

Council Information Session/Workshop

AGENDA

Notice of Information Session/Workshop:

A Council Information Session/Workshop will be held on:

Date: Tuesday 2 April 2024
Time: 10.00 am – 11.15 am
Venue: Council Chambers, Civic Offices,
53 Hereford Street, Christchurch
Zoom Link:
<https://us02web.zoom.us/j/6439418430?omn=86418455067>
Meeting ID: 643 941 8430

Membership

Chairperson	Mayor Phil Mauger
Deputy Chairperson	Deputy Mayor Pauline Cotter
Members	Councillor Kelly Barber
	Councillor Melanie Coker
	Councillor Celeste Donovan
	Councillor Tyrone Fields
	Councillor James Gough
	Councillor Tyla Harrison-Hunt
	Councillor Victoria Henstock
	Councillor Yani Johanson
	Councillor Aaron Keown
	Councillor Sam MacDonald
	Councillor Jake McLellan
	Councillor Andrei Moore
	Councillor Mark Peters
	Councillor Tim Scandrett
	Councillor Sara Templeton

28 March 2024

Principal Advisor

Mary Richardson
Interim Chief Executive
Tel: 941 8999

www.ccc.govt.nz

Please Note:

This forum has no decision-making powers and is purely for information sharing.

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10.00 am – 10.30 am

Presenters: John Higgins, Head of Planning and Consents and Brent Pizzey, Senior
Legal Counsel

3. Canterbury Museum present Draft Annual Plan 2024/25 7

10.30 am – 11.15 am

Presenters David Ayers - Chair, Canterbury Museum Trust Board, Anthony Wright -
Director, Canterbury Museum and Nigel Tecofsky - Financial Controller, Canterbury
Museum

1. Apologies Ngā Whakapāha

At the close of the agenda no apologies had been received.

2. Council submission on Fast-Track Approvals Bill

Reference Te Tohutoro: 24/442357

Presenter(s) Te Kaipāhō: John Higgins, Head of Planning and Consents; Brent Pizzey, Senior Legal Counsel

1. Detail Te Whakamahuki

Purpose and Origin	<ul style="list-style-type: none">The purpose of this information session is to brief the Council on the Fast-Track Approvals Bill, and to discuss the Council's submission on it.
Timing	This information session is expected to last for 30 minutes.
Confidentiality	The session and any shared information are not confidential.
Outcome Sought	<p>Staff will brief Elected Members on the draft Council submission on the Fast-Track Approvals Bill.</p> <p>Staff will also be seeking agreement for the draft submission to be brought before Council on Wednesday 10 April.</p>
ELT Consideration	ELT will be circulated the draft submission ahead of the information session on Tuesday 2 April 2024.
Next Steps	The Council will consider the draft submission for approval on Wednesday 10 April at the Council meeting. This is the last available date before the deadline for submission on Friday 19 April 2024.
Key points / Background	<ul style="list-style-type: none">The Environment Committee are calling for public submissions on the Fast-Track Approvals Bill. Submissions are due Friday 19 April.The Bill enables a fast-track decision-making process for infrastructure and development projects that are considered to have significant regional or national benefits. Decisions are proposed to be made by an Expert Panel and the joint Ministers, rather than councils.The proposed system will be a 'one-stop-shop' for resource consents, notices of requirement, and certificates of compliance under the Resource Management Act and approvals required under the:<ul style="list-style-type: none">The Wildlife Act 1953The Conservation Act 1987The Reserves Act 1977The Freshwater Fisheries Regulations 1983The Heritage New Zealand Pouhere Taonga Act 2014The Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012The Crown Minerals Act 1991The Public Works Act 1981

	<ul style="list-style-type: none">Staff are preparing a draft Council submission, the content of which will be discussed at the information session on Tuesday 2 April. A draft submission will be circulated to elected members on Thursday 28 March, ahead of the information session.
Useful Links	<ul style="list-style-type: none">Fast-track Approvals BillMinistry for the Environment - new Fast-Track Approvals regime

Attachments Ngā Tāpirihanga

There are no attachments to this coversheet.

