



toi

tauranga
art gallery

Tauranga Art Gallery Trust
Draft Statement of Intent to
Tauranga City Council

2023–24, 2024–25, 2025–26

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Glossary of abbreviations used:

Tauranga Art Gallery	“Gallery” or “TAG”
Tauranga Art Gallery Trust	“Trust” or “TAGT”
Tauranga City Council	“Council” or “TCC”
Council Controlled Organisation	“CCO”
Enduring Statement of Expectations	“ESE”
Letter of Expectations	“LOE”
Statement of Intent	“SOI”
Long-Term Plan	“LTP”
Learning Experiences Outside the Classroom	“LEOTC”



Letter of introduction

The Tauranga Art Gallery Trust Board is pleased to present our Statement of Intent (SOI) for the periods, 2023–24, 2024–25, 2025–26.

The SOI is informed by the expectations of the Tauranga City Council as outlined in the Enduring Statement of Intent and the Letter of Expectation, dated 28 November 2022. It identifies synergies between our Vision and Tauranga City Council's vision and values, ensuring community objectives established through our visioning work guides our activities.

The purpose of the SOI is to:

1. State publicly the activities and intentions of a CCO for the year and the objectives to which those activities will contribute.
2. Provide an opportunity for shareholders to influence the direction of the organisation; and
3. Provide a basis for the accountability of the directors to their shareholders for the performance of the organisation.

During 2022–2023, the Trustees and staff have continued work reviewing and refocusing our systems, processes, and capabilities. Whilst this has been a challenging period, we are confident that this work has enabled us to create a solid foundation for the Gallery and has built a more resilient organisation.

Over the next three years we will be bringing a full and rich programme of exhibitions, education and public programmes and events for our visitors and community to experience. Exhibitions through 2023-2024 will feature a mix of local and national artists, both emerging and established, and we will continue to support local artists such as Paul Darragh and Jaime Jenkins to realise major exhibitions of new work in their hometown.

Our public and education programmes have been created to continually meet the needs of our diverse communities. They cater for all ages and abilities and will be delivered in the gallery and offsite. Over the next 12 months we will be introducing new programmes for our young people and also for the older population working closely with the relevant groups and local retirement homes.

The Trust is conscious that the Gallery will face more economic challenges over the next three years, and we will continue to work diligently on building diverse revenue streams and positive relationships to secure funding and sponsorship. We will continue to place an emphasis on understanding and communicating the value of Gallery's activities to both current and new stakeholders.

We look forward to working together in partnership with Tauranga City Council with the Te Manawataki o Te Papa project and we are excited about the opportunity to expand our capacity to deliver more art and culture in Tauranga.

We would like to thank the commissioners and staff for their ongoing support, and we look forward to updating you on our progress during the year.

Ngā mihi, nā

Rosemary Protheroe
Chair, Tauranga Art Gallery Trust



Strategic priorities and alignment

Vision Statement: Toi Tū Tauranga

Enduring relationships with art—creating life-long connections with art

Mission Statement: He Tauranga Toi

To be an anchorage for art—To create exceptional art experiences that engage, inspire, and challenge

TAGT strategic objectives	He Tauranga Auaha <i>To be an anchor of innovation and creativity</i>	He Tauranga Matarau <i>To be an anchorage for diversity</i>	He Tauranga Whaihua <i>To be an anchor of enduring success</i>	He Tauranga Haukaha <i>To be an anchor of great shelter</i>	He Tauranga Taiao <i>To be anchor in environmental sustainability</i>	He Tauranga Haumarū <i>To be anchor in safe development</i>
TAGT business function	Exhibitions, events, and education programmes	Stakeholder engagement	Marketing and Communications	Financial governance and management	Infrastructure and facilities	People and organisational culture
TCC LOE alignment community outcomes	Our purpose – we’re here to make Tauranga better: We recognise we are an integral part of the wider Bay of Plenty region and upper North Island.			We are inclusive		Accountability and transparency
TAGT Priorities	Deliver a diverse exhibition and events programme. Achieve a high level of customer satisfaction Deliver a range of education programmes and learning opportunities that meets the needs of our clients.	Enhance our marketing and communications. Partner with tangata whenua and ensure strong engagement with Māori. Partner with government agencies, councils, and other organisations.	Develop a greater awareness of our Social Return on Investment (SROI). Implement prudent financial management processes. Ensure TAG has a clear vision and purpose for the next 3–5 years.	Involvement in the City Centre redevelopment project (Civic Precinct) discussions. Effective management of assets.	Gallery operates in an environmentally sustainable way.	Purpose and values. Board professional development. COVID-19: health, safety, wellbeing Health, safety, and well-being is a priority. Implement best practice human resource management policies and processes. The board provides best practice governance



