment to capitalise on street frontage, signal positive change, promote the Museum and drive increased visitation; website refresh phased over 2016 and 2017.

	2015/16FY	2016/17 FY	2017/18 FY
<i>Visitor Numbers forecast in 2015 SOI (excluding Education)</i>	40,000	42,000	45,000
Revised forecast, plus 5% annually	42,000	44,100	46,305
Education visits	5,500	5,500	5,500
<b>Total Revised Forecast</b>	<b>47,500</b>	<b>49,600</b>	<b>51,805</b>

### Partnerships and Relationships

To consolidate, expand and diversify partnerships and relationships:

- Play a lead role in maintaining and activating the Museum and gallery network of Nelson Tasman, through working with National Services Te Pāerangi to host and support at least one workshop for regional staff annually, and facilitating quarterly regional meetings.
- Undertake robust consultation with manawhenua iwi and support them in their aspirations and goals with respect to acquisition, care and display of taonga in Nelson Tasman.
- Institute a programme of cultural learning and understanding for staff, to help facilitate the Museum to embrace a bi-cultural perspective and engagement with the diverse multi-cultural communities of the region.
- Maintain & expand the value of the Museum to educational agencies (including Ministry of Education, NMIT, Kura Kaupapa Māori, Schools, pre-school, formal and informal regional adult education providers, etc.) by meeting LEOTC targets and working with Brook Waimarama Sanctuary to support their mission with our Education resources.

### Revenue

To maintain, grow and diversify revenue sources:

- Maintain and strengthen relationships with current sponsors, and develop relationships with other potential sponsors.
- Ensure fundraising and sponsorship is integrated into operational planning and priorities including the business case for all exhibitions, events, collection projects and building works.
- Ensure costs are effectively managed to achieve the high value use and minimal waste by operating within budgets and undertaking robust tender processes to ensure we select the most cost-effective options.
- Increase Museum-generated revenue, producing products and projects as budgeted.

### Collections

To professionally manage and maintain all assets, including the Regional Heritage Collection:

- Review and revise all collection policies to ensure appropriate and contemporary collection development, management and research standards are achieved and maintained as well as collection rationalisation and preparation for relocation.

- The Trust will work with Councils and other major stakeholders to progress the establishment of a new Research Facility, with a recommendation in place by March 2018.
- The care and storage of Collections is taken into consideration through policy and practice, and is specifically reported on to CEO and Board outlining improvement actions when required, including swift pre-emptive action taken when significant risks are identified.

### **Organisational Alignment**

- Ensure organisational structure is fit for purpose to deliver revised vision and strategy based on the findings of the 2014 Strategic Report by December 2016; including the revision of the vision, functional analysis of capability gaps, consultation with staff and Board, and alignment of organisational structure to vision and strategy.
- The health and safety of staff, visitors and volunteers is taken into consideration through policy and practice, and is specifically reported on. H&S Committee holds monthly meetings, reporting to CEO and Board with improvement actions undertaken where needed.
- Review Human Resources systems to ensure they are managed in a way that supports organisational culture and is aligned with the operation of the Trust as a good employer. Ensure a staff satisfaction survey is undertaken each year, and implement KPIs and training programme.

### **Programming for our Visitors**

To develop programmes in response to a better understanding of our communities:

- Broaden the range of experiences (including exhibition, virtual, online, events, public programmes, education etc.) to ensure the focused and strategic use and activation of the Trust collections and resources.
- Present a forward-facing exhibition programme to ensure balance between cultural, environmental, historical and contemporary focus with a three year plan approved by the end of 2016.
- Attract a broader range of visitors, including those who are traditionally under-represented in visitation statistics, with two experiences per year targeting non-visitors with reporting on success and utilisation.

### **Online engagement**

To increase online visitor engagement with our collections and programmes:

- Redevelop website to improve visitor engagement and collection access, measuring improvement with Google Analytics.
- Increase virtual access to the collections and review options for optimisation including the redevelopment of the website and maintaining the rate of collection records on NZ Museums website annually.
- Investigate the option of an online resource for local regional museums.
- Increase and monitor engagement of the regional community through enews and social media marketing, increasing followers on Facebook, Instagram and Twitter by 10% annually over the next three years.