Signatories Ngā Kaiwaitohu

Authors	Helaina Gregg - Principal Advisor Policy Mark Stevenson - Manager Planning
Approved By	John Higgins - Head of Planning & Consents

3. Canterbury Museum present Draft Annual Plan 2024/25

Reference Te Tohutoro: 24/297263

David Ayers, Chair, Canterbury Museum Trust Board

Presenter(s) Te Kaipāhō :

Anthony Wright, Director, Canterbury Museum

Nigel Tecofsky, Financial Controller, Canterbury Museum

[Others TBC]

1. Detail Te Whakamahuki

Purpose and Origin	<ul style="list-style-type: none"> The purpose of the briefing is to allow the Museum to present its Draft 2024/25 Annual Plan as part of its consultation with Contributing Local Authorities (CLAs). This briefing comes at the request of the Museum and is consistent with previous years. The Museum's statutory 6-week referral period runs from 15 March 2024 to 26 April 2024. Under the Canterbury Museum Trust Board Act 1993, Council (or at least two of the other CLAs) has until the end of the referral period to formally object to the proposed increase or else it is deemed to be agreed to by the CLAs. Note that under s16(3) '.....The Christchurch City Council or not less than 3 other contributing authorities may resolve that the total levy be reduced to an amount being not less than the total levy made in respect of the previous year'.
Timing	This briefing is expected to last for 45 minutes.
Confidentiality	This is an open briefing.
Outcome Sought	<p>The Museum will be presenting its Draft 2024/25 Annual Plan and an update on the Museum redevelopment project as part of their annual plan referral process with Contributing Local Authorities.</p> <p>The outcome sought is for Council to receive the Museum's presentation and have an opportunity to ask questions of and provide feedback to the Museum.</p> <p>Note that our Draft 2024/34 Long Term Plan is aligned with the Museum's planned 5.4% increase in the operating levy and confirms the Council's capital levies payable toward the redevelopment project (subject to future year changes in population share in the region).</p> <p>This briefing will be in time to provide formal feedback to the Museum before their 26 April statutory deadline.</p>
ELT Consideration	The briefing has been approved by the Chief Executive.
Next Steps	Council needs to provide direction to staff on whether to exercise the right of objection and if so, advise the Museum what proposed levy increase it is willing to fund. This needs to be formally advised by 26 April 2024.
Key points / Background	Operating Levies

- Section 4.1 of the Museum's plan (Attachment A) includes a concise summary of the levy funding decisions over recent years.

“The level of operational levy increase requested from contributing local authorities is 5.4%.

The funded depreciation has been removed from the operating budget for the next 5 years and included as part of the capital budget funded by the contributing local authorities.

The base operating deficit for the 2024/25 financial year is (\$527,486) with a net operating deficit, including self-generated income, of (\$2,099).

In 2020 Christchurch City Council advised that they were trying to achieve substantial savings across the board, largely as a result of the Covid-19 pandemic, and requested a 0% levy increase. The resulting levy increase for 2021/22 and 2022/23 was 0.29% (effective 0% for CCC) and 0.65% (effective 0% for CCC) respectively. In 2023/24 the Board approved a budget increase of 22% for consultation. After meeting with the Councils Consultative Committee, it was agreed that depreciation for the next five years will be capitalised and added to the redevelopment project funding in each contributing council's long-term plan. Payment of this portion of the 'operating levy' as capital means Councils can borrow and thus lessen their load on rates. This resulted in a 4.5% increase in operating levies for 2023/24.

Whilst it would be preferable for the base operating result to be break-even, the Museum has agreed that we will aim for a break-even scenario after the self-generated revenue/expenditure.”
- Section 4.1 also provides the key forecasting assumptions applied to the Museum's levy-funded operations.
- The increases indicated are consistent with previous years projections and workings and are aligned with Council's funding in the Draft LTP. In FY2028 The forecast indicates a 7.3% increase which is largely driven by staff increases ahead of moving back to Rolleston Ave.
- At the adoption of the 2023/24 Annual Plan Council agreed in principle to removing the funding of depreciation from the rates-funded operating levy and adding it to the future year debt-funded capital levy related to the Museum's redevelopment. This has been reflected in the Draft LTP Capital Grants.
- Funded depreciation is signalled to be reinstated as part of the annual operating levy calculations following the reopening of the Museum in late 2028. This increases to an additional \$5.9m between FY 2029 and 2031. This mechanism allows the Museum to build an Asset Replacement Reserve for future year capital renewals.