The future: 2023–24 and beyond

The Tauranga Art Gallery Toi Tauranga is a hub for learning and building connections through experiencing work by leading local, national, and international artists.

Our location in the CBD places us among a growing hospitality and cultural district, and at the heart of the city.

2023–2024 and beyond is going to be an exciting period for the Gallery and our communities, due to the positive impact we are making because of our hard work over the past 12–18 months. We now have a more solid foundation and a clearer pathway that identifies what we need to do to achieve our strategic outcomes.

Developing the capability of our people at the governance and operational levels of the Gallery is a priority over the next few years. The challenges of the past two years have reinforced to us there is a need to make sure our people are not only capable of doing the work but have the resilience to be able to adapt to our changing and unpredictable environment.

To meet the needs of our communities we will be regularly reviewing our programmes and will challenge our ideas. This will enable us as the Regional Art Gallery for the Western Bay of Plenty, to deliver a diverse range of innovative programmes for all to enjoy.

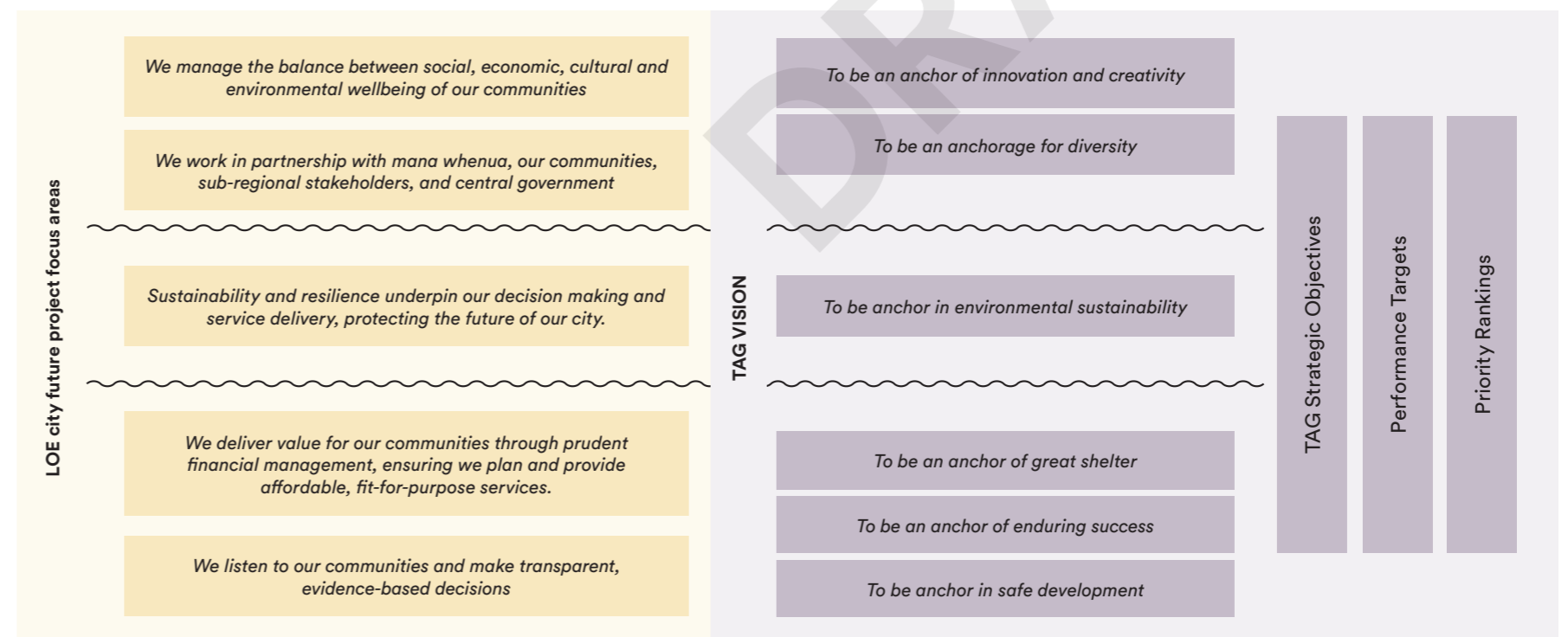
We will continue to offer opportunities for local artists to showcase their work in the gallery and in other sites across Tauranga and continue to inspire young people into art through our junior art awards.

