

The Suter Art Gallery Te Aratoi o Whakatū Trust

STATEMENT OF INTENT

2024-2029

The Suter Art Gallery Te Aratoi o Whakatū Trust

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Abbreviations used in this document:			
The Suter Art Gallery Te Aratoi o Whakatū	The Suter	The Suter Art Gallery Te Aratoi o Whakatū Trust	The Trust
Nelson City Council	NCC	Tasman District Council	TDC
Council Controlled Organisation	CCO	Long Term Council Plan	LTP
Nelson Suter Art Society	NSAS	Ko Te Pouāranga	KTP

1. The Suter Art Gallery Te Aratoi o Whakatū Trust (The Trust) Statement of Intent 2024 - 2029

The Trust is the governance body for The Suter Art Gallery Te Aratoi o Whakatū; a not-for-profit entity with charitable status, established to manage and operate on behalf of the Nelson and Tasman Councils a public art gallery service for the benefit of residents of Nelson and Tasman regions and the public generally.

We are guided by our Trust Deed, which requires the Trust to “manage the assets and facilities, acquire and manage the collections and to operate them for the benefit of the region;... recognising the special nature of the history of the region and role of tangata whenua as kaitiaki of taonga Māori and their special contribution to the art and identity of the region.”¹

The Suter is a Nelson City Council (NCC), council-controlled organisation (CCO) and in accordance with statutory obligations of Schedule 8 Section 64 of the Local Government Act 2002, and in response to the NCC’s Statement of Expectation (SoE) for The Trust, this Statement of Intent (SoI) is for the forthcoming financial year 2024/25 and the following four financial years, ending 30 June 2029. The purpose of this SoI, is to promote public accountability and it is intended as a base against which performance can be assessed.

The Trust’s core funding is provided by NCC, and Tasman District Council (TDC) also contributes funding. The Trust’s services are provided with a combined Nelson and Tasman regional focus; and align with both Councils’ joint community outcomes as outlined in their respective Long Term Plans [LTP] and that our activities will support the objectives of He Tātai Whetū Whakatū Nelson Arts and Creative Strategy, and Arts, Heritage and Events Activity Management Plan.

The five years’ financial forecast is aligned with The Trust’s 5-year strategic plan objectives and targets.

Also, in line with the NCC’s goal to reduce annual carbon emissions The Trust must ensure its activities are conducted sustainably, consider environmental impacts and instigate mitigations.

1.1. Executive Summary: The Suter, a vibrant destination where art matters

The Trust’s aspiration is to be a visual arts destination of the highest quality, where ***Art Matters*** - a place which will excite, engage and inform our community through art experiences, and that will be a leading attraction for visitors to the region.

Te Aratoi o Whakatū expresses in Te Reo Māori that the Gallery is providing a pathway to the arts for the Nelson region and we see our purpose as being: **to make art matter**

Our vision: To be a high-quality visitor destination where art matters

Our purpose: To bring people and art together by honouring our cultural and artistic heritage and proactively bringing innovative, challenging and engaging perspectives to audiences through the collection, exhibitions and education.

Key Goals:

- 1 To be a vibrant visual arts destination of national importance
- 2 To excite, engage and inform our community through art experiences.
- 3 To ensure a sustainable future for The Suter

¹ The Bishop Suter Trust Deed of Trust 2007 S.3. Aims of the Trust

4 To embrace the past and preserve our cultural and artistic heritage.

Our Goals are underpinned by our commitment to honouring and living our partnership with iwi, guided by our Memorandum of Understanding with Ko Te Pouaranga².



We will be focussing on enhancing our reputation as a nationally significant public art gallery, a multifaceted destination which serves our regions' communities, and is a key visitor attraction.

To engage audiences, we will present annual programmes of changing exhibitions, enhanced with activities that encourage the development of art and its appreciation in the community including structured education programmes³, public programmes and events on and off-site, and development of our nationally significant collection. An ongoing project that enhances the public's enjoyment of and access to the collection, is the further development of The Suter's ArtWalks in Nelson and through the Tasman region.

We are focussed on expanding and diversifying our audience base, through the variety of our programmes, marketing, communications, and collaborations, both internally with our lessees and Nelson Suter Art Society, Friends of The Suter and with supporter partners, iwi, other arts, cultural, tourism, business and not-for-profit organisations in our region.

Our programmes of exhibitions and activities will compliment local city or region wide events and festivals such as Nelson Arts Festival, Matariki, Nelson Clay and Jewellery Weeks and Nelson hosted national kapa haka events building up Te Matatini in 2027; and our engagements with communities will be on and off-site.

We will prudently build the Collection through acquisitions, funded by patronage, benefaction and fundraising and through acceptance of donated art works. Enhancing how people can access and enjoy our collection is an important objective, through continual development of The Suter's Collection On-Line, exhibitions, publications and projects that get our collection out in front of the public, including ArtWalks in Nelson and Tasman which we hope to continue to grow into more locations in the wider region.

² An iwi komiti with joint membership with Te Tai Ao Komiti

³ Learning opportunities will be provided for all ages, with an emphasis on providing high quality, structured learning experiences delivering Enriching Local Curriculum [ELC]. The Suter has a 3.5-year contract with the Ministry of Education to deliver ELC, from early childhood to year 13 students.

Our approach to sustainability is to take a holistic view from ensuring that we have sufficient resources in reserve to withstand existential threats, to focussing in on the environmental impact of our activities and those of our business partners, and being a good kaitiaki of our people, infrastructure and the taonga and heritage in our care.

The current economic climate, inflationary pressures, particularly significant rises in the costs of major overheads, is going to be challenging. In response we will be managing our core activities as efficiently and effectively as possible and driving revenue from both existing and future commercial activities, fundraising, grant seeking and philanthropy to off-set a proportion of the day-to-day operations' expenditure.

In 2024 The Suter will be in its eighth-year post-redevelopment and it's essential that our facilities remain fit-for-purpose and as resilient as possible in the face of climate related risks. We are guided by our Long-Term Maintenance Plan [LTMP] that informs and drives our capital, renewals, repairs, and maintenance programme. This aspect of our operating expenditure has increased as a percentage of our total revenue, from 0.8% in 2020 and is predicted to be 7% in 2024/5.

In 2014 The Suter entered a MoU with NCC to match fund depreciation to ensure that capital expenditure and large-scale maintenance could take place. For the past 3 years NCC have suspended their matching funds and have now withdrawn their commitment to match fund depreciation in the LTP 2024-34. The Suter has been unable to set aside surplus in 2023 nor in 2024 to go into our Asset Renewal Fund.

Looking ahead we anticipate that significant investment will be required to ensure our HVAC system is functioning as effectively and efficiently as possible.

The Suter has until recently been open 362 days of the year, with core hours open to the public being 9.30am-4.30pm. We have reviewed the operational viability of this and have started to reduce the number of statutory holidays that we are open. Other aspects of the facilities such as the Pastorius Waller Theatre @ The Suter are always available for use on otherwise closed days.

2 Nature and Scope of the Activities to be undertaken:

2.1. The following principles underpin our activities and goals

- **Making Art Matter:** Providing engaging and memorable experiences through:
 - Exhibitions, public programmes and special projects
 - Innovative educational opportunities/ lifelong learning
 - Collecting, preserving, recording and communicating our cultural and artistic heritage.
- **Kaitiakitanga:** Exercise responsible stewardship of all our resources of The Suter for the benefit of the public now and for the future: assets, people and cultural property.
- **Partnerships:** Developing our audience, patronage and partnerships and maintain these strong relationships for the mutual benefit of The Suter, the community, and allied organisations.