- Section 6 of the Museum Plan Provides a seven-year forecast and outlines the key funding assumptions in the redevelopment forecasts.

6.2 Seven-year forecast – operations


	Actual 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28	Budget 2028/29	Budget 2029/30	Budget 2030/31
Local Authority levy	9,724,761	10,162,375	10,711,143	11,043,189	11,451,787	12,345,026	14,863,411	17,241,557	18,965,713
Commercial activities	2,364,207	979,691	1,332,900	1,369,797	1,410,891	1,453,217	1,695,689	1,839,403	1,892,647
Donations and grants	330,356	244,007	201,908	111,597	132,545	133,521	204,443	225,390	246,364
Total revenue	12,419,325	11,386,073	12,245,951	12,524,583	12,995,222	13,931,765	16,763,543	19,306,351	21,104,724
Operating expenses	(12,829,474)	(11,387,055)	(12,248,050)	(12,528,686)	(12,994,606)	(13,945,527)	(14,435,951)	(14,642,751)	(15,169,824)
Depreciation (existing assets)	(1,807,056)	-	-	-	-	-	-	(20,000)	(1,284,546)
Depreciation (Project assets funded)	-	-	-	-	-	-	(2,325,000)	(4,650,000)	(4,650,000)
Total expenditure	(14,636,531)	(11,387,055)	(12,248,050)	(12,528,686)	(12,994,606)	(13,945,527)	(16,760,951)	(19,312,751)	(21,104,370)
Net funded operating surplus/(deficit)	(2,217,206)	(982)	(2,099)	(4,103)	617	(13,762)	2,592	(6,400)	354
Extraordinary items									
Investment income on Project funds	1,647,114	1,020,000	700,000	420,000	380,000	380,000	380,000	380,000	380,000
plus bequest income	4,120	300,000	300,000	320,000	340,000	360,000	380,000	400,000	420,000
plus interest on trust and bequest funds	600,837	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
less bequest funded acquisitions	(32,014)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
	2,220,058	1,320,000	1,000,000	740,000	720,000	740,000	760,000	780,000	800,000
Net operating surplus	2,852	1,319,018	997,901	735,897	720,617	726,238	762,592	773,600	800,354
CLA levy % increase (excl Project depn)	0.29%	4.50%	5.40%	3.10%	3.70%	7.80%	1.57%	0.36%	10.00%
CLA levy % increase (funded Project depn)	-	-	-	0.00%	0.00%	0.00%	18.83%	15.64%	0.00%
Local Authority levy % increase	0.29%	4.50%	5.40%	3.10%	3.70%	7.80%	20.40%	16.00%	10.00%

- Council's share of operating and capital levies have been checked and agreed to the Draft LTP Assumptions up to 2030 based on the Museum's preliminary forecasts provided in December. The LTP forecasts need to be updated from 2031 in the final LTP for additional levy-funded depreciation on existing assets that was omitted from the earlier draft forecast received.
- Before the next LTP the Museum and CLAs will collectively review the levy-funded depreciation methodology. This has been set out in a draft Museum Asset Replacement Principles document. The Museum needs a mechanism to accumulate a sinking fund for asset renewals that balances the impact on ratepayers for short-to-medium asset lives versus any future redevelopment of the more permanent structures.

Useful Links

- <Enter links>.

Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A 	2024-25 Canterbury Museum Draft Annual Plan	24/475928	11

Signatories Ngā Kaiwaitohu

Author	Peter Langbein - Finance Business Partner
Approved By	John Filsell - Head of Community Support and Partnerships

Draft Annual Plan

For the financial year
1 July 2024 to 30 June 2025



Draft approved by the Canterbury Museum Trust Board for referral to the contributing authorities under Section 15(3) of the Canterbury Museum Trust Board Act 1993





Above: Contractors started demolishing the twentieth century Museum buildings in late 2023.