To enable our tamariki and rangatahi to develop a lifelong love of art, and to offer opportunities for our retirees to participate in art classes, we will offer a wide range of in-gallery and offsite programmes and professional development opportunities for teachers and activity providers.

Finally due to the growth of our programmes we need a more fit-for-purpose facility, and this is a key priority for the TAGT and the future Civic Precinct — Te Manawataki o Te Papa project provides us with the opportunity to review our current building layout and plan for our future.

Nature of scope & activities

The diagram below demonstrates the alignment between the LOE City Future Project's focus areas and TAG's objectives. Our objectives are further detailed in the Performance Framework.



Performance framework—financial & non-financial

Exhibitions, Events and Education Programmes		
He Tauranga Auaha <i>To be an anchor of innovation and creativity</i>	TAGT Strategic Objective	Performance Target
TAG is a destination for both city visitors and residents, providing the opportunity for all to learn about and experience art	Deliver a diverse exhibition and events programme.	Deliver a high-quality programme that includes a minimum of 12 exhibitions and a diverse range of public programmes and events that reflect the unique character and needs of Tauranga, inspires the Tauranga community, includes international representation, and integrates key objectives in the areas of innovation, diversity, community, environment.
	Achieve a high level of customer satisfaction.	At least 38,000 visitors to the Gallery for 2023–24, 40,000 in 2024–25 and 55,000 in 2025–2026 85% “highly satisfied/positive” rating via our visitor survey and feedback received from schools and other participants of programmes and events.
	Deliver a range of education programmes and learning opportunities that meets the needs of our clients.	Education programmes are linked to the exhibition programme and align with the Te Whāriki (ECE) and the NZ Curriculum (primary secondary) curriculum focus areas and identified tertiary outcomes. Programmes are developed to meet the needs of our participants, with te reo and te ao Māori principles integrated within our programmes.
		A range of in-gallery, outreach and holiday programmes are delivered to a minimum of 7,500 students across Tauranga and the larger WBOP region. Continue to identify opportunities to expand our reach of programmes to schools/kura.
		Deliver a range of other learning opportunities for targeted groups and families/whānau—a minimum of 8 in 2023–24, 10 in 2024–2025 and 12 in 2025–2026.

Stakeholder engagement / marketing and communications		
He Tauranga Matarau <i>To be an anchor for diversity</i>	TAGT Strategic Objective	Performance Target
TAG is inclusive and promotes partnerships with tangata whenua, values culture, and diversity and where people of all ages and backgrounds are included, feel safe, connected, and healthy.	Enhance our marketing and communications.	The marketing and communications strategy continues to effectively promote the Gallery’s full range of activities and options to develop technology and digital platforms to provide alternative art experiences to grow audiences and enabling greater access to the visual arts.
	Partner with mana whenua, and ensure strong engagement with Māori	Implement an engagement strategy that reflects Tikanga Māori, enabling us to build stronger relationships with mana whenua and enabling wider engagement with Māori.
	Partner with government agencies, councils, and other organisations.	Staff, and where appropriate trustees, work in collaboration with relevant government agencies, groups, and councils to share best practice and to align with other events held across the city, i.e., Tauranga Arts Festival, Jazz Festival.