## **Consolidate Museum Operations**

To develop a five-year plan to consolidate all museum operations at one site:

- To examine building options to consolidate Museum operations at one site as recommended in the 2014 Strategic Report by canvassing options through a process of internal, stakeholder and public consultation by December 2017 and recommending a preferred option to stakeholders by 30 March 2018.
- Investigate the possibility of incorporating some/all of the TBHT Library/Archives collections with NCC and TDC Libraries. Recommendation provided by TBHT to stakeholders by December 2017.

OBJECTIVE	MEASURES	BY WHEN
Increase visitor appeal and expand the visitor base into non-traditional audiences	<ul style="list-style-type: none"> <li>• Hold one major event per quarter</li> <li>• Institute holiday programme activities</li> <li>• Increase visitor numbers by 5% annually</li> <li>• Visitor surveys demonstrate broadening of demographic appeal</li> <li>• Maintain 80%+ satisfaction ratings with visitors</li> <li>• Three year exhibition plan approved</li> <li>• Enhance street frontage to increase visibility</li> <li>• Rework entrance foyer</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly completion</li> <li>• Deliver four holiday programmes per year</li> <li>• Annual targets achieved</li> <li>• By 2018</li> <li>• Reported six-monthly</li> <li>• By 31st December 2016</li> <li>• By June 2016</li> <li>• By December 2016</li> </ul>
Consolidate, expand and diversify partnerships and relationships	<ul style="list-style-type: none"> <li>• Increased support for regional museums and cultural centres</li> <li>• Organise quarterly regional meetings</li> <li>• Develop Regional Museums brochure</li> <li>• Assist Ngati Rarua in developing their exhibition at Motueka Museum</li> <li>• Meet LEOTC contract target (5,500 students annually)</li> </ul>	<ul style="list-style-type: none"> <li>• At least one exhibition toured to Tasman regional museums annually</li> <li>• Four meetings annually</li> <li>• By March 2017</li> <li>• Ngati Rarua exhibition opens in December 2016</li> <li>• Report twice-yearly</li> </ul>
Maintain, grow and diversify the revenue sources	<ul style="list-style-type: none"> <li>• Current funding streams maintained</li> <li>• Retail outlet redeveloped to increase appeal and income</li> <li>• Finances are managed as budgeted</li> </ul>	<ul style="list-style-type: none"> <li>• Measured end of each financial year</li> <li>• By December 2016</li> <li>• Budget targets met and reported six-monthly</li> </ul>

<p>Manage and maintain all TBHT assets, including the Regional Heritage Collection</p>	<ul style="list-style-type: none"> <li>• Revise and implement new Collection Strategy</li> <li>• No physical damage to the Collection</li> <li>• Completion of Glass Plate Negative scanning project</li> </ul>	<ul style="list-style-type: none"> <li>• By December 2016</li> <li>• Reported annually</li> <li>• By December 2016</li> </ul>
<p>Revise organisational framework to deliver upon strategy</p>	<ul style="list-style-type: none"> <li>• Ensure organisational structure is fit for purpose to deliver revised vision and strategy based on the findings of the 2014 Strategic Report</li> <li>• Performance management system embedded based upon new job descriptions, including annual reviews and quarterly performance discussions</li> <li>• Meet 80% staff satisfaction rate in annual Employment Engagement survey</li> </ul>	<ul style="list-style-type: none"> <li>• In place by August 2016</li> <li>• In place by November 2016 &amp; quarterly reporting ongoing</li> <li>• Run annually from March 2017</li> </ul>
<p>To develop programmes in response to a better understanding of our communities</p>	<ul style="list-style-type: none"> <li>• Present a forward-facing exhibition programme to ensure balance between cultural, environmental, historical and contemporary focus</li> <li>• Two activities developed annually to appeal to traditionally under-represented groups</li> </ul>	<ul style="list-style-type: none"> <li>• Three-year forward plan approved by TBHT by December 2016</li> <li>• Implementation from June 2017</li> </ul>
<p>To increase online visitor engagement with our</p>	<ul style="list-style-type: none"> <li>• Redevelop website to improve visitor</li> </ul>	<ul style="list-style-type: none"> <li>• By 31<sup>st</sup> December 2017</li> </ul>

