

*Whangārei Art Museum Trust Draft
Statement of Intent*

For the year 1 July 2020 to 30 June 2021

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1 Introduction from the Chair

This is the Statement of Intent for the Whangārei Art Museum Trust.

The major issue for Whangārei Art Museum Trust is the ongoing construction of the Hundertwasser Art Centre and creation of the art precinct and businesses related to that. Day to day operations of the existing galleries continue, and continue to develop and improve.

Construction of the Hundertwasser Art Centre creates complexity and uncertainty for us. With that comes risk.

The most obvious risk is construction cost overruns and we have suffered a substantial (\$4m) overrun which is being addressed and the trust is optimistic that funding will be secured to cover this capital cost.

However there are other cost risks and uncertainty. Whangārei Art Museum is the lowest funded regional art gallery in New Zealand. Both on a per capita basis and on a gross funding basis. This underfunding makes our ongoing sustainability problematic. Over recent years our underfunding has been masked by the contribution of a one-off bequest from a trust and also by the use of unbudgeted interest income earned on the capital contributions for the Hundertwasser Art Centre. However, fundamentally the Whangārei Art Museum is not receiving sufficient income to meet its existing outgoings (largely wages). This will need to be addressed in coming years. Additional funding is needed. Whangārei District Council is our largest funder and we will be seeking a substantial increase in funding from WDC to meet day to day expenses.

Coupled with this matter is that income from the Hundertwasser remains unproved. In addition the impact of Covid-19 on foreign tourists is yet to be seen but will undoubtedly have a significant negative effect on expected income. Professional reports prepared by Deloitte and Crowe Horwarth both concluded that the Hundertwasser Art Centre ought to be able to trade profitably – however this was based on pre-Covid 19 assumptions. Our projections for income and expenditure are based on those assumptions. However this will need to be reviewed once trading commences in 2021.

Thomas Biss

Chair of the Whangārei Art Museum Trust

2 Purpose of the Statement of Intent

In accordance with section 64 of the Local Government Act 2002, this annual Statement of Intent publicly states the activities and intentions of the Whangārei Art Museum Trust (WAMT) for the next three financial years, and the objectives to which those activities will contribute. This Statement of Intent has been created through liaison with Whangārei District Council (WDC) and includes performance measures and targets as the basis of organisational accountability.

3 Purpose of the Organisation

Whangārei Art Museum Trust (WAMT) was established 24 years ago to collect, display, conserve, and promote art in Northland.

The purpose of WAMT is to operate and manage the Whangārei Art Museum Te Manawa Toi, which is the public art gallery of the Whangārei District and custodians of its art collection and public art works in the city. The art museum is also the venue for touring and internationally curated exhibitions designed to showcase the full diversity of creative art practice in Northland, New Zealand, and beyond.

4 Approach to Governance

The governance of the Whangārei Art Museum is the responsibility of a Trust board comprised of seven Trustees, four approved by the Whangārei District Council with the Trust able to appoint a further three Trustees.

Whangārei Art Museum Trust (WAMT) actions and direction are determined by the Trust Deed, which details the objectives of the Trust. These include both the operation of the Art Museum and the requirement to support, stimulate and enhance the artistic and cultural life of the Whangārei District. The museum will recognise the interests of Tangata Whenua constituents, and actively engage with their relevant arts sector representative bodies.

4.1 Hundertwasser Art Centre

An important new building is set to redefine Whangārei as a centre for art and creativity, fostering a new identity for the city. The Hundertwasser Art Centre (HAC) is currently under construction beside the Hatea River. It is based on a design by renowned Austrian artist Friedensreich Hundertwasser, who moved to Northland in the 1970s and became a New Zealander. The Hundertwasser project has been driven by thousands of volunteer hours spanning two decades.

4.2 Wairau Maori Art Gallery Board

HAC will host the Wairau Maori Art Gallery, exhibiting works of Northland Maori artists, alongside works of national standing. In 2012, a special Maori advisory panel, which became the Wairau Maori Art Gallery Board, was established as a requirement on the Vienna-based Hundertwasser Non-Profit Foundation to honour the artist's wishes to a dedicated Maori gallery in the HAC building. The Board will advise on the curatorship of art and exhibitions in keeping with the harmony, spirit and philosophy of Maori culture.