Financial Governance and Management		
He Tauranga Whaihua <i>To be an anchor of enduring success</i>	TAGT Strategic Objective	Performance Target
TAGT will pursue opportunities to secure funding and manage all funds with prudence and care with a commitment towards being financially sustainable.	Develop a greater awareness of our Social Return on Investment (SROI)	Our Social Return on Investment (SROI) impact is integrated into messages with stakeholders and Gallery supporters, leading to a better understand of our social and economic impact. Report findings to TCC as part of 2023–24 Annual Report. New measures and statistics are identified, in addition to ongoing visitor attendance and feedback surveys, to be reported back through the 2023–24 Annual Report
	Implement prudent financial management processes.	Appropriate systems and controls are in place for the efficient financial management, planning, and decision making across all areas of the organisation. Our annual budget is monitored regularly, with current financial projections maintained to ensure gross revenue targets and forecasted expenditure is within budget. Generate 20% revenue from sources other than TCC (2023–24), building towards increasing our alternative revenue by a minimum of 20% (24% of overall operating budget) by 2024–25.

Infrastructure and facilities		
He Tauranga Haukaha <i>To be an anchor of great shelter</i>	TAGT Strategic Objective	Performance Target
He Tauranga Taiao <i>To be anchor in environmental sustainability</i>	Involved in City Centre redevelopment project (Civic Precinct) discussions.	Evidence of collaboration with TCC management team on the development of the Te Manawataki o Te Papa – Civic Precinct.
	Effective management of assets.	An Asset Management Plan is developed that includes a well-planned repairs and maintenance programme, renewals, and future CAPEX priorities.
	Gallery operates in an environmentally sustainable way.	We have investigated ways of using resources better and reducing waste by recycling and/or reusing materials and monitoring power consumption. TAGT identifies targets in period, in work towards achieving a sustainability accreditation by 2025–26

People and organisational culture		
He Tauranga Haumaruru <i>To be anchor for development</i>	TAGT Strategic Objective	Performance Target
TAGT will take all practical steps to ensure our people are valued, supported feel safe, connected, and healthy	Health, safety, and well-being is a priority.	All health, safety and well-being policies and procedures reviewed, and an internal review programme developed to ensure they are regularly monitored to meet statutory requirements.
	Implement best practice human resource management policies and processes	To improve the culture of the organisation, staff are engaged, increased in employee satisfaction, meeting statutory obligations, and reducing organisational risk. Annual staff survey to be undertaken, potentially in collaboration with Council with a staff rating of 80% staff satisfaction achieved.
	The board is providing best practice governance	The board provides governance for the TAG strategic direction. All Trustees have a clear understanding of their roles and actively seek professional development opportunities. Board will also be openness and transparency, publishing our SOI on our website and key strategic documents, policies and staff and board charters.
	Approach to governance	TAGT board values align with Tauranga City Council’s values. Collaborate with TCC, through assisting with developing the Council city brand, City Event Strategy, and participating in Governance-to-Governance meetings.

Planning

TAGT will prepare and annually update a three-year Strategic Plan and Annual Business Plan with:

- Indicative rolling three-year forecasts of financial performance and position, separately identifying any significant intended expenditure.
- Any likely requests for increased levels of funding from Council.
- Key actions or initiatives to deliver on the objectives of the Trust.
- Upcoming challenges, risks, and opportunities for the Trust.

TAGT will work collaboratively with TCC to review and as necessary update the Enduring Statement of Expectations (ESE) and the annual Letter of Expectations (LOE).

Reporting

TAGT will:

- Keep TCC informed of matters of substance affecting the Trust as outlined in ESE.
- Produce an annual report to TCC on both financial and non-financial performance.
- Appraise the performance of the Trust Board / Trustees at least every 2 years.