collections and programmes:	<p>engagement and collection access</p> <ul style="list-style-type: none"> <li>• Increase and monitor engagement of the regional community through enews and social media marketing, increasing followers on Facebook, Instagram and Twitter</li> </ul>	<ul style="list-style-type: none"> <li>• Increase social media reach by 10% annually in 2016, 2017 and 2018</li> </ul>
To develop a five-year plan to consolidate all museum operations at one site:	<ul style="list-style-type: none"> <li>• Options canvassed through a process of internal, stakeholder and public consultation</li> <li>• Recommendation of a preferred option to stakeholders</li> <li>• Investigate the possibility of incorporating some/all of the TBHT Library/Archives collections with NCC and TDC Libraries</li> </ul>	<ul style="list-style-type: none"> <li>• By December 2017</li> <li>• Recommendation to stakeholders by 30<sup>th</sup> March 2018</li> <li>• Recommendation provided by TBHT to stakeholders by December 2017.</li> </ul>

## **Appendices**

### **Appendix I**

#### **I. Principal Objectives**

The aim of the Trust shall be to:

- foster, promote and celebrate a sense of history and awareness of the importance of the Nelson and Tasman region's heritage and identity and the relationship of the Tangata Whenua as kaitiaki of taonga Māori within the rohe of Te Tau Ihu; and
- be a good employer; and
- exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and conduct all trading affairs in accordance with sound business practice.

#### **II. Governance Statement**

Structure, Function and Obligations of the Board:

The Role of the Board

- To set policy.
- Ensuring the Trust meets its objectives approved in the Deed of Trust, Statement of Intent and Memorandum of Understanding with the two Council stakeholders.
- Ensuring the Trust complies with all its lawful obligations.
- Ensuring sound financial management of the Trust.
- Ensuring the stakeholders are kept well informed on all relevant issues, and that there are no surprises on matters likely to cause community or political concern.
- Encouraging the stakeholders to take an active and positive role in ensuring that the Museum meets its objectives and continues to aim for sustainable growth within the community.
- Employing the Chief Executive (including entering into a performance management agreement, reviewing performance and setting remuneration).

Composition of the Board

- The Board is made up of no more than seven, nor less than five, non-executive Trustees.
- The appointment, rotation and removal of Trustees shall be in accordance with the procedures defined in the Deed of Trust and the Councils policy and procedure for the joint appointment of directors/trustees of council controlled organisations and council controlled trading organisations.

Guidance and Resources Provided to Board Members

Resources available to Board members to carry out their duties:

- Sound financial management systems that provide Board reports as follows:
  - Statement of Financial Position for the preceding month and year to date.

- Statement of Financial Performance for the preceding month and year to date.
  - Statement of Cash Flow for the preceding quarter and forecast for next quarter.
  - Schedule of Fixed Assets for the preceding quarter and year to date.
  - Chief Executive's report addressing issues related to the Trust and Museum performance against objectives (financial and non-financial).
- The Board will ensure that relevant training opportunities and an induction kit are made available to Trustees.

Code of Conduct:

- All Board members shall observe the Governance Charter, 2008.
- All Board members will be required to comply with the New Zealand Institute of Directors "Code of Proper Practice for Directors".
- All Board members will apply their best endeavours to ensure the Trust achieves the financial, cultural, social and environmental objectives defined in Section 2 of this document.
- All Board members will apply their best endeavours to ensure the Trust complies with the requirements of its Deed of Trust, Memorandum of Understanding and the statutory compliance of the annual Statement of Intent and Strategic Plan.
- All Board members will apply their best endeavours to ensure the Trust complies with the Museums Aotearoa Code of Ethics.
- Board members are expected to devote the time, diligence, effort and commitment to allow the Board to achieve its objectives.

**III. Significant Policies in Place for Accountability**

The Board shall ensure the Trust complies with the reporting requirements of the Local Government Act, the Trust Deed and those outlined in Section 7 of this document.