5 Nature and Scope of Activities

WAMT was established in 1996 as a Council Controlled Organisation (CCO), incorporated as a Board under the Charitable Trusts Act 1957.

WAMT's Management has established four strategic pillars of engagement which form the lens through which all activities are set and delivered. The pillars are:

- Artistic Excellence (*kaupapa*): art as craft, art as industry, art as technology, art as inspiration, art as a change agent
- Visitor Experience (*manaakitanga*): delivering audience impact
- People (*tangata*): motivate, support and empower
- Sustainability (*kawanatanga*): generating funding and operating efficiently

5.1 Activities

Managing the Whangārei Art Museum

WAMT is responsible for managing the Whangārei Art Museum (WAM), including maintaining, cataloguing, conserving and displaying works of art. WAMT organises and holds exhibitions, including both internally curated exhibitions and touring exhibitions.

Education

WAMT has allocated space within the Gallery for public programs, education and events. With specific aims to increase and diversify visitor and community engagement.

WAMT designs a creative, education and interactive element for each exhibition. These elements are designed specifically for our youngest demographic.

WAMT aims to develop a Learning Experiences Outside the Classroom (LEOTC) Programme for the LEOTC contestable fund, which supports organisations to provide New Zealand students with learning experiences outside the classroom. LEOTC providers are organisations that hold significant community resources that support and enhance student learning. The LEOTC contracts are currently tendered on a three-year cycle. The next cycle for the Arts is 2021.

Developing the Hundertwasser Art Centre

In 2016, WAMT began an exciting, but challenging, new journey following a binding public Referendum on use of the Old Harbour Board building, with the community choosing the Hundertwasser Art Centre with Wairau Maori Art Gallery (HAC-WMAG) project. It was agreed that the HAC-WMAG would be operated by WAMT. WDC allocated funding in the 2018-2028 Long Term Plan, for the development of the building.

WAMT will be the operator and owner of the Hundertwasser Art Centre (HAC), with the land portion leased from WDC.

The HAC will host the Wairau Maori Art Gallery, exhibiting works of Northland Maori artists, alongside works of national standing.

The HAC will be unique to New Zealand as it will be the last authentic Hundertwasser building in the world and the only museum outside of Vienna hosting his art. It will also be New Zealand's only curated gallery of Maori contemporary art. The HAC will provide Northland an iconic drawcard as a nationally and internationally recognised cultural facility and tourist attraction. The project will contribute to the economic development and tourism growth for the region, alongside expanding New Zealand's Arts and Cultural community internationally. The centre will spark employment growth, an enhanced sense of place and pride in establishing a truly multicultural attraction. The centre will target the increased interest in cultural venues in the Asia-Pacific region and its visitor strategy.

The HAC will consist of the following as key attractions:

- An iconic Hundertwasser-designed building.
- Fifty Hundertwasser artworks, valued at approximately \$16m, to be supplied, on a rotation basis, by the Hundertwasser foundation in Vienna.
- Wairau Maori Art Gallery, containing contemporary Maori art on a rotation basis.
- An afforested rooftop with 200 plants including rare native species
- Café-restaurant
- Museum store.
- Learning centre, theatre and conference room

Construction of the HAC commenced in June 2018 and is expected to be completed by April 2021. The building will open in July 2021. The design of the building's unique internal spaces and external finishing remains unchanged from the original model, created in Vienna by the Hundertwasser Non-Profit Foundation, as the ultimate template for the finished art centre.

6 Whangārei District Council Vision

WAMT will operate in support of the WDC vision and community outcomes. Council’s vision is to be a *‘vibrant, attractive, and thriving District’*. This is achieved through the following community outcomes.

- Efficient and resilient core services
- Positive about the future
- Caring for the environment
- Proud to be local

WAMT plays a key role in creating a vibrant, attractive, and thriving District through art. It particularly supports the values of being proud to be local and being positive about the future.

The Art Museum provides a great opportunity for people of all ages, visitors and residents to experience art. HAC is going to be a significant drawcard for the future of Whangārei.