2.2. Tactics to achieve our Goals

2.2.1. To achieve being a vibrant visual arts destination of the national importance we will be:

- Honouring Te Tiriti and the undertakings in our Memorandum of Understanding with Ko Te Pouaranga

- Optimising the use of The Suter's facilities and resources to achieve objectives,
- Working on ways to diversify and broaden our audiences;
 - And encourage return visitation and conversion of our visitors into committed supporters who are taken along a deeper relationship journey with The Suter- as Friends, volunteers, benefactors.
 - Continue to improve accessibility including eliminating physical obstacles, intellectual, affordability and ways to get to The Suter; plus increase access via digital platforms.
- Undertaking arts related activities and **exciting marketing** to generate excitement around our programmes and events, that will attract and engage the public, increasing visitor numbers.

2.2.2. To achieve exciting, engaging and informing our community through arts' experiences we will:

- **Provide a regularly changing programme of exhibitions** that appeal to a variety of audiences, and that present the visual arts in its many forms by local, national, and where possible, international artists.
 - Those exhibitions will include at least one toi Māori exhibition per annum, collection-based exhibitions, exhibitions that link to Nelson Clay Week (2024), Nelson Jewellery Week (2025), Te Ramaroa (2025) and other exhibitions of local and national artists.
- **Provide innovative life-long learning opportunities including:**
 - School based education service offering curriculum related, structured lessons for years 0-13 students of the Nelson/Tasman region based on Suter resources. We have a 3.5 year Enriching Local Curriculum [ELC] with Ministry of Education which runs to 31.12.2025.
 - We will seek funding / build the Education Endowment fund to sustain this valued service into the future.
 - Provide a variety of activity-based art classes for children and adults.
 - Look to developing further types of classes, workshops and courses.
 - Illustrated talks, lectures, floor-talks, opening previews, workshops and other events are held to complement and support projects and the exhibitions' programme.
- **Provide Public Programmes that enrich art appreciation, and make the most of the exhibitions, collection and Suter resources:**
 - Illustrated talks, lectures, floor-talks, opening previews, workshops and other events are held to complement and support projects, the exhibitions' programme, collection etc and may be held on or off-site.

2.2.3. To achieve a sustainable future for The Suter we will

- Build the capability of the organisation: people, facilities, funding streams and processes - to ensure resilience, operational sustainability and programme innovation,
 - Be a Good Employer; invest in staff development and wellbeing.
 - Build revenue generating opportunities including retail, classes, ticketed events, services and venue hire.

- Develop memberships: including The Friends of The Suter and the Legacy Group. Our aim is to increase The Friends memberships and provide activities and benefits to those who are generous in their support for the Gallery.
- And celebrate our partnerships, supporters, and community engagements, encouraging revenue generation, venue hire, benefaction and support.
- Further our volunteer programme and reward their contribution to archives management, enquiries' research, fundraising, event assistance, visitor hosting and other tasks with structured training, plus Sneak Peeks where they are introduced to each new exhibition, and invitations to events to acknowledge their contribution.
- Work in partnership with key stakeholders and other potential funders and supporters to realize objectives including for delivery of programmes, development of collection and its care, projects on and off-site, and furthering of the education endowment fund.
 - With an emphasis on building long-term partnerships and other supportive relationships; with acknowledgement through special supporters' events, activities and involvements.
- Contribute to the fulfilment of He Tātai Whetū Whakatū Nelson Arts and Creative Strategy by providing leadership in the visual arts. Suter staff and Trustees have expertise that can be called upon to contribute to arts endeavours that enhance Nelson/ Tasman's reputation and achieve economic, cultural, and social outcomes.
- Do good beyond our walls by engaging with other community organisations to help them fulfil their objectives.
- Ensure our facilities, plant and equipment are fit for purpose through maintenance and renewals as per The Suter's Long Term Maintenance Plan,
- Actively identify and address risks through adaptation, mitigation or elimination including cyber threats, local climate change impacts, health & safety and to our resourcing,
- Working alongside the NCC on doing our part to contribute to the Council's long term carbon footprint reduction goals; using the NCC carbon footprint monitoring tool to guide mitigations and implementation of sustainability measures including energy consumption reduction, waste segregation/ waste reduction and other initiatives.

2.2.4. To achieve collecting, preserving, recording, communicating and displaying our artistic heritage we will:

- Be the recognised custodian of Nelson/Tasman region's artistic heritage by developing the **Collection**, sharing information and increasing knowledge of the Collection:
 - Acquiring works that are regionally relevant and nationally significant and within themes of dislocation and the environment which guide acquisition decisions.
- Profile aspects of the Collection and Nelson/Tasman regions' artists through exhibitions, loans, public programmes, publications, website, and projects
 - such as The Suter's Tasman ArtWalks- continue to develop and expand.
 - Continuing to develop and populate The Suter's collection-on-line.

3. The Suter's non-financial performance measures and targets for 2024/25

The following are the non-financial performance measures and targets that will be reported on 6 monthly to NCC.

Column 1 sets out The Suter's Goals

Column 2 are the NCC and TDC Community Outcomes aligned with Suter goals and service delivery; Living and honouring our Partnership with Iwi; delivery of NCC Statement of Expectation [SoE] and other documents such as He Tātai Whetū Whakatū Arts & Creativity Strategy 2022-2032.

Column 3 The performance objectives; Column 4 2022/23 performance; Column 5 The targets/ measures for 2024/25 financial year.

Vision: To be a high-quality visitor destination where art matters				
Strategic Priorities	Community Outcome; SoE	How performance will be assessed	2022/23 Actual	2024/25 Target
Goal 1: To be a vibrant visual arts destination of national importance	<p>Our communities have access to a range of social, cultural, educational and recreational facilities and activities,</p> <p>Honour the kaupapa of the MoU with Ko Te Pouaranga (KTP) and The Suter</p>	3.1.1. The number of visits to The Suter	105,441	100,000
		3.1.2. The percentage of adult visitors surveyed responding to the question "I would recommend visiting The Suter to others" on a 1-10 scale	92%	85%
		3.1.3. Ko Te Pouaranga input to programmes, exhibitions, projects, collection and policy development ⁴		# hui; min. 1 toi Maori exhibition per annum
Goal 2: To excite, engage and inform our community through art experiences	<p>Our communities have opportunities to celebrate and explore their heritage, identity and creativity,</p> <p>Our communities have access to a range of social, cultural, educational and recreational facilities and activities,</p>	3.2.1. A programme of 10-15 regularly changing exhibitions are mounted during the year.	21 new exhibitions /displays in period	10-15
		3.2.2. Provide learning experiences for Nelson/Tasman school students (ELC) ⁵ based on The Suter's programmes and resources	5,037 students from 40 schools/ELC	Minimum of 4,000 students from 25 schools
		3.2.3. Provide activities that Make Art Matter ⁶	248 classes; 30 events	Minimum of 80

⁴ This includes minimum of 4 joint hui Ko Te Pouaranga and Te Tai o Iwi Komiti of the Tasman Bays Heritage Trust

⁵ ELC Enriched Local Curriculum; targets relate to delivery of a Contract with the Ministry of Education that concludes 31.12.2025

⁶ These include after school art classes, adult art classes, events, workshops, openings both on and off site