Risk Management Policies:

- The Board shall ensure that appropriate insurance is maintained on all insurable risks of the Trust, and in particular public liability insurance.
- The Board shall ensure that the Trust has systems in place to achieve compliance with the Health & Safety in Employment Act 1992 and subsequent amendments.
- The Board shall review appropriate security measures to safeguard assets (cash, collection, archives) and staff handling of such assets.

Remuneration

- Trustees may with the prior approval of both Councils, and in accordance with the Terms of the Deed of Trust, resolve to pay themselves an annual remuneration.

#### IV. Nature and Scope of Activities

The objects for which the Trust is established are detailed in the Deed of Trust:

- To manage and operate the Museum in accordance with the Strategic Plan, to manage the Trusts assets and facilities, and acquire and manage the collections, including research collections of archives, library and photographs, and to operate them for the benefit of the residents of the region and the public generally, in accordance with the Strategic Plan;
- To recognise the special nature of the history of the region and the role of Tangata Whenua as kaitiaki of taonga Māori and special contribution to the heritage and identity of Te Tau Ihu;
- To support the strategic direction and policies of Nelson City Council and Tasman District Council in relation to cultural heritage issues and to enhance the special character of the region by protecting and celebrating its heritage and promoting it as a destination for cultural tourism (in association with Nelson Tasman Tourism, other regions and Tourism NZ);
- To foster support from a wide network including employees, volunteers, iwi, life associates, ratepayers and residents, educational providers, domestic and international visitors, heritage and other interest groups, corporate sponsors, private donors and supporters, philanthropic / funding agencies, Museums Aotearoa and departments of the New Zealand government;
- To foster effective participation with the community on heritage matters;
- To develop exhibition programmes and education policies for the Trust facilities and Museum services, with a view to maximising public utilisation of these facilities and services at TA445 in Nelson City and the Research Facility at Isel Park.
- To provide services which relate to the education of the residents of the Nelson and Tasman region, the rohe of Te Tau Ihu, and the wider community generally, relating to the region's past history and heritage issues relating to the present time via exhibitions, our website and direct and electronic access to collections;
- To collaborate with other museums and facilities within the region to maximise community input into heritage issues;
- To develop and maintain partnership programmes with other museums;
- To consult with and seek input from the community generally by whatever manner the Trustees deem appropriate to enable the services provided by the Trust and the Museum to be in accordance with the wishes of the community;
- To retain Acquisition, Deaccession, Exhibition and Collection Policies for the Trust;
- To provide all financial, administration, marketing, technology and other services required for the Trust facilities;
- To acquire land and other assets where such land or other assets can be used in conjunction with the Trust facilities or to promote the aims and objectives of the Trust;
- To ensure that all facilities are managed effectively;
- To comply with all relevant legislation and regulations and, where practicable, observe and support all international conventions and treaties as they relate to museums and items held by museums;
- To protect and manage for the benefit of the Museum all intellectual property, including trademarks, copyright and any reproduction rights;

Generally to do all acts, matters and things that the Trustees consider necessary or conducive to further or attain the objects and aims of the Trust set out above.

#### **V. Accounting Policies**

The reporting entity is Tasman Bays Heritage Trust. The financial year is from 1 July until 30 June.

The Trust reports financially under the new Accounting Standards Framework implemented by the Financial Accounting External Reporting Board to effect changes enacted by the new Financial Reporting Act 2013. For Financial Reporting purposes the Trust is a “Not-For-Profit Public Benefit Entity”. The Trust reports under the Tier 3 PBE Accounting Standards. All transactions in the financial statements are reported using the accrual basis of accounting.

The Trust has elected to opt up to Tier 2 PBE Accounting Standard for PBE IPSAS 17 Property, Plant and Equipment so that it can revalue its assets to fair value, and opt up to PBE IPSAS 29 and PBE IPSAS 30 to enable Council loans to be recognised at their fair value.

The Trust reports internally on a monthly accounting cycle with actuals for the Statement of Financial Performance and Statement of Financial Position being presented to Management and the Board monthly. Progress against budgets and forecasts is regularly monitored internally and reported against.

The Accounting policies are those set out in the Trust’s Annual Report.