6.1 Whangārei District Council (draft) Arts & Culture Strategy (2018-2028)

WAMT is well positioned to be a key partner in supporting the Council’s Arts and Culture Strategy, which aims to build on the region’s strengths, and set a path aimed at realising economic benefits, social benefits and positive environmental effects that lie seeded within Whangārei’s cultural identity and cultural scene.

6.2 Whangārei Art Museum Vision

To tell the story of our district through art and artists, for the benefit of our community.

Whangārei Art Museum is a place of community and unharnessed potential to reach local and visiting audiences with concepts developed through art in all forms including performance arts, dance, music, film, poetry, digital media, and design. As home to the city’s art collection we are dedicated to its conservation by operating to Museums Aotearoa standards. We are committed to showing fresh exhibitions promoting local arts, as well as touring artwork from New Zealand and beyond.

6.3 Hundertwasser Art Centre Vision

To fuel conversations around humanity’s profound relationship with art and nature.

We will provide a unique “living building” and gallery experience that celebrates, explores and promotes the art, architecture, ideas and philosophy of Hundertwasser in a contemporary context.



6.4 Wairau Maori Art Gallery

To celebrate the contribution and influence of Māori art, which is central to New Zealand's emerging and future identity.

The Wairau Māori Art Gallery will showcase the best of contemporary Māori art. It will set a precedent for a new kind of gallery - one that empowers the best Māori artists, and enables them to exhibit their work in an expertly-curated setting, guided by principles of tikanga.

7 Whangārei Art Museum Trust – Internal Monitoring

WAMT's strategic objectives outline the Trust's emerging thinking and will evolve as the journey progresses. The strategic objectives, and their action areas, are for internal monitoring purposes and will not be reported on in detail under the Local Government Act 2002 requirements. However, a summary of performance against the key objectives, and any major deviations to plan, will be covered in the six-monthly reports to Whangārei District Council under this statement of intent.

WAMT is embarking on an exciting, but challenging new journey, with responsibility for the management of the construction and operation of the HAC-WMAG. This necessitates a refresh of the Trust's vision and strategic objectives. Appointment of the Chief Executive to provide operational leadership and management, is a key milestone in supporting achievement of these objectives.

7.1 Strategic Objectives

1. Creating brand identity

- Transition to 'one organisation'.
- More visible leadership role in the creative arts sector.
- Position WAMT as creative hub of Northland.
- Initiate implementation of an energetic and inspiring Public Art Policy, highlighting the environmental, economic, social, cultural and spiritual benefits of a healthy arts policy.

2. Partnering with others for the benefit of our community.

- WAMT as an enabler of a vibrant and connected arts community in Whangārei district, to enable Whangārei to become the cultural destination of the North.
- Remove barriers to access and participation in the creative arts sector.
- Strengthen relationship with WDC, partnering on agreed outcomes.
- Amplification of educational role in the community, as a pathway for Rangatahi into arts and culture.
- Recognising and responding to the rapidly changing demographic of Northland.

3. Achieving sustainability

- Securing funding.
- Good governance.
- Financial sustainability.
- Operational efficiency and effectiveness.

7.2 Action Areas

Whangārei Art Museum Trust Strategic Objectives	Action areas	Contribution to Council's vision
1. Artistic Excellence	<p>WAMT will</p> <ul style="list-style-type: none"> • Deliver Art Museum programmes at a high level of curatorial excellence • Put on shows and events that attract people to Whangārei, as a vibrant creative hub in Northland. • Bring to NZ up to 50 original works by renowned artist, Friedensreich Hundertwasser, in collaboration with the Hundertwasser Foundation in Vienna - for display at HAC when the building is open. • Support Wairau Maori Art Gallery's objective to exhibit quality works from our country's finest contemporary Maori artists, when the Art Centre is open. 	<p><i>Positive about the future</i></p> <p><i>Proud to be local</i></p>
2. Visitor Experience	<p>WAMT will</p> <ul style="list-style-type: none"> • Undertake a comprehensive brand redefinition to support the transition of WAM and HAC into 'one organisation', ensuring that the Museum's identity is maintained. • Consider its positioning in the wider NZ context, to provide WAMT with a more visible leadership role in the creative arts sector. • Promote Hundertwasser Art Centre and Wairau Maori Art Gallery to become a cultural destination of regional and national significance. • Increase visibility and visitor engagement by improving the entrance to, and arrival experience at WAM. • 	<p><i>Positive about the future</i></p> <p><i>Proud to be local</i></p>
3. People – Collaborations for the benefit of our community	<p>WAMT will</p> <ul style="list-style-type: none"> • Strengthen relationships with WDC, including agreement of our mutual objectives, and how we will work together to achieve these. • Build constructive relationships with the creative sector in Whangārei to support the district to become a cultural destination of the North. 	<p><i>Positive about the future</i></p> <p><i>Proud to be local</i></p>