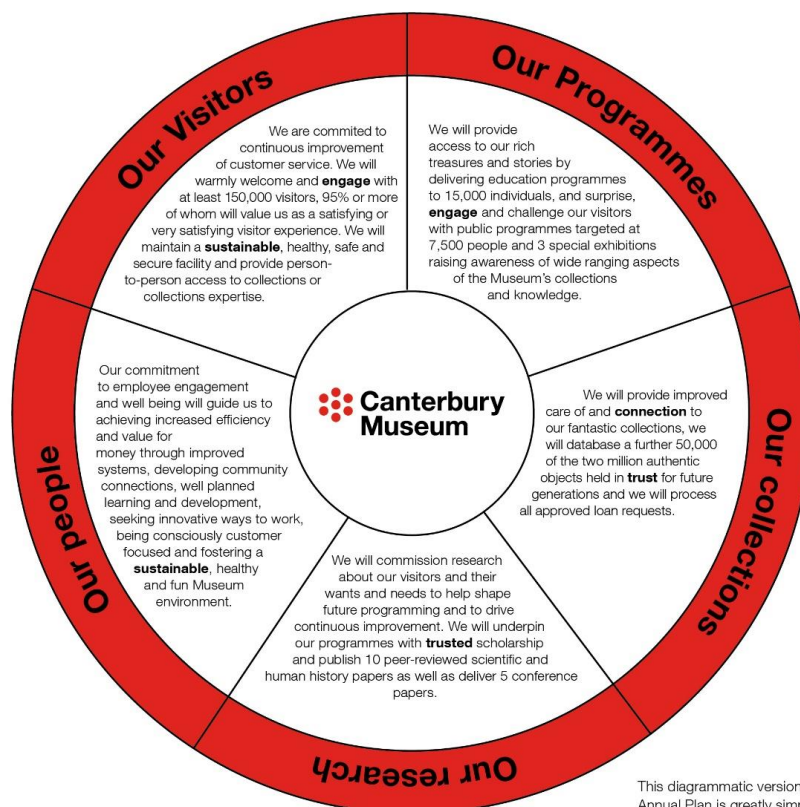
Front Cover: View of the new Museum from Worcester Boulevard. Copyright: Athfield Architects.

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Our Contract 2024/25

We contract with our community to deliver these great things in return for our annual funding.



This diagrammatic version of the Annual Plan is greatly simplified - detailed Performance Objectives and Targets appear in Section 3.

Operating budget 2024/25

Revenue	Levy	\$10,711,143
Expenses	Employment remuneration	6,972,084
	Collections & Research	1,940,985
	Public Engagement	1,467,036
	Operations	858,524
		11,238,630
Net Deficit from base operational activities		(527,486)
Self-generating revenue		1,534,808
Self-generating expenditure		(1,009,420)
Net operating deficit		(2,099)

1. Introduction

Canterbury Museum Trust Board maintains and develops Canterbury Museum in Ōtautahi Christchurch, Aotearoa New Zealand.

After 150 years on the Rolleston Avenue site, we moved the staff and the collection to offsite offices and storage in Hornby. The building was empty by the end of April 2023 and contractors moved in to start the long-awaited and much-needed redevelopment. This is scheduled to take about 5 years with the new Museum celebrating the people and the natural world of Waitaha Canterbury and Antarctica opening towards the end of 2028.

In July 2023, at Matariki weekend, we opened a pop-up space – *Canterbury Museum at CoCA* – so that we could continue as a visitor attraction, to engage with our visitors and maintain a presence in the central city. This has been a very successful project with good numbers given the much-reduced venue size, and it is attracting record donations from our visitors.

Quake City, the Museum's special exhibition telling stories from the Waitaha Canterbury earthquakes opened in its current location at 299 Durham Street North in 2017. In the last year it has seen record visitor numbers, exceeding pre-Covid levels, with the return of international travellers to the city.

Ravenscar House Museum, which the Museum owns and operates is benefitting from the influx of tourists. The house museum, gifted by Jim and Susan Wakefield through their Ravenscar Trust, opened in November 2021. The building is an award-winning architectural gem and a home to Jim and Susan's extraordinary collection of New Zealand art and objects, and classical antiquities.