#### **Measurement Base**

The financial accounting policies recognised which materially affect the measurement of financial performance and financial position will be applied.

#### **Goods and Services Tax**

The financial statements will be prepared so that all components are stated exclusive of Goods and Services Tax.

#### **Fixed Assets**

Tasman Bays Heritage Trust has the following classes of assets:

- Land, Buildings and Improvements
- Plant and Equipment
- Exhibition Fit Outs – permanent gallery
- Office Furniture and Fittings
- Collections

All fixed assets acquired from the Nelson Provincial Museum [NPM] in 2000-01 were recorded at their previous book value. Subsequent additions are recorded at cost. Collection assets donated to, or acquired by, the Trust are recorded and are not subject to depreciation. Items with a value greater than \$500 are approved prior to accession and where practicable a value is assigned based on research.

#### **Depreciation**

The Trust adheres to its Depreciation Policy. Each asset group has been assigned an appropriate depreciation rate calculated to allocate asset costs over their estimated life.

Land and Buildings are assessed on Fair Value. A new schedule was adopted in 2009-10. Buildings are valued for Audit and Insurance purposes biennially.

### **Financial Instruments**

The Trust is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short-term deposits, accounts receivable, accounts payable and loans.

Revenue and expenses in relation to all financial instruments are recognised in the Statement of Financial Performance.

All financial instruments are recognised in the Statement of Financial Position.

### **Employee Entitlements**

Provision is made in respect of the Trust's liability for annual leave. Annual leave has been calculated on an actual entitlement basis at current rates of pay.

### **Audit and Risk Management Committee**

This Board sub-committee was established in 2008-9 to consider all financial and accounting information and to identify and assist in the management of the risk framework.

## **VI. Performance Targets**

### **Annual Objectives**

As detailed in the Strategic Plan document.

- Governance, Financial and Strategic Performance Objectives set by the Board.
- Service Performance Objectives developed by the CEO with senior staff.

### **Governance Obligations**

- Operate within the annual budget at all times.
- Consult with Te Tai Ao Komiti to assist with kaitiakitanga of taonga Māori.
- Maintain the Research Library and catalogue and care for the NPM collection at IseI Park.
- Prioritise strategies that contribute towards sustainable growth and future certainty.
- Open the Nelson city facility at TA 445 to the public for 363 days per year. Operate within the annual budget at all times.
- Care for the NPM Collection in accordance with Museums standards and legal requirements.

## **VII. Reporting to Stakeholders**

Financial reports will be provided to stakeholders in accordance with statutory compliance.

### **Draft Statement of Intent (SOI)**

The Trust will begin development of the SOI by 30 November in each year. No later than 28 February in each year, the Trust will deliver to the stakeholders a DRAFT Statement of Intent [SOI], Strategic Plan and Budgets which fulfil the requirements of LGA 2002 (Section 64).

### **Completion of Statement of Intent (SOI)**

The stakeholders' comments on the draft are to be received no later than 30 April. After due consideration, the Trustees will deliver to the stakeholders a FINAL SOI for the stakeholders approval, on or before 30 June each year. Performance objectives and Proposed budget (year 1) and Indicative budgets (years 2 and 3) are included with the Draft and Final SOI

### **Strategic Plan**

A Strategic Plan prepared in accordance with Section 29 of the Deed of Trust is in development.

### **Half Year Report**

After the end of the half year (31 December) of the financial year the Trust will deliver to the stakeholders a brief un-audited report containing the following information in respect of the period under review (due no later than 29 February).

- Statement of financial performance disclosing actual and budgeted revenue and expenditure (P&L) and comparative figures from previous half year report.
- Statement of financial position at the end of the period.
- Statement of cash flow.
- A Trust commentary on the results for the period, including progress against objectives in the Statement of Intent and the Strategic Plan. An outlook for the second half year, with reference to any significant factors that are likely to have an effect on performance.