	Honour the kaupapa of the MoU with Ko Te Pouaranga (KTP) and The Suter			classes, events etc.
Goal 3: To ensure a sustainable future for The Suter	Our communities are healthy, safe, inclusive and resilient. Our infrastructure is efficient, resilient, cost effective and meets current and future needs. SoE: Good Employer obligations SoE: Health & Safety obligations SoE: Non-Council financial contribution to meet operational costs SOE: Carbon footprint reduction	3.3.1. Maintaining Good Employer policies, procedures and practices; 3.3.2. No significant health & safety incidents and no staff hours lost to injury 3.3.3 The following: retail, FoTS, fundraising & sponsorship and donations, make a contribution to Suter self-generated income ⁷ : 3.3.4. Use Council carbon footprint monitoring tool to monitor progress with mitigations.	1 FTE resigned 0 hours lost to injury Report on actual against budget 2022/23 f/y Av. Energy consumption reduced over the whole year compared to 2021/22 f/y	# of resignations % staff turnover 0 hours lost to injury Report on actual against budget 2022/23 f/y Av. Energy consumption reduced over the whole year compared to 2021/22 f/y
Goal 4: To embrace the past and preserve our cultural and artistic heritage	Our communities have opportunities to celebrate and explore their heritage, identity and creativity.	3.4.1. Collections are developed in accordance with policy and strategy. 3.4.2. Collections preserved by minimal cases of irreparable damage occurring due to	8 <1	# of acquisitions <1

⁷ That is categories of revenue in addition to NCC & TDC operational grants, Ministry of Education contract for ELC

		storage/display conditions, handling or public access ⁸		
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4. Operating Framework

4.1. Background

The Suter has a long and rich history dating back to 1895 when Amelia Suter, widow of Nelson's second Bishop, Andrew Burn Suter, gave a collection of art works and land to encourage the establishment of an art gallery, as a memorial to her late husband. During 2024-25 The Suter will commemorate being open 125 years on its current site adjacent to Queen's Gardens.

In early 2015-2016 a major redevelopment occurred with new state-of-the art facilities built, designed by Marc Barron of Jerram Tocker + Barron, a Nelson based firm, and Warren & Mahoney. This Project was a partnership between the Bishop Suter Trust and Nelson City Council.

Community involvement in The Suter is very evident in the significant financial contributions to that Redevelopment, to the Collection and other projects over the years. Over 90% of items in The Suter's collection have been donated or acquired through benefaction. Of national significance, the Collection includes historical and contemporary art works and ceramics by New Zealand artists, plus some international works.

4.2. Governance, stakeholders and staffing

In 2008 the Bishop Suter Art Gallery Restructuring Act (2008) repealed The Bishop Suter Art Gallery Trustees Act (1896) enabling the establishment of the Bishop Suter Trust, now as of December 2023 renamed The Suter Art Gallery Te Aratoi o Whakatū Trust. The Suter is a CCO of the Nelson City Council and a registered charitable trust.

As a CCO, the NCC are responsible for appointing the 6 members of the Board, including a representative of Ko Te Pouaranga. The President of the NSAS attends ex-officio. Trustees are appointed for three-year terms.

The Bishop Suter Art Gallery Trust Board has a longstanding relationship with the **Nelson Suter Art Society Inc.**, a voluntary run incorporated society which has traditionally occupied part of The Suter premises. The relationship is defined in deeds between the BST and NSAS.

Ko Te Pouaranga is the name of the group comprising representatives from six of eight of Te Tauhi Iwi. A Memorandum of Understanding reviewed every 3 years establishes principles of partnership and confirms full, permanent as of right, Māori representation on the Board of The Suter as outlined in the Trust Deed. KTP hui tend to be held in conjunction with Te Tai Ao Komiti (Tasman Bays Heritage Trust), at least 4 times per annum.

Staffing: (as at 1 March 2024) The Suter's staffing complement approximates to 8.1 Full Time Equivalents [F.T.E's] across 7 day weeks; comprising 5 full-time staff and 6 part-time. This increases with casuals and contractors to cover venue hire and visitor services, learning programmes, graphic design, exhibition installation and maintenance and theatre technical expertise. The Trust is a Living Wage employer.

⁸ The Suter's environmental standards are in line with accepted museum practice including temperature, RH pest control, security and fire monitoring and systems, storage and display methods

Volunteers: The Suter has a formalised volunteer programme. Volunteers are rostered front-of-house as visitor hosts, assisting with events and activities such as openings and fundraising; conducting visitor surveys; and behind-the-scenes with archives, library and collection research projects.

Supporters:

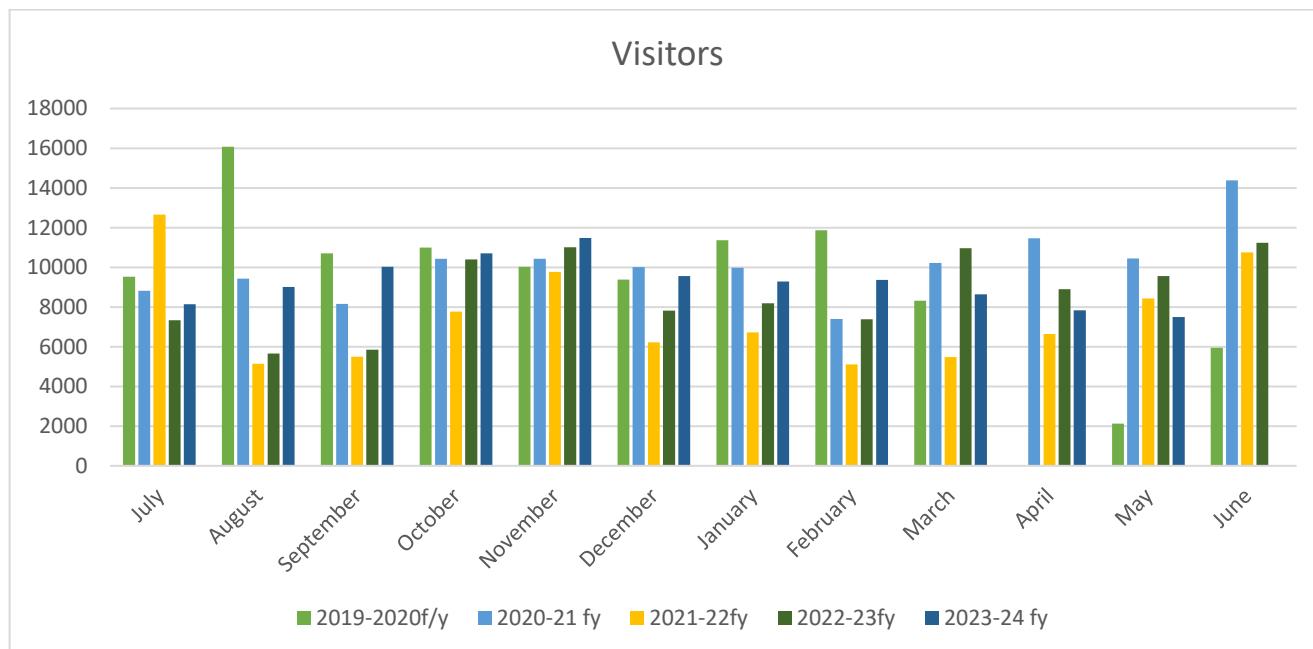
Friends of The Suter comprises 450 plus memberships of which approximately a third are Life memberships. Members receive regular e-newsletters, and a range of events and activities are held to advance Friends' appreciation of art in general as well as support for The Suter. Reciprocal membership benefits are agreed with Christchurch Art Gallery, Auckland Art Gallery, Len Lye Centre, New Plymouth and The Museum of New Zealand Te Papa Tongarewa store.

The Legacy Group are patrons of The Suter who are significant benefactors. Their contributions are for specific Suter programmes, projects or they may have made significant gifts of artworks to the Collection. They receive regular updates and are involved in projects, plus events are held especially for them, in recognition of their generosity, interest and support.