	<ul style="list-style-type: none"> • Develop wider relationships with Tangata Whenua representatives, including with the operators of the Hihiaua Cultural Centre. • Develop a practical working relationship with the Wairau Maori Art Board to support gallery operations. • Amplify WAMT’s educational role in the community as a pathway for Rangatahi into arts and culture. • Collaborate with the community to amplify WAMT’s educational role as a resource for school art curriculums, holidays programmes and family workshops. 	
<p>4. Sustainability</p>	<p>Good governance</p> <p>WAMT will</p> <ul style="list-style-type: none"> • Follow the NZ IOD “Four Pillars of Governance” • Develop a Trustee skills matrix to identify skills required to support strategic direction. • Hold monthly documented Board meetings. <p>Long term and annual planning</p> <p>WAMT will</p> <ul style="list-style-type: none"> • Apply its long-term strategy. • Ensure annual planning supports the long-term strategy. • Monitor progress and KPIs. • Complete the annual report at the end of the financial year. <p>Health and safety</p> <p>WAMT will</p> <ul style="list-style-type: none"> • Follow the NZ IOD Health and Safety Guide. • Ensure that the Trustees have knowledge of and commitment to health and safety. • Ensure that the CEO exercises due diligence in relation to health and safety. <p>Being a good employer</p> <p>WAMT will</p>	<p><i>Efficient and resilient core services</i></p> <p><i>Positive about the future</i></p> <p><i>Proud to be local</i></p>

	<ul style="list-style-type: none"> • Conduct regular performance reviews with employees that form part of their Professional Development and Training Programme. <p>Risk management</p> <p>WAMT will</p> <ul style="list-style-type: none"> • Ensure there is an annual update of Strategic Risk and scoring in accordance with AS/NZS ISO 31000:2009. • Ensure there is appropriate insurance, which will be independently assessed. • Ensure the areas for internal audit and review are identified annually. <p>Legislative and Trust Deed compliance</p> <p>WAMT will</p> <ul style="list-style-type: none"> • Ensure legislative requirements are met. • Uphold the principles of the WAMT Trust Deed. • Receive a clear opinion on legal compliance as part of the annual audit by Audit NZ. • LGOIMA requests are answered within statutory timeframes. <p>Effective financial management</p> <p>WAMT will</p> <ul style="list-style-type: none"> • Receive monthly accounts prepared by WDC and have the WAMT Board approve these monthly accounts. • Comply with full GAAP accounting reporting. • Have accounts audited annually. • Conduct a monthly forecast review of the exhibitions budget. 	
	<p>Financial sustainability</p> <p>WAMT will</p> <ul style="list-style-type: none"> • Work with the Chief Executive to review operations to align with a single entity, and available funding. • Seek new funds in accordance with the Trust’s broader governance and responsibilities. • Review the organisational structure. <p>Operational efficiency and effectiveness</p>	<p><i>Positive about the future</i></p> <p><i>Efficient and resilient core services</i></p>