### **Annual Report**

The Trustees shall deliver to the stakeholders an annual report which fulfils the statutory requirements of LGA 2002 (Section 67) and prepared to comply with NZ International Financial Reporting Standards (IFRS) and audited financial statements in respect of the financial year containing at least the following information:

- A report including a summary of the financial results, a review of operations and comparison of performance in relation to objectives in the Statement of Intent and the Strategic Plan.
- Statement of financial performance disclosing actual and budgeted revenue and expenditure and comparative figures from previous annual reports.
- Statement of financial position at the end of the year.
- Statement of cash flows.
- Auditor's report on the above statements and the measure of performance in relation to the declared objectives.
- The annual report is to be available for public inspection (on the NPM website).

The non-financial part and the draft financials will be delivered to TDC and NCC Councils on or before 5 August 2016. Finalised financials will be delivered on or before 19 August 2016.

### **Procedure for Acquisition of Other Interests**

If the Trustees believe that Tasman Bays Heritage Trust should invest in or otherwise acquire any interests in any other organisation or property, they will obtain the approval of both stake holding Councils. This will require a resolution passed by each Council.

### **Funding from Local Authorities**

An annual funding contribution shall be made to the Trust as an operational grant, in accordance with the funding agreement in the Memorandum of Understanding. This grant and other Council funding such as Trustee fees or special funds will be clearly identified by the Trust in the SOI budgets. In addition to the base funding Tasman District Council makes storage space available at Whakatu Estate in a lease arrangement [at an estimated value of over \$65,000pa] and Nelson City Council has made a grant of \$70,480pa available for work on the Collection Inventory project. The confirmation of funding requires the approval of each Council by resolution. Council provisions for the Trust will be disclosed in each Council's ten year Long Term Plan [LTP], annual plans and annual reports. The Trust will submit all funding requests to the two Councils in accordance with due process.

### **Estimate of the Trusts Value**

The net asset worth of TBHT at 30 June 2015 was **\$19,263,876**. The Museum Collection was valued at \$15,316,700 with an effective date of 28<sup>th</sup> August 2015. This was carried out by independent valuers Dunbar Sloane. Significant donations are examined by independent valuers and are noted in the annual accounts.

The most recent valuation of land and buildings was performed by independent registered valuer, I McKeage of Telfer Young (Nelson) Ltd. The Isele property was valued at \$633,000 while the TA445 land and buildings was valued at \$9,156,000. The effective date of this valuation was **30 June 2015**.

The Trust has entered into a loan arrangement with the Nelson City Council and Tasman District Council for their respective loans. The Trust will repay the amount of \$100,000 to each Council commencing June 2016 for a period of 3 years. After the three year period, the Trust will review its repayments. As the loans are at nil interest these are discounted to their fair value upon receipt.

### **Dividend Policy**

As a non-profit charitable trust the Councils are stakeholders rather than shareholders. There is no issue of shares and no mechanism for dividends. However, the Trust anticipates, through delivery of performance objectives, that an annual, non-financial dividend will be returned to our wider community through a contribution to the social and cultural wellbeing of the region.

### **Insurance**

On behalf of the Trustees, Tasman Bays Heritage Trust will purchase Trustees' indemnity insurance. The Trustees will in return sign a declaration that such insurance is fair, as required by the Companies Act 1993. The Trust will ensure that appropriate insurance is maintained on all inwards loans, buildings owned by the Trust, and in particular public liability insurance.

## Appendix II

### Financials

#### Projected Statement of Cashflow 2015-18

	2015-16 Actual @ 31/12/15	2016-17	2017-18	2018-19
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>				
Council Operating Grants	869,341	1,740,496	1,742,236	1,743,978
Contracts	41,095	82,190	82,190	82,190
Interest Received	9,854	10,000	10,010	10,020
Receipts from Other Revenue	82,081	154,500	169,595	169,765
Payments to Suppliers & Employees	(896,651)	(1,756,368)	(1,670,953)	(1,672,624)
Interest Paid	(2,881)	-	-	-
Goods and Services Tax (Net)	(8,681)	(121)	-	-
<b>Net Cash from Operating Activities</b>	<b>94,158</b>	<b>230,697</b>	<b>333,078</b>	<b>333,329</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>				
Maturing/Sale of Investments	300,000	307,082	316,295	325,784
Purchase of Property	(43,389)	(105,000)	-	-
Purchase of Investments	(307,082)	(316,295)	(325,784)	(335,558)
	(50,471)	(114,213)	(9,489)	(9,774)
<b><u>CASH FLOWS FROM FINANCIAL ACTIVITIES</u></b>				
Repayment of Borrowings	(57,539)	(200,000)	(200,000)	(200,000)
	(57,539)	(200,000)	(200,000)	(200,000)
<b>Net Increase (Decrease) in Cash</b>	<b>(13,852)</b>	<b>(83,516)</b>	<b>123,589</b>	<b>123,555</b>
Opening Cash Balance	184,594	170,742	87,226	210,815
<b>Closing Cash Balance</b>	<b>170,742</b>	<b>87,226</b>	<b>210,815</b>	<b>334,370</b>