5. Operating Environment

The following factors are likely to influence The Suter over the next five years:

Visitor trends: Pre COVID-19 The Suter's annual visitor target was 130,000 visitors using our facilities. COVID-19 and significant weather event of 2022 impacted our visitors. Going forwards we expect to see a drop in cinema and after-hours visitors⁹ during 2024, generally however we are seeing visitation trend positively. Use of our education services are at very pleasing levels, and we expect this to continue in the future. The following graph indicates on average a gradual pick up in visitation *dark green is 2022/2023 financial year, dark blue 11 months of the 2023/24 financial year*.

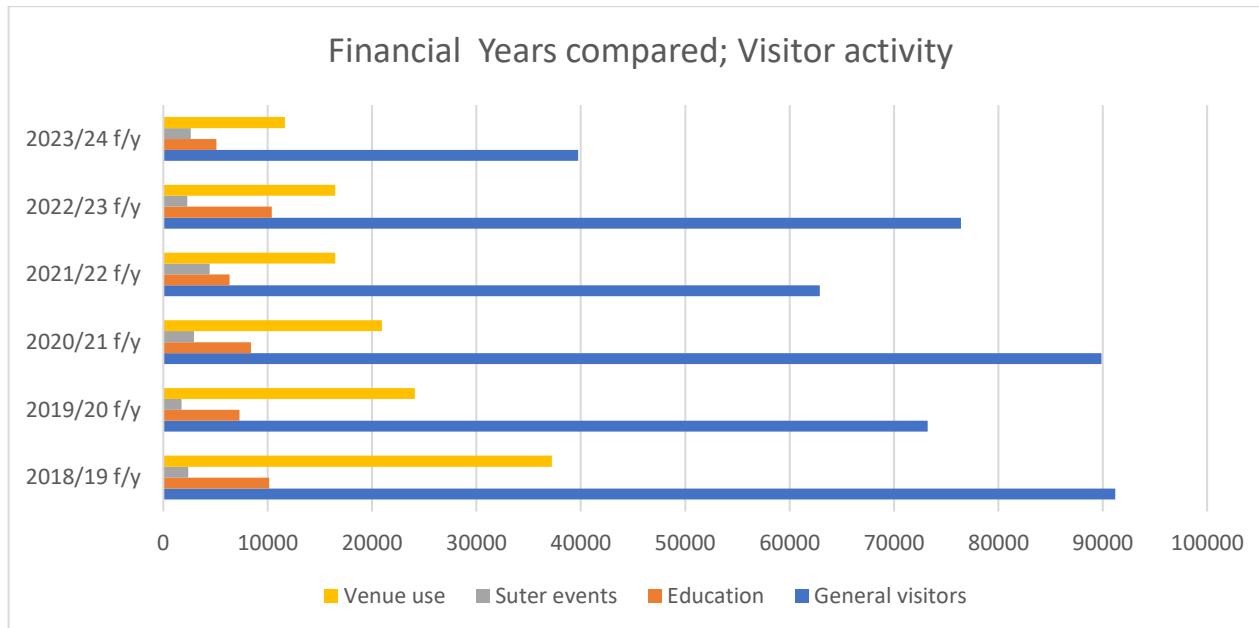


We are observing more tourists international and domestic travellers, and parties from tours and cruise ships visiting The Suter. We continue to focus on increasing awareness of The Suter through social media channels, our

⁹ Due to the loss of a lessee of the Theatre

website www.thesuter.org.nz, and through tourism media. We also need to make sure that we attract our own community, and a focus now is on broadening and diversifying our audiences.

COVID has however affected cinema habits and the performing arts; audience build back is slower (see yellow bar on graph below).



The graph above is of Suter visitors by 'activity'- general visitors (blue), education and tours (orange), Suter public programmes and events (grey) and venue use (yellow). It shows the impact of COVID-19 the 2018/19 f/y is pre-COVID. The current financial year 2023/24 is included- noting it is *6 months only* compared to the other full years.

Resourcing: One of The Trust's key endeavours is to build income streams in addition to the councils' grants; however, the current economic unease means that the philanthropic 'space' is challenging, as is obtaining partnership support such as sponsorships for exhibitions and other projects. The grants space is being heavily competed for, as many other charities, arts, sports clubs are seeking funds to offset their rising overheads- nevertheless we intend to dedicate some resource to more actively seek grants.

Our Suter Store is trading well and is a significant contributor to our self-generated operating revenue. With our focus on locally made, sales also benefit our local economy. We continue to work on developing more classes and will be exploring more ticketed events. Additional income will be derived from memberships, donations, events/activities and specific fundraising ventures.

We will be seeing a drop in the use of our Theatre for film screenings and consequent drop in revenue for the 2024 calendar year. We will use this as an opportunity to refocus and build more alternative Theatre business and endeavour to proactively develop event packages that make the most of the unique character and offerings of The Suter and/or are hybrid offerings that connect on and off-site audiences.

Climate Change and resiliency: The Nelson floods of August 2022 resulted in damage to parts of The Suter building, infrastructure and plant as well as disrupting our and lessees' abilities to trade. Since this event we have been working on ways to eliminate or mitigate the ongoing risks and the types of serious outcomes that we experienced, particularly eliminating some of the less costly and obvious risk areas inside the building. The NCC as a key player regarding reducing our exposure and vulnerability to flooding, will be part of a bigger risk review.

Dry conditions are also a risk factor especially with our proximity to the Queens Gardens and we ensure that fire and security systems are fully functional.

Sustainability: The Suter has been participating in NCC initiatives for carbon footprint auditing and we will be using the carbon footprint auditing tool from 2024 onwards, as well as considering the recommendations from an Emsol energy audit carried out 2023/24. The Suter is looking forwards to being part of joint CCO and Council initiatives to make savings and support broader community sustainability outcomes. To date, in its drive to a more sustainable future, The Suter has concentrated on reducing power consumption, investigated obtaining our energy from regenerative power sources and investigating improvements to our HVAC system. The Suter team will also strive to observe “best practice” procedures for recycling, waste minimisation, sourcing and supporting environmentally friendly products and manufacturing methods throughout the operation.

Collecting: The Suter intends to continue developing its collection, by raising funds, using invested funds¹⁰⁻ and accepting relevant gifted art works. The Artwalks are a well-received way for our collection to get out into the community. Not only do they contribute as a tourism activity, but other benefits have been noted by building owners including a reduction in vandalism and the general enhancement of the urban spaces.

The more we add to our Collection on-line the more interest in our collection grows and accrues significance. Iconic pieces are both a source of local pride and a drawcard for out-of-town visitors.

6. Accountability

6.1 Information to be provided to Nelson City Council

Half Yearly:

By 28 February a six-month report covering Statement of Financial Performance and Statement of Financial Position, performance against targets, commentary on activities, cash flow statement, and other such information as the Trustees consider necessary to enable an informed assessment of the Trust's performance during the period being reported will be provided.

Annually:

Within three months of the end of the financial year the Trustees shall deliver to NCC an annual report which fulfils the requirements of Section 67 of the Local Government Act 2002, prepared to comply with International Financial Reporting Standards and audited financial statements in respect of the financial year.

7. Prospective Financial Statements

7.1. Introduction:

The Suter's Statement of Intent covers the period 1 July 2024 to 30 June 2029. The financial information contained in the Statement of Intent has been prepared to assist the NCC consider The Suter's planned performance.

This information is based on assumptions as to future events that The Suter expects to occur at the time when this information was prepared. Actual results may vary, and this variation may be material.

7.2 Statement of Significant Assumptions

The financial pages show that there will be net losses in general funds after depreciation. Accordingly, despite the difficult financial climate, we need to continue to build revenue, seek grants and fundraise for future projects to reduce and eliminate this deficit over time.