	<p>WAMT will</p> <ul style="list-style-type: none"> • Establish an operational relationship and a MOU with WDC. • Comply with LGA SOI preparation and reporting requirements. • Work with WDC to bring greater visibility to the Museum entrance, including a dedicated lobby and outdoor signage • Work with WDC to bring certainty and stability to Art Museum and HAC staff accommodation at the Museum location in the town basin, and for the benefit of the broad remit WAMT is tasked with fulfilling on behalf of the people of Whangārei • Develop a marketing and communications plan. • Monitor visitor numbers and conduct an annual visitor survey. • Build up its volunteer base to support both governance and operations. • Identify fundraising opportunities. • Develop business cases as required, targeted at specific funders and sponsors. • Undertake collections management – apply collections management policy. • Review storage of works – look at options to improve storage, including the controlled environment, and areas to accommodate touring shows. • Continue to upgrade lighting as funding becomes available. • Promote exhibitions – work with Council to promote and run quality events, reach out to new audiences, and grow visitor numbers. • Upgrade air conditioning to meet required Gallery Standards for Air Control and develop a business case for future capital investment. 	
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In addition to these objectives, there are specific project objectives and action areas for 2019/20 to support development of the Hundertwasser Wairau Maori Art Centre project.

HAC-WMAG Strategic Objectives	Key Performance Indicators
Project governance	A project plan is in place that includes budgets and key milestones.
Leadership	There is support for the Chief Executive to provide operational leadership and management across the combined HAC and WAM art precinct.
Funding	All agreed and pledged funding over the construction period is secured.
Fundraising	Fundraising continues to meet the needs for fit out and operational expenses required prior to opening.
Stakeholder relations	Expectations are met and managed for all stakeholders including the Vienna Foundation, Funders, WDC and the community.
Business planning	The business plan is confirmed and underpins the establishment and operation of the HAC, including the visitor numbers and entry fee model required for financial sustainability, the operational model, and transition planning.
Risk management	Risk is mitigated through adequate insurance (construction and indemnity), best practice Health and Safety management practices and appropriate Project Management and Governance practices. A risk register for the HAC project is maintained.

Further Explanation

- GAAP – generally accepted accounting practise.
- HAC – Hundertwasser Art Centre building.
- HAC-WMAG – Hundertwasser Wairau Maori Art Centre project.
- KPIs – key performance indicators.
- LGA – Local Government Act 2002.
- MOU – memorandum of understanding.
- NZ IOD – New Zealand Institute of Directors.
- SOI – Statement of Intent.
- WAM – Whangārei Art Museum.
- WAMT – Whangārei Art Museum Trust.
- WDC – Whangārei District Council.

8 Local Government Act – Accountability Measures

WAMT has agreed to a set of performance measures and targets which form the basis for accountability to deliver on Council’s strategic direction, priorities and targets. These are reported in accordance with Local Government Act 2002 requirements.

WAMT will continue to work internally, and with Council, on the development of performance measures, as it continues to refine the long-term strategic direction.

8.1 Objectives

1. Financial Management

There is effective financial management, aligned with best practice.

2. Reporting

Quality reporting documents are produced in accordance with LGA requirements and this Statement of Intent.

3. Effective operation

The Trust operates effectively for the benefit of the community.

4. Amenity development

WAMT contributes to the wellbeing and economic growth of the district.

5. Community engagement

Community engagement is encouraged and strengthened.

6. Growth

There is an increase in awareness of, and attendance at, Whangārei Art Museum.

8.2 Performance Measures and Targets

Objective	Performance Measures or Targets for 2020/21	Performance Measures or Targets	
		2021/22	2022/23
1. Financial management	WAMT will operate within agreed financial budgets. Actual spend ≤ Budget (reported on in the half-yearly report and annual report).	Actual spend ≤ Budget (reported on in the half-yearly report and annual report).	Actual spend ≤ Budget (reported on in the half-yearly report and annual report).
2. Reporting	WAMT will report on its achievement against the strategic objectives and action areas (as outlined in this SOI) in the half-yearly report and annual report.	Strategic objectives and action areas reported on in half-yearly report and annual report.	Strategic objectives and action areas reported on in half-yearly report and annual report.
	WAMT will provide quarterly reports on its achievement against the 2019/20 HAC-WMAG project objectives.	Quarterly reports with financial information specific to the HAC-WMAG project.	Quarterly reports with financial information specific to the HAC-WMAG project.
3. Effective operation	Revised measure: WAMT will annually assess operation hours and exhibition quality to meet agreed funding. Target: Exhibitions delivered to schedule and within programme budget. Reported on in half-yearly and annual report.	Annually assess operation hours and exhibition quality to meet agreed funding. Target: Exhibitions delivered to schedule and within programme budget.	Annually assess operation hours and exhibition quality to meet agreed funding. Target: Exhibitions delivered to schedule and within programme budget.
	New Measure: WAMT art collection management:	Acquire and document all new items in accordance	Acquire and document all new items in accordance