Annual Report

TAGT will work alongside the appointed auditor with the goal that within two months after the end of each financially year, TAGT shall deliver to the TCC a Draft Annual Report, and within three months after the end of each financial year, audited financial statements in respect of that financial year containing the following information:

- A trustees' report, including a summary of the financial results, a report of the operations, and comparison of performance in relation to its objectives and recommendations for further funding requirements or opportunities.
- Audited financial statements for that financial year; and
- The Auditor's report on:
 - Those financial statements; and
 - The performance targets and other measures by which performance has been judged in relation to the objectives.

The audited financial statements shall consist of

- Statement of Financial Position.
- Statement of Financial Performance.
- Statement of Cashflows.

- Statement of Performance against Financial and Non-Financial Performance Targets.
- Such other statements as may be necessary to fairly reflect the financial position of the Trust, the sources available to the Trust and the financial results of the operations of the Trust; and
- A statement of accounting policies and notes to the accounts.

The ability for TAGT to meet the above timeframes is dependent on the availability of the appointed Auditor.

Financial performance targets

- Gross revenue is consistent with the agreed budget.
- Expenditure is managed within the agreed budget.
- Working capital ratio of no less than 1 (excluding current portion of term debt).
- Interest cost as a percentage of total revenue should not exceed 10%.
- Consolidated funds (total equity) are not less than 90% of total assets (all current and non-current assets).
- No debt is to be raised to finance operating expenses.
- No distribution of income or capital to TCC.

Non-Financial Performance Targets

Indicative Non-Financial Performance Targets of planning and reporting requirements are met as per performance framework above.

Accounting policies

Financial statements will be prepared and applied consistently in accordance with NZGAAP. They will comply with NZIFRS and other applicable Financial Reporting Standards, as appropriate to public benefit entities that qualify for and apply differential reporting concessions.

Non-Financial Performance Targets

Indicative Non-Financial Performance Targets of planning and reporting requirements are met as per performance framework above.

Asset management

TAGT will prepare and implement Asset Management Plans for the building and other assets.

Commercial Values of Assets

TAGT operates a public service and not a commercial activity. It is not practical to provide a commercial value to assets. Fair value of land, building and artworks are determined by an independent valuer every three years and changes reflected in the financial statements. Fair value is reviewed annually. The next valuation is to be undertaken in the year ended 30 June 2024.

Transactions between related parties

Transactions between TCC and TAGT will be conducted on a wholly commercial basis.

Significant decisions

TAGT will not undertake any activity of a significant nature or scope not provided for in the ESE or the SOI without prior approval of TCC. In particular, the prior approval would be required for TAGT to:

- Form any subsidiary entity.
- Purchase shares in any other entity.
- Dispose of any significant assets, e.g., land or buildings.
- Dispose of or deaccession any works within the TCC Civic Art Collection.
- Purchase any significant assets e.g., land or buildings.

Investment from TCC

2023–24

Management and operation of Tauranga Art Gallery \$1,296,014 (based on applying an inflation adjustment of 2% and including Trustee fees of \$45,000.

2024–25

Management and operation of Tauranga Art Gallery \$1,321,934 (based on applying an inflation adjustment of 2% and including Trustee fees of \$45,000

2025–26

Management and operation of Tauranga Art Gallery \$1,348,373 (based on applying an inflation adjustment of 2% and including Trustee fees of \$45,000

Final figures to be confirmed by TCC. Any increases of the Management & Operational funding and Trustee fees would be subject to TCC approval as part of the internal submission via the Annual Plan process.

Payment arrangements

- Payment of the Tauranga Art Gallery management and operation will be made monthly in advance as per the schedule above.

Compensation for any other services provided to or by the Council will be based on a service delivery agreement entered into by both parties.