¹⁰ Invested funds from tagged bequests

7.2.1. Fiscal support from local authorities: The Suter is a Nelson City Council CCO initiated with NCC's commitment to long term funding support. The TDC also provides an annual contribution, and the basis of this commitment is set out in the TDC's LTP; this grant will now be annually adjusted for CPI.¹¹ To the extent the actual monies allocated from both councils is less or more than that set out, The Suter will need to adjust its activity levels accordingly.

7.2.2. Other revenues: Other revenues reflect forecast visitor activity levels consistent with historic trends, obligations of lessees and the restrictions.

7.2.3. Special Purpose Funds: The Suter has historic and ongoing bequests, gifts and contributions that generally have restrictions on use. These funds are shown separately on the balance sheet.

7.2.4. Operating Expenditure: Operating expenditure is generally forecast to continue similar to recent trends and adjusted for known factors and /or inflation.

7.2.5. Capital Expenditure: The majority of Capital Expenditure during the period will relate to the ongoing asset renewals programme and our Long-Term Maintenance Plan (LTMP).

7.2.6. Inflation: As advised by NCC, we have used a 4.5% inflation increase to our NCC operating grant. We have factored in cost increases associated with operational expenditure including major overheads of personnel wage/salary costs, energy, insurance, cleaning, audit fees, freight and materials for exhibition installations. The cost increases applied (CPI) over the rest of the Sol period are at 2% including the NCC grant.

7.2.7. Trustees' Estimate of Trust Value: The Trustees estimate that the opening balance of funds in the annual accounts will represent the value of the Trust. The Trustees will advise NCC on an annual basis if they believe the value to differ materially from this state. The audited opening equity at 9 August 2008 is \$9,593,656¹².

7.2.8. Heritage Assets: This is represented by the Collection. Additions to the Collection will be recorded at either purchase price or market valuation for donated art works. The Collection is not regarded as a realisable financial asset and valuation is carried out for the purposes of insurance and compliance with NZ IFRS.

7.3 Notes to the 2024-2029 SOI Budgets:

Summary of position:

We enter another difficult financial year from the perspective of balancing our Trust obligations, those to the Nelson City Council and the local community and maintaining a financially and operationally sustainable organisation.

We feel some optimism from our increasing visitor numbers which, to December 2023, are 18% above our target and 23% above last year's number; The Suter Store is 21% ahead of Budgeted sales (Dec 2023) and we have extended our sponsorship relations with NBS.

We continue to invest in a solid foundation of resource and expertise to develop new programmes and revenue streams to grow non-grant income. We have also proven our ability to operate highly efficiently during Covid -19 and especially the 2022 flooding event. As we note elsewhere, this stretches our already tight human resource – operating 357 days this 2025 year, our public exhibition programme, education department, events, visitor services, retail and essential support roles via a small team of 8 FTEs.

¹¹ The TDC grant had not been CPI adjusted from 2014-2024; and will start to be annually adjusted from 25/26 f/y

¹² This is the date when The Bishop Suter Trust assumed responsibility for governance of The Suter Art Gallery

There are however considerable challenges in the next few years and we remain agile to respond to the difficult financial landscape, but focused on driving income streams and continually reviewing operating costs.

Given the forecasted results within our Sol, this may necessitate us reviewing our priorities and operating activities. One such example as previously agreed with NCC is closing public holidays. We will close 8 public holidays during this 2025 Budget year (we closed 5 in 2024 and prior to that we closed 3 days each year). These days have been carefully considered to have the least impact as possible on the local community.

We have 4 significant impacts to our financial position over this 5-year SOI period – detailed below.

1. Significantly increasing operating costs

We have significant operating cost increases and some reducing income streams reflective of the difficult trading conditions that all organisations are experiencing; this latter topic is detailed below in number 2 bullet point.

Two such increasing costs are insurance and audit fees; we have managed our insurance requirements very closely to eliminate a cost impost because of the 2022 flood; and we have taken significant steps to reduce our audited/statutory documents and therefore audit fees, with the introduction of a new simpler Annual Report format. These are only two examples of our efforts to cap increasing operating costs – however some are beyond our control.

To alleviate this, we are taking steps during 2025 and beyond to generate new revenue where possible including a new resource for seeking grants and new exhibition, public programme and fundraising activities to increase operational income. The Trust is fully aware of the lack of surplus and our objective is to ensure we take effective actions to turn this around during this SOI period.

As we balance our increased operating costs and the positive incremental incomes to mitigate those costs coupled with the 4.5% NCC operating grant increase, there still remains a **shortfall of almost \$24k***.

2. Lease tenancy

At the start of the 2025 full year there will be no lease over the theatre. We are working diligently to plug that income gap – exploring all manner of new partnerships and revenue potentials. Our objective is to maintain the use of the Theatre and we will update the Council as we work through this transition period.

3. Mechanical Ventilation Capital Expenditure (est. total \$320k)

After a detailed project to review our HVAC requirements, including an engineer evaluation from an independent organisation, we will be required to replace 2 of the largest components of our HVAC system - the rooftop chiller units.

We plan to replace them in 2 stages – one in the 2027 Year and the second in the 2029 Year. The impact of this in the financial statements is under the line *purchase of property, plant and equipment*. Each chiller has a *current* estimated cost, including installation **of \$160,000**.

This plan is dependent on the existing chiller units remaining functional until those dates; and the critical requirement of ensuring that any new units can operate on R32 gas – a much better ecological outcome than the current R14A gas.

4. The Suter's Cash Position / Funding our Large-scale Asset Renewal Fund

You will note in the pink section of our financial statements the negative cash operating surplus over the SOI period and just above the operating deficit. The inability to generate a surplus at this time means we are not

contributing to The Suters' Asset Renewal Fund (held in our investment) for the years 2025-2029. Should this landscape change, then upcoming SOI financial statements will reflect that change.

In the balance sheet section please note that over the period 2025 to 2029 the Asset Renewal and Large-Scale Maintenance Funds are forecast to decrease from \$980k to \$622k as funds are being drawn down and not replaced.

We recognise this is not a sustainable position and the Trust are working thoroughly over this period to concentrate efforts on increasing revenue and identifying cost saving actions.

Our top risks to achieving the 2025 Budget position are as follows:

1. NCC operating grant being reduced.
2. Pressure on the estimated wage/salary improvements as we try and retain the existing skilled/experienced team – this could result in higher than budgeted costs.
3. Insurance costs - risk to current cost estimates in 2025 could be up to \$15k. We continue to try and limit this with a proactive approach; open, full and frank communications with our Insurers and providing ongoing descriptions of our post-Flood Project Team work to provide confidence.
4. R&M blow out - unexpected breakdowns or failures have unknown values. Anything above \$20,000 would mean a forced draw down from investments.
5. Energy cost increases – the \$20k increases on 2024 could rise again post a hot and dry summer.
6. The risks of the HVAC chiller units (as noted above) should irreparable breakdowns occur - risk is minimum \$50,000, potentially higher.

Financial Statement accompanying notes

- The budgets separate activities between Operating and the Special Purpose Funds which have independent and tagged purposes.
- **Total Exchange Revenue** is budgeted to increase to \$555,500, a small improvement on the current years forecast. This will be derived from increases in our overall commercial activity, especially retail which continues to go from strength to strength.
- **Total Non-Exchange Revenue** – is budgeted to increase to \$1,075,113 / 7.5% from a current forecast of \$1,000,326 including grant monies, specific fundraising events and growing partner sponsorships.
- **Total Expenses** are \$2,067,404, up 5% from the current years forecast. The following are the details as a comparison to the 2024 Year:
 - Total Personnel costs are up 5.5% to \$744,505 - within this is a general increase to salary or hourly rates as noted above
 - Building and Facilities costs including repairs and maintenance costs (R&M) - now increasing significantly as we approach the 10-year mark post redevelopment. At this stage it appears that on analysis of the LTMP these percentages will continue to increase.