## Projected Statement of Performance 2015-18

<b>TBHT FINANCIALS</b>	<b><u>2015-16</u></b>	<b><u>2016-17</u></b>	<b><u>2017-18</u></b>	<b><u>2018-19</u></b>
Reserve Bank CPI - 31 December	Act. CPI @ 0.8%	Act. CPI @ 0.1%	Est. CPI @ 0.1%	Est. CPI @ 0.1%
<b>REVENUE</b>				
Operating Grant – TDC	834,138	834,972	835,807	836,643
Operating Grant – NCC	834,138	834,972	835,807	836,643
Addnl Op Grant – NCC	70,480	70,552	70,622	70,692
<b>TOTAL COUNCILS</b>	<b>1,738,756</b>	<b>1,740,496</b>	<b>1,742,236</b>	<b>1,743,978</b>
LEOTC Contract (Fixed)	82,190	82,190	82,190	82,190
Project Grants Exhibitions	32,000	30,000	30,030	30,060
Other	99,689	134,500	149,575	149,725
<b>TOTAL REVENUE</b>	<b>1,952,635</b>	<b>1,987,186</b>	<b>2,004,031</b>	<b>2,005,953</b>
<b>EXPENDITURE</b>				
Staffing	862,647	987,243	988,230	989,218
Education Contractors	82,190	85,529	85,615	85,701
Property	178,580	177,956	178,134	178,312
Other	123,860	180,830	136,967	137,104
<b>DIRECT COSTS</b>	<b>1,247,277</b>	<b>1,431,558</b>	<b>1,388,946</b>	<b>1,390,335</b>
Projects – Strategic	40,000	-	-	-
<b>GROSS SURPLUS</b>	<b>665,358</b>	<b>555,628</b>	<b>615,085</b>	<b>615,618</b>
Overheads	246,477	220,290	220,510	220,731
Interest Costs	4,260	-	-	-
Interest Costs – Councils	-	58,195	50,850	50,894
Trustee Fees	61,375	61,436	61,497	61,558
<b>TOTAL EXPENSES</b>	<b>312,112</b>	<b>339,921</b>	<b>332,857</b>	<b>333,183</b>
<b>OPERATING SURPLUS</b>	<b>353,246</b>	<b>215,707</b>	<b>282,228</b>	<b>282,435</b>
Less DEPRECIATION	352,638	329,000	329,329	329,658
<b>NET SURPLUS/DEFICIT</b>	<b>608</b>	<b>(113,293)</b>	<b>(47,101)</b>	<b>(47,223)</b>

### 2016-17 NOTATIONS TO BUDGET

1. 31 Dec 2015 CPI rate of 0.1%. The total funding from Councils is for operational costs (including trustee fees).
2. Other Revenue includes admissions, donations, sales, interest and retail rental.
3. Primary Loan (Westpac) will be fully repaid in the 2015/16 financial year.
4. Staffing costs have increased by approximately \$104k as a result of structural realignment recommended in the Strategic Review.
5. The 2016/17 budget includes estimated capital expenditure of \$105,000.
6. The net fair value adjustment for Council Loans has been included in the budget for 2016/17 and future years. This calculation is based on repayments to each Council of \$100,000 for 3 years commencing June 2016.
7. The Council interest costs were not budgeted for in the 2015/16 financial year, without the fair value adjustment, the 2016/17 result would be a deficit of \$55,098 (future years a surplus of \$3,749 and \$3,671 respectively).