The objectives of Canterbury Museum as expressed in the Canterbury Museum Trust Board Act 1993 are:

- To collect, preserve, act as a regional repository for, research, display and otherwise make available to the people of the present and future, material and information relating to the natural and cultural heritage of New Zealanders
- To promote interest and education in the natural and cultural heritage of New Zealanders
- To place particular emphasis on those activities as they relate to the greater Canterbury region, the Antarctic and Subantarctic, and where appropriate, their relationships in a wider global context.

In 2022 the Canterbury Museum Trust Board approved a Strategic Plan to be implemented through successive annual plans.

This Annual Plan presents the Board's operational and developmental priorities for the year 2024/25 within the setting of the Strategic Plan. In 2023, the Board also adopted a Bicultural Strategy which will guide our development over the next 5 years.

The Board acknowledges the ongoing major financial support of Christchurch City Council, Hurunui District Council, Selwyn District Council, Waimakariri District Council, the New Zealand Government, Mason Foundation, R S Allan Memorial Fund, Adson Trust and Friends of the Canterbury Museum.

1.1 Executive Summary

In 2024/25 the overall intent is to focus on five main streams of work.

- The continuation of Business as Usual through operating the pop-up *Canterbury Museum at CoCA, Quake City* and Ravenscar House Museum and by maintaining temporary exhibitions, public programmes and events, and an education outreach initiative with Museum educators delivering programmes in schools. The day-to-day operations of the Museum in collections care and documentation, research, building maintenance and security will continue as usual.
- Providing strategic direction, guidance and support to the Museum redevelopment project through a Project Control Group comprising two Museum Trust Board members, the Tumuaki | Director, Project Director, Lead Architect, Cost Manager and an independent construction industry advisor. Deliver two key milestones in the year:
 - Strengthen the Robert McDougall Gallery with a temporary support structure and piles so that the building can be separated from the existing basement. Demolish and excavate the old basement.
 - Install the basement diaphragm wall around the perimeter of the Gallery and the area where the twentieth Museum buildings have been demolished. This will create the outside wall of what will become the Museum's base-isolated collection storage basement.
- Planning, developing and building the New Visitor Experience for the new Museum. This massive project, which will see 6,500 square metres of new exhibition and display space researched, designed and installed started at the beginning of 2024 and will run until the new Museum opens in 2028.
- Planning and raising the funds required to complete the Redevelop Phase 1 Construction Project and the Phase 2 New Visitor Experience development and implementation.
- After 15 months of emptying the Rolleston Avenue site and relocating the temporary storage warehouse, collection staff will have a renewed focus on the Inventory project over the next 5 years. The Inventory is the huge task of working through the entire collection – about 2.3 million objects – to ensure that every object has a record in the Vernon database, with an up-to-date location and a photograph where appropriate. It will be an essential contribution to the New Visitor Experience work over the next 5 years.

Alongside the physical redevelopment of the Museum and the projects to advance the visitor experience and inventory of the collection, we are embarking on a cultural redevelopment journey, in partnership with mana whenua. Our aim is to develop and deepen relationships with mana whenua as we reimagine and redevelop not just the buildings, but the institution itself.

Principal activities to be carried out by the Museum during 2024/25 appear in the Performance Objectives (Section 3) and are summarised below.

Our Visitors

- Achieve visitor numbers of 150,000 across all sites and maintain a highly-rated visitor experience.
- Ensure visitors remain in a safe environment with no notifiable events.

Our Programmes

- Develop, deliver and evaluate 3 special exhibitions, education programmes to 15,000 individuals and public programmes to 7,500 people.
- Maintain or increase current levels of activity in other operational areas, eg responding to enquiries, achieving media hits, participating in external organisations and providing research advice support.

Our Collections

- Continue the inventory project which is recording and verifying every object in the Museum collection.
- Continue to make collections more accessible by adding records and images to Collections Online.

Our Research

- Research and produce papers for the *Records of the Canterbury Museum* and other publications.
- Present research papers at conferences and continue to maintain adjunct positions in allied research institutions.

Our people and working environment

- Maintain