- Note: the following information for R&M (not including facility or capital costs) illustrate the increase as a percentage of revenue:
2020 @ 0.8%; / 2021 @ 1.51% / 2022 @ 1.65% / 2023 @ 5.23% / 2024 @ 4.67% / Budget 2025 is 7%
- Property and Personnel costs remain our largest expenditure areas; with power and insurance our two largest single invoice costs. We are working proactively and with specific project teams on these two cost areas to attempt to mitigate increases where possible.
- **Investment Interest Income** has been kept conservative given the level of change in the investment market.
- **Cash Operating Surplus**
Please note on page 18 the insertion of “Calculation of Cash Operating Surplus (pink section). The data is as follows for 2025 Budget year:
 - **Cash Operating Surplus +\$129,941**
 - Initial Cash Operating Surplus/Deficits +\$253
 - Plus draw down from NCC held depreciation fund of \$43,092 (*estimate only at this stage*)
 - Plus draw down from The Suter’s Large-scale Asset Renewal Fund (invested) of \$86,596 (The Suter’s annual 50% share of the LTMP and capital purposes)

Note:

The amount estimated for the 2024 year is:

- **Cash Operating Surplus is +\$259,609**
- Initial Cash Operating Surplus/Deficits +\$25,527
- Plus draw down from NCC held depreciation fund of \$120,372.
- Plus draw down from The Suter’s Large-scale Asset Renewal Fund (invested) of \$113,710 (The Suter’s annual 50% share of the LTMP and capital purposes)

Financial Statements

The Suter Art Gallery Te Aratoi o Whakatū Trust Statement of Intent Period 2024-2029

	Actual YE 30 Jun 2023	Forecast YE 30 Jun 2024	Budget YE 30 Jun 2025	Forecast YE 30 Jun 2026 2.00%	Forecast YE 30 Jun 2027 2.00%	Forecast YE 30 Jun 2028 2.00%	Forecast YE 30 Jun 2029 2.00%
	\$	\$	\$	\$	\$	\$	\$
Statement of Comprehensive Revenue & Expenses							
Revenue							
NCC - Operations & Maintenance	733,836	759,525	793,698	809,572	825,763	842,278	859,124
NCC - Depreciation Funded	0	0	0	0	0	0	0
TDC - Grant	87,813	87,811	90,360	90,360	90,360	90,360	90,360
Revenue from exchange Revenue	645,756	553,119	555,500	554,866	564,413	574,144	584,061
Revenue from non-exchange Revenue	190,853	152,990	191,055	194,677	198,371	202,138	205,980
Total Revenue	1,658,258	1,553,445	1,630,614	1,649,475	1,678,907	1,708,920	1,739,525
Expenditure							
Personnel Costs	650,710	705,739	744,505	766,840	789,845	813,540	837,946
Retail & Marketing	242,515	196,958	201,231	205,256	209,361	213,548	217,819
Exhibitions	156,818	107,844	144,250	150,020	156,021	162,262	168,752
Governance	88,658	112,825	104,148	107,272	110,490	113,805	117,219
Building & Facilities	222,111	238,999	252,550	257,601	262,753	268,008	273,369
Depreciation	450,118	442,417	447,043	451,621	458,197	462,056	469,837
Other	159,447	155,553	173,677	180,480	187,552	194,904	202,546
Total Expenditure	1,970,377	1,960,334	2,067,404	2,119,090	2,174,219	2,228,123	2,287,488
Subtotal Operating Surplus/(Deficit)	(312,119)	(406,890)	(436,790)	(469,615)	(495,312)	(519,203)	(547,963)
Revenue from Unrealised Market Adjustments	106,761	24,418	25,029	25,529	26,041	26,563	27,094
Impairment Value for Collection items	0	0	0	0	0	0	0
Operating Surplus/(Deficit)	(205,358)	(382,472)	(411,762)	(444,086)	(469,271)	(492,640)	(520,869)
Calculation of Cash Operating Surplus							
Cash Operating Surplus	129,949	25,527	253	(27,994)	(47,115)	(67,147)	(88,126)
CASH SURPLUS							
Less: Transfer to Asset Renewal Fund	0	0	0	0	0	0	0
Cash Surplus after transfer to Asset Renewal Fu	129,949	25,527	253	(27,994)	(47,115)	(67,147)	(88,126)
Plus: Cash from NCC Depreciation Fund	26,318	120,372	43,092	94,690	93,275	36,103	98,250
Plus: Cash from Suter Asset Renewal & Large Sc	0	113,710	86,596	139,064	138,537	82,270	145,340
Cash Surplus after Fund Transfers	156,267	259,609	129,941	205,760	184,697	51,226	155,464

Financial Statements

The Suter Art Gallery Te Aratoi o Whakatū Trust

Statement of Intent Period 2024-2029

	Actual YE 30 Jun 2023	Forecast YE 30 Jun 2024	Budget YE 30 Jun 2025	Forecast YE 30 Jun 2026 2.00%	Forecast YE 30 Jun 2027 2.00%	Forecast YE 30 Jun 2028 2.00%	Forecast YE 30 Jun 2029 2.00%
	\$	\$	\$	\$	\$	\$	\$
Statement of Financial Position							
Current Assets							
Cash and cash equivalents	153,583	170,588	154,875	117,844	59,622	(18,704)	(118,078)
Trade & other receivables	41,896	41,896	41,896	39,896	39,896	39,896	39,896
Other Current Assets	33,528	33,528	33,528	28,528	23,528	18,528	13,528
Specific Purpose Investments	2,037,573	2,004,101	1,965,504	1,874,984	1,785,569	1,753,032	1,658,063
Total Current Assets	2,266,580	2,250,113	2,195,803	2,061,252	1,908,615	1,792,752	1,593,409
Non Current Assets							
Collection	7,910,095	7,955,095	8,005,095	8,056,095	8,108,095	8,161,095	8,215,095
Property, plant & equipment	9,161,241	8,875,797	8,514,938	8,252,697	7,981,051	7,591,201	7,317,864
Other	1,041,453	921,081	877,989	783,299	690,024	653,921	555,671
Total Non Current Assets	18,112,789	17,751,973	17,398,022	17,092,091	16,779,170	16,406,217	16,088,630
Total Assets	20,379,369	20,002,087	19,593,825	19,153,343	18,687,785	18,198,969	17,682,039
Liabilities							
Current Liabilities							
Trade & other payables	146,553	150,951	154,451	158,055	161,768	165,591	169,530
Income in advance	26,458	27,252	27,252	27,252	27,252	27,252	27,252
Total Current Liabilities	173,011	178,202	181,703	185,307	189,019	192,843	196,782
Total Liabilities	173,011	178,202	181,703	185,307	189,019	192,843	196,782
Net Assets	20,206,358	19,823,884	19,412,122	18,968,036	18,498,766	18,006,126	17,485,257
The Bishop Suter Trust Equity							
Equity	20,206,359	19,823,885	19,412,122	18,968,036	18,498,766	18,006,126	17,485,257
Total Trust Equity	20,206,359	19,823,885	19,412,122	18,968,036	18,498,766	18,006,126	17,485,257