	<p>WAMT will acquire and document all new items in accordance with WAMT collection management policy and procedure.</p> <p>WAMT will ensure the safety and preservation of works in its care: less than 1% of art work handled by staff or the public will suffer irreparable losses or damage, evidenced by incident reports.</p>	<p>with WAM collection management policy and procedure.</p> <p>Ensure the safety and preservation of works in its care: less than 1% of art work handled by staff or the public will suffer irreparable losses or damage, evidenced by incident reports.</p>	<p>with WAM collection management policy and procedure.</p> <p>Ensure the safety and preservation of works in its care: less than 1% of art work handled by staff or the public will suffer irreparable losses or damage, evidenced by incident reports.</p>
4. Amenity development	<p>WAMT will continue to improve the WAM visitor experience thereby promoting the arts and contributing to the wellbeing and economic growth of the district.</p> <p>An annual survey demonstrates improvements in how WAM is regarded. Reported on in the half-yearly report.</p>	<p>Annual survey results demonstrate improvement in visitor experience.</p> <p>Reported on in the half-yearly report.</p>	<p>Annual survey results demonstrate improvement in visitor experience.</p> <p>Reported on in the half-yearly report.</p>
5. Community engagement	<p>WAMT will strengthen community engagement through programmes, events and collaborative initiatives including an educational component.</p> <p>Evidence of 3 programmes, events or initiatives developed or in development annually, covered in the half-yearly report.</p>	<p>3 programmes, events or initiatives developed or in development, covered in the half-yearly report.</p>	<p>3 programmes, events or initiatives developed or in development, covered in the half-yearly report.</p>
6. Growth	<p>WAMT will improve both awareness of the WAM, and attendance.</p> <p>Annual percentage increase to visitor numbers, covered in the half-yearly report.</p>	<p>Annual percentage increase to visitor numbers, covered in the half-yearly report.</p>	<p>Annual percentage increase to visitor numbers, covered in the half-yearly report.</p>

Further Explanation

These performance measures have been refined with Council's requirements for the Annual Operating Grant, to reduce duplication of reporting.

Any abbreviations and technical terms used are defined below:

- AOG refers to the Whangārei District Council Annual Operating Grant.
- WAMT refers to Whangārei Art Museum Trust.
- WAM refers to the Whangārei Art Museum.
- WDC refers to Whangārei District Council.
- HAC refers to the Hundertwasser Art Centre.

9 Information to be Provided Throughout the Financial Year

9.1 Half-yearly Report

The half-yearly report will be provided to Council within 2 months of the first half of the financial year ending (29 February 2020). It will include:

- Commentary on operations for the relevant six-month period, including commentary on both the financial and non-financial results.
- A comparison of performance against the objectives and performance targets set out in the statement of intent, such as:
 - a comparison of actual spending against the budget
 - achievement against the strategic objectives and action areas
 - a comparison of operation hours and exhibition numbers to funding
 - annual survey results on visitor experience
 - evidence of 3 programmes, events or initiatives developed or in development
 - changes in visitor numbers.
- Un-audited financial statements including a statement of financial performance, statement of financial position, cash flow statement, and notes to the financial statements.

9.2 Annual Report

The annual report will be provided to Council within 3 months of the financial year ending (30 September 2021). The annual report will include all the information necessary to enable an informed assessment of operations, including:

- A comparison of the performance targets and measures outlined in this statement of intent, and the actual performance of WAMT for the financial year, such as:
 - a comparison of actual spending against the budget
 - a comparison of operation hours and exhibition numbers to funding
 - discussion on the collection management undertaken.
- Any material variances from the expected performance of WAMT, and explanations for those variances.
- The amount of any compensation WAMT has undertaken to obtain, or has obtained, from Council.
- Audited consolidated financial statements for the financial year including a statement of financial performance, statement of financial position, cash flow statement, and notes to the financial statements.
- An independent auditor's report on the financial statements and the performance targets and other measures by which WAMT's performance against its objectives may be judged.