Signed by:

Rosemary Protheroe
Chair, Tauranga Art Gallery Trust

Signed by:

Director, Tauranga Art Gallery

Three-year forecast

		SOI			
		3 Year Forecast			
		2023-2024	2024-2025	2025-2026	
TAURANGA ART GALLERY					
Indicative Three Year Operational Forecast					
TAGT Budget codes reference	Income				
Grants & Donations, Exhibitions, Education, Other	Donations, fundraising and similar revenue	\$365,000	\$365,000	\$365,000	¹ Expecting that the coming years reflect similar to our 2023 forecast in Jan 23 - with economic times toughening it is difficult to project increasing donations or fundraising
Venue Hire/Events, Retail, Public Programmes	Revenue from providing goods or services	\$82,000	\$84,000	\$84,000	² Based on 2023 forecast from January
Interest Received	Interest, dividends & other investment revenue	\$11,324	\$11,551	\$11,782	³ As per Forecast
TCC	TCC Operational (incl Collections)	\$1,347,014	\$1,373,954	\$1,401,433	⁴ Based on 2023 forecast figure, 50k increase due to policy change(CPI 2%)
WBOPDC	WBOPDC	\$40,800	\$41,616	\$42,448	⁵ WBOPDC 3-year partnership agreement has been renewed for next 3 years with annual CPI (2%) increase and we are working towards increasing the base contract
	Total Income	\$1,846,138	\$1,876,121	\$1,904,663	
	Gross Profit	\$1,846,138	\$1,876,121	\$1,904,663	
	Less Operating Expenses				
Building, IT & Telecommunications, Cleaning, Electricity & Insurance	Building	\$229,335	\$233,921	\$238,600	⁶ Building as per 2023 forecast as at Jan23 costs for goods and an increase in building maintenance included as per Beca report. Includes CPI 2%
Collections, Events, Exhibitions, Education, Public Programmes, Retail, Media & Marketing and Other	Expenses related to public fundraising	\$411,483	\$419,713	\$428,107	⁷ Increases in 2023 forecast figures is due to increasing prices - have applied a basic smoother as we are expecting similar operations
Human Resources	Volunteer & Employee related costs	\$1,117,000	\$1,150,510	\$1,185,025	⁸ 2024 expected wages has been calculated and applied with slight increase for future years
Governance and Director, Trustee Fees	Costs related to providing goods or services	\$58,230	\$59,395	\$60,583	⁹ Trustee fees, Director travel, meetings & professional services. 2023 is higher due to \$11k of legal expenses not expected in future years
Accounting, Audit & Bank Fees	Other expenses	\$39,675	\$40,468	\$41,278	¹⁰ Includes audit fees (75%), accounting, bank & EFTPOS service fees.
	Total Operating Expenses	\$1,855,723	\$1,904,008	\$1,953,593	
	Operating Profit	-\$9,585	-\$27,887	-\$48,930	
	Non-operating Expenses				
	Depreciation	\$152,000	\$152,000	\$152,000	¹¹ Depreciation projections is based on previous years calculations.
	Total Non-operating Expenses	\$152,000	\$152,000	\$152,000	
	Net Profit	-\$161,585	-\$179,887	-\$200,930	

Assumptions

1. Expecting that the coming years reflect similar to our 2023 forecast in Jan 23 – with economic times toughening it is difficult to project increasing donations or fundraising
2. Based on 2023 forecast from January
3. As per Forecast
4. Based on 2023 forecast figure, 50k increase due to policy change (CPI 2%)
5. WBOPDC 3-year partnership agreement has been renewed for next 3 years with annual CPI (2%) increase and we are working towards increasing the base contract
6. Building as per 2023 forecast as at Jan23 costs for goods and an increase in building maintenance included as per Beca report. Includes CPI 2%
7. Increases in 2023 forecast figures is due to increasing prices – have applied a basic smoother as we are expecting similar operations
8. 2024 expected wages has been calculated and applied with slight increase for future years
9. Trustee fees, Director travel, meetings & professional services.
10. Includes audit fees (75%), accounting, bank & EFTPOS service fees.
11. Depreciation projections is based on previous years calculations.

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