Financial Statements

The Suter Art Gallery Te Aratoi o Whakatū Trust

Statement of Intent Period 2024-2029

	Actual YE 30 Jun 2023	Forecast YE 30 Jun 2024	Budget YE 30 Jun 2025	Forecast YE 30 Jun 2026 2.00%	Forecast YE 30 Jun 2027 2.00%	Forecast YE 30 Jun 2028 2.00%	Forecast YE 30 Jun 2029 2.00%
	\$	\$	\$	\$	\$	\$	\$
Statement Of Cash Flows							
CashFlows from operating Activities							
Sales of Good and Services	775,515	521,247	522,923	521,637	530,518	539,570	548,796
Grants and Donations	925,365	1,111,492	1,108,205	1,179,299	1,197,769	1,160,879	1,243,714
Interest and Dividends	1,977	1,681	1,632	1,664	1,698	1,731	1,765
Payments to Suppliers	(914,234)	(808,781)	(872,356)	(897,025)	(922,465)	(948,703)	(975,767)
Payment to Employees	(666,460)	(704,740)	(744,505)	(766,840)	(789,845)	(813,540)	(837,946)
Net GST	(4,245)	0	0	2,000	0	0	0
Net Cash flows from Operating Activities	117,918	120,899	15,899	40,735	17,675	(60,063)	(19,438)
Cash Flows from Investing Activites							
Proceeds from sale of Financial Assets	57,731	148,710	126,596	180,064	180,537	125,270	189,340
Purchase of Property Plant and Equipment	(30,812)	(156,973)	(86,184)	(184,380)	(181,550)	(67,206)	(191,500)
Purchase of Collection Assets	(10,739)	(35,000)	(40,000)	(41,000)	(42,000)	(43,000)	(44,000)
Purchase of Investments	(76,597)	(60,631)	(32,025)	(32,450)	(32,884)	(33,326)	(33,777)
Net Cash flow from Investing Activities	(60,417)	(103,893)	(31,613)	(77,766)	(75,898)	(18,263)	(79,937)
Cash flows from Financing Activities							
Repayment of Borrowings	0	0	0	0	0	0	0
Net cash flow from Financing Activities	0	0	0	0	0	0	0
Net Increase/(Decrease) Cash & Cash equivalents	57,501	17,005	(15,714)	(37,031)	(58,222)	(78,326)	(99,375)
Cash and cash equivalents beginning of Period	96,082	153,583	170,589	154,875	117,844	59,622	(18,704)
Cash and Cash equivalents end of Period	153,583	170,589	154,875	117,844	59,622	(18,704)	(118,078)

Appendix II: The Bishop Suter Art Gallery Te Aratoi o Whakatū Trust Statement of Accounting Policies

Statement of Accounting Policies

i. REPORTING ENTITY

The Bishop Suter Art Gallery Te Aratoi o Whakatū Trust (the Trust) is a charitable trust incorporated in New Zealand under the Charitable Trusts Act 2005 on 5 April 2008 and is domiciled in New Zealand. The Trust is controlled by Nelson City Council as a Council Controlled Organisation as defined under section 6 of the Local Government Act 2002, by virtue of the Council's right to appoint the Board of Trustees.

The primary objective of the Trust is to provide the people of Nelson and visitors to the region access to our cultural heritage and to the many forms of contemporary cultural expression. This means communicating the diverse ideas and experiences that art offers to the widest possible audience by the presentation of quality visual arts programmes and by developing and caring for the permanent collection.

Accordingly, the Trust has designated itself as a public benefit entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

ii. BASIS OF PREPARATION

Compliance

The financial statements of the Trust will be prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

Financial statements will be prepared in accordance with NZ GAAP and comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Measurement base

The financial statements will be prepared on a historical cost basis.

Functional and presentation currency

The financial statements will be presented in New Zealand dollars and all values rounded to the nearest dollar. The functional currency of the Trust is New Zealand dollars.

Changes in accounting policies

No changes in accounting policies are anticipated. In the event there are, they will be disclosed.

iii. SIGNIFICANT ACCOUNTING POLICIES

Revenue

Revenue is measured at the fair value of consideration received.

Grants

Grants received from Nelson City Council and Tasman District Council are the primary sources of funding to the Trust and are restricted for the purposes of the Trust meeting its objectives as specified in the Trust's Trust Deed. The Trust also receives grants from other entities, and these grants have restrictions on their use.

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

Other revenue

Products held for sale are recognized when a product is sold to the customer.

Where art works are donated in the Trust for nil consideration, the fair value of the work is recognised as income.

Interest income is recognised on receipt.

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

Advertising costs

Advertising costs are expensed when the related service has been rendered.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Income Tax

The Trust has been granted Charitable status by the Inland Revenue Department, and therefore is exempt from income tax.

Leases

- Finance Leases: The Trust has no finance leases.
- Operating leases. The Trust has 2 (tenancy) leases with other parties; these leases cover the Café and a special lease arrangement with NSAS.¹³ The income received from the leases is recorded as income on receipt.
- The Trust also has an operating lease for its photocopier.

There are no incentives attached to the leases.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of 3 months or less.

Debtors and other receivables

Debtors and other receivables are usually paid within a month. Other than operational grants, debtors are not significant.

Inventories

Inventories are held at the lower of cost or net realisable value. Any Trust published inventory remaining after 2 years is written off.

Investments

Investments are shown at actual or realisable value.

Property, plant and equipment

Land and buildings were re-valued for the Trust's opening balance. Plant and equipment were brought on at book value, i.e. cost less accumulated depreciation.

¹³ The Theatre was leased for many decades through to 29.02.2024; and is under review to determine the best future arrangements.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at cost. When an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

Disposals

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are recognised in the statement of financial performance.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

Depreciation

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

Buildings	50 years (2%)
Improvements	20 years (5%)
Furniture and fittings	16 years (6.25%)
Computer equipment	5 years (20%)

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Intangible assets

Software acquisition:

Acquired computer software licenses are capitalised based on the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with the development and maintenance of the Trust's website are recognised as an expense when incurred because the website is primarily promoting the Trust's services.
Staff training costs are recognised as an expense when incurred.

Amortisation

Computer software licences are amortised on a straight-line basis over their estimated useful life of 5 years. Amortisation begins when the asset is available for use and ceases at the date that the asset is disposed of. The amortisation charge for each period is recognised in the Statement of Financial Position.

Impairment of property, plant and equipment and intangible assets

Property, plant and equipment are reviewed for impairment at each balance date. When impairment is recognised, the recoverable value of the asset is estimated, an impairment loss is recognised and the carrying value of the asset is reduced to its recoverable amount. Impairment loss is recognised in the statement of financial performance.

Collection

The opening balance of the Collection is the deemed cost at market valuation at the commencement of the Trust. Items purchased for the Collection are recorded at cost. Items donated to the Collection are valued at the time of acquisition and recorded at valuation.

The value of the Collection assets is reviewed and reassessed from time to time.

In accordance with IFRS, the Trust will apply an impairment test to the Collection each year. The Collection is not depreciated.

Creditors and other payables

Creditors and other payables are measured at fair value.

Employee entitlements

Short term entitlements

Entitlements that the Trust expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include annual leave and holiday pay earned to, but not yet taken at balance date.

Good and Service Tax (GST)

All items on the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognized as part of the related asset or expense.

The net GST recoverable from or payable to, the Inland Revenue Department (IRD) is included as part of the receivables or payables in the statement of financial position.

The net GST paid to or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Budget figures

The budget figures are those approved by the Trustees at the beginning of the year in the Statement of Intent. This budget has also been reassessed post Covid to reflect the expected global downturn and reduced tourism numbers over the next year.

The budget figures have been prepared in accordance with NZ IFRS, using accounting policies that are consistent with those adopted by the Trust for the preparation of the financial statements.

Critical accounting estimates and assumptions

The Trust has made a number of estimates and assumptions in the preparations of the financial forecasts.