9.3 Quarterly Reports

Quarterly reports on the key performance indicators for the HAC construction project will be provided to Council.

9.4 No Surprises Approach

To ensure there is timely notification of any major issues, WAMT commits to a no surprises approach beyond the formal reporting requirements. This means that WAMT will inform Council via email or phone as soon as possible of any major issues that arise in the course of operations. WAMT will proactively inform Council when their operations could; create a major issue for WAMT or Council, trigger significant public interest, have political implications, or gain significant media attention.

10 Compensation Sought or Obtained

Council Funding

WAMT receives funding from WDC, and through community donations and grants. The Trust also receives funding specifically for establishment of the HAC-WMAG. The financial statements show the split between funding from WDC, and other sources of revenue.

In 2019/20 WAMT received \$398,970 via a grant from WDC, \$171,000 as a rent concession, and a rates remission of \$39,415.93 (\$38,177.75 from Whangarei District Council and \$1,238.18 from Northland Regional Council). This Statement of Intent is prepared based on the assumption that the current level of community grant funding received from WDC will continue for 2020/21. If there is any significant variance in funding Council may request modification of the Statement of Intent under the Local Government Act 2002, and any variance will be noted in the annual report.

Fundraising

WAMT is responsible for fundraising for the HAC in accordance with the community referendum requirements. This is a significant undertaking for WAM, given that few art museums in New Zealand operate without local government support. Notwithstanding, WAMT is committed to continued delivery against the principles of the founding WAMT Trust Deed, delivery of the actions relating to the Museum in this Statement of Intent, and preservation of the Museum identity through branding.

WAMT also relies on continued support from the community through fundraising, to ensure the sustainability of art acquisition, restoration and conservation of the collection. The collection is something for Whangārei to treasure and WAM is committed to its ongoing preservation.

Friends of the Art Museum was established to celebrate and support the work of the art museum. WAMT will seek to reactivate Friends Membership subscriptions via a database and direct marketing activities.

Funders and supporters of the Art Museum include Whangārei District Council, ASB Community Trust, NZ Lottery Grants Board, Oxford Sports Trust, and Creative NZ.

Appendix 1: Accounting Policies

1 Statement of accounting policies for the year ended 30 June 2020

1.1 Reporting entity

The Whangarei Art Museum Trust (WAMT) is incorporated as a trust under the Charitable Trusts Act 1957, is domiciled in New Zealand and registered under the Charities Act 2005, registration number CC28917. It is a Council controlled organisation as defined under Section 6 of the Local Government Act 2002.

2 Summary of significant accounting policies

2.1 Basis of preparation

All transactions in the financial statements are reported using the accrual basis of accounting. The financial statements are prepared on the assumption that WAMT will continue to operate in the foreseeable future.

The financial statements have been prepared on a going concern basis. WAMT is reliant on Council's continued support of its operations. Council has included funding for WAMT in its 2018-2028 Long – Term Plan. The level of funding for the 2019/2020 financial year is expected to assume the same level of funding. Funding is reviewed on an annual basis. WAMT has also received a letter of support from Council to ensure its going concern basis for a period of one year from the date of the approval of the 2017/18 financial statements.

The Board has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) on the basis that WAMT does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

Goods and services tax

WAMT is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for debtors and creditors, which are stated inclusive of GST.

Functional and presentation currency

The financial statements are presented in New Zealand dollars.

Revenue and expenses

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services, excluding Goods and Services Tax, rebates and discounts. Revenue is recognised as follows:

(i) Grants and donations

Grants and donations are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grant is initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

(ii) Pledges

Pledges are not recognised as revenue as WAMT is unable to control the access to the funds. Pledges are disclosed as a contingent asset when the money is pledged and recognised as revenue when the pledged money is received.

(iii) Donated assets

Revenue from donated assets is recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value of the asset is readily obtainable and significant.

(iv) Interest income

Interest revenue is recorded as it is earned during the year.

v) Sale of goods

Revenue from the sale of goods is recognised when the goods are sold to the customer.

(vi) Volunteer services

Volunteer services received are not recognised as revenue or expenditure as WAMT is unable to reliably measure the fair value of the services received.