- A consistent level of donations has been assumed
- Commercial revenue is based on visitor numbers and historical performance
- Expenditure costs have both an historical and an actual (if known) base

Critical judgement in applying the Trust's accounting policies

The Trustees must exercise their judgement when recognising grant income to determine if conditions of the grant contract have been satisfied. This judgement will be based on the facts and circumstances that are evident for each grant contract.

Appendix III Our Values:

The following values underpin The Suter, informing decision making and setting the standard for performance and interactions with our communities of interest:

- Commitment: to Tiriti o Waitangi – the Treaty of Waitangi
- Manaakitanga • Inclusive of Aotearoa | New Zealand’s diverse communities
- Whakahoutanga • Innovative: seeking exciting, imaginative and entrepreneurial approaches to exhibitions, education and community activities
- Whanaungatanga • respectful to all
- Hiranga • excellence and quality approaches to all we do
- Kaitiakitanga • sustainable guardianship: exercising financial, cultural, social and environmental responsibility.

Appendix IV: The Trust’s Approach to Governance

Governance Principles

The Trust operates to the Principles and Guidelines for Corporate Governance in New Zealand, published by the Securities Commission New Zealand:

- Trustees should observe and foster high ethical standards.
- There should be a balance of independence, skills, knowledge, experience, and perspectives among Trustees so that the Board works effectively.
- The Board should use committees where this would enhance its effectiveness in key areas while retaining board responsibility.
- The Board should demand integrity both in financial reporting and in the timeliness and balance of disclosures on entity affairs.
- The remuneration of Trustees and executives should be transparent, fair, and reasonable.
- The Board should regularly verify that the entity has appropriate processes that identify and manage potential and relevant risks.
- The Board should ensure the quality and independence of the external audit process.
- The Board should foster constructive relationships with NCC that encourage them to engage with the entity.
- The Board should respect the interests of stakeholders within the context of the entity’s ownership type and its fundamental purpose.

The Role of The Trust Board

- Ensuring that the Trust operates in accordance with its Deed of Trust.
- Ensuring that the Trust meets its objectives as defined in this Statement of Intent.
- Ensuring the Trust complies with all its lawful obligations.

- Ensuring the NCC are kept well informed on all relevant issues and that there are “no surprises” on matters likely to cause community or political concern.
- Making any decisions as to policy that are not the preserve of general management and day-to-day administration.
- Employing the Gallery Director (including entering into a performance management agreement, reviewing performance and setting remuneration).
- Ensuring sound financial management of The Trust.

Composition of The Board

- The Board is made up of 6 non-executive Trustees.
- Trustees are appointed by resolution of Council in accordance with the Trust Deed of The Bishop Suter Trust¹⁴, the Council’s policy for the appointment of Trustees and cognisant of the balance of competencies that shall include financial stewardship, expertise and knowledge in art matters and issues, education, tourism, regional development, promotion, iwi perspectives and cultural awareness¹⁵.
 - Ideally the Trust should have a split of members who have business, marketing, human resources, legal and financial skills and those who have significant understanding of art, fundraising skills and networks, both local and national including in terms of patronage.
- The Trustees appoint a Chairperson at the first meeting after the AGM.

Board Remuneration

- The NCC will set total remuneration for the Board. The Board will from time to time determine their remuneration and apportionment of this allocation cognisant of The Trust’s financial position.

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 and insurance of the heritage assets.
- The Board shall ensure that the Trust has procedures in place to achieve compliance with all applicable legislation.
- The Board will complete a risk review annually and identify mitigations of those risks. Cyber security and environment risks form part of the evaluation
- The Audit & Risk Sub-committee is also the Health & Safety Committee
- The Board has a 25-year property maintenance & renewal plan (LTMP).

Guidance and Resources Provided to Board Members.

Sound financial management and systems that provide reports to the Board as follows:

¹⁴ Former name of the Trust as constituted in 2008

¹⁵ Section 13 clauses C; 2 & 3 The Bishop Suter Trust Deed of Trust

- Statement of financial performance for the preceding month, year to date and year end projections.
- Statement of financial position at the preceding month end.
- Statement of cash flow for the preceding month and monthly update on expected year end position.
- Gallery Director's report addressing issues related to the Trust's performance against objectives (financial and non-financial).
- The Board will ensure that relevant training opportunities are made available to Trustees.

Board and management Succession Planning

- With a small staff it is not possible to have succession planning for all key positions e.g., Director, Curator, Educator or Manager Commerce and Enterprise as there are limited opportunities for internal promotion.
- Trustee succession relies on identification of competency needs prior to Trustee rotation/replacement; and ensuring that there is cover during Trustee change (which may involve short duration extension of term(s) to provide transition support to an incoming trustee(s)).
- The Board is considering trustee mentorships to introduce diversity into Board committees, and for the Board itself.

Board Performance Review

- A performance review is undertaken every 18 months. Initiatives arising from this include:
 - the need to focus on a Board succession programme; review of subcommittees and their Terms of Reference



Appendix V: Risk Management.

The following summarizes the BST Risk Management Framework and Register. A continuous rolling review of this Register is carried out as a standing agenda item of the Trust's Audit Risk & Remuneration Committee.

Risk category	includes	Mitigations
1. Governance	Decision making; Board skill set; Conflicts of interest	Trustees; Balance of skills, experience and knowledge; succession planning; appropriate policies, processes, guidelines in place
2. Reputation & brand	Visitation levels; Reputation; Engagement & consultation; Alignment of lessees with Suter values	Involvement of iwi in decision making; consultation & stakeholder engagement, monitoring of visitor satisfaction and feedback; maintaining relevancy; operating values; observance of Museums Aotearoa Code of Ethics; Lessee management
3. Regulatory, compliance & legal	Employment; health & safety; Privacy; copyright; local government	Transparency; policies, procedures and guidelines; legal counsel as required
4. Financial & Resourcing	Adequate operational funding- threats to revenue sources; investment management; theft & fraud; facilities & leases	Planning, budgets, financial monitoring; Foster Relationships with key stakeholders; Deliver as per contractual requirements; Robust processes in place for procurement, financial management; internal and external audit, investments
5. Operational: management, Staff & well-being	Appropriately skilled staff; safe work environment; staff well being	Good Employer practices; Health & Safety; remuneration; staff performance reviewed; retention; training; emergency preparedness
6. Operational: Exhibitions, life-long learning	Funding for education and exhibitions adequate/ sustainable; relevancy; health & safety	Seek alternative funding sources and sponsorship; build endowment funds; physical environment safe; skilled staff
7. Information, communications and technology	Cyber threats; systems' failures; critical data loss,	Maintaining a well-designed Windows based IT network with a strong focus on security; with regular patching, firewall security, monitored server systems; secure regular backups;

	inadequate systems	full separation of Wi-Fi networks and appropriate staff training and practices.
8. Assets; Collection & exhibition management	Storage capacity: environmental & display conditions meet standards; handling; record management; insurance	Building, (temperature, RH, lighting) fire detection and protection systems, security systems, pest control, staff training and expertise; storage systems; implementation of preventative conservation systems; adequate insurance; provenance and ownership legal title transference; Records management compliance
9. Building Plant & Equipment	Fit for purpose facilities; equipment; external threats	Long Term Asset Management & Renewals Plan; Programmed maintenance and renewals undertaken; vigilance with regard to neighbouring environmental risks including the Queen's Garden's Eel Pond water levels and encroaching vegetation. Insurance.
10. Natural events & external threats	Pandemic; climate change/ weather events; flooding; seismic events; fire, terrorism; public disorder	Pandemic response as per Government guidelines; disaster preparedness plan; building standards; seismic mitigations; emergency protocols; insurance