(vii) Advertising, marketing, administration, overhead, and fundraising costs

These are expensed when the related service has been received.

2.2 Bank accounts and cash

Bank accounts and cash include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

2.3 Debtors

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

2.4 Property, plant and equipment

Property, plant, and equipment (excluding donated assets) are recorded at cost, less accumulated depreciation and impairment losses. WAMT does not revalue its property, plant and equipment. WAMT undertakes periodic impairment assessments of its property, plant and equipment.

(i) Artworks and donated assets

Purchased artworks are recognised at cost. Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the current value of the asset is readily obtainable and significant. Significant donated assets for which current values are not readily obtainable are not recognised. Artworks have an indefinite useful life and are not depreciated. Impairment is recognised if identified as below.

(ii) Asset sales

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount.

(iii) Use of assets

For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

Depreciation

Depreciation is provided on a straight-line basis at rates that will write off the cost of the assets over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Class of PP&E Leasehold	Estimated useful life	Depreciation rates
improvements Office equipment	10-100 years	1%-10%
Plant and equipment Computer equipment Artworks	2-10 years	20%-50%
	6-60 years	1.6%-17%
	2-5 years	20%-50%
	Indefinite	-

2.5 Investments

Investments comprise investments in term deposits with banks, listed bonds, and listed shares. Deposits with banks are initially recorded at the amount paid. If it appears that the carrying amount of the investment will not be recovered, it is written down to the expected recoverable amount.

2.6 Creditors and accrued expenses

Creditors and accrued expenses are measured at the amount owed.

2.7 Lease expenses

Lease payments are recognised as an expense on a straight-line basis over the lease term.

2.8 Tier 2 PBE Accounting Standards applied

WAMT has not applied any Tier 2 Accounting Standards in preparing its financial statements.

Appendix 2: Forecast Financial Information

PROSPECTIVE STATEMENT OF COMPREHENSIVE INCOME

	BUDGET 30 June 2021	BUDGET 30 June 2022	BUDGET 30 June 2023
Income			
Other Revenue	36,300	934,858	1,472,730
Council Funding	584,747	628,497	659,747
Interest revenue	100,400	30,400	400
Donations	10,771,500	2,566,670	51,500
Total Income	11,492,947	4,160,425	2,184,377
Less Expenses			
Employee Related Costs	577,843	1,011,170	1,129,171
Other expenses	1,699,592	1,150,930	1,062,824
Administration Expenses			
Total Expenses before depreciation	2,277,435	2,162,100	2,191,995
Net Surplus (Loss) before depreciation	9,215,512	1,998,325	(7,618)
Depreciation	25,182	463,879	864,157
Net Surplus (Loss) before tax	9,190,330	1,534,446	(871,775)
Tax Expense	-	-	
Net Surplus / (Deficit)	9,190,330	1,534,446	(871,775)
	30 June 2021	30 June 2022	30 June 2023
Total capital expenditure	11,610,000	1,410,000	-

PROSPECTIVE STATEMENT OF MOVEMENTS IN EQUITY

	30 June 2021	30 June 2022	30 June 2023
Opening Equity as at 1 July	22,843,267	32,033,597	33,568,043
Plus Profit (Loss) for the year	9,190,330	1,534,446	(871,775)
Total increase/(decrease) in equity	9,190,330	1,534,446	(871,775)
Closing Equity as at 30 June	32,033,597	33,568,043	32,696,269

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

	30 June 2021	30 June 2022	30 June 2023
Equity	32,033,597	33,568,043	32,696,269
Total Equity	32,033,597	33,568,043	32,696,269
Current Assets			
Cash and Cash equivalents	3,035,711	3,028,018	3,018,399
Stock in hand	200,000	200,000	200,000
Trade and other receivables	230,945	33,276	33,276
	3,466,656	3,261,294	3,251,675
Current Liabilities			
Trade and other payables and accruals	847,687	54,000	52,000
Working Capital	2,618,969	3,207,294	3,199,675
Non Current Assets			
Property plant and equipment	29,414,629	30,360,750	29,496,593
Long Term Liability			
Deferred income tax liability	-	-	-
Total Net Assets	32,033,597	33,568,043	32,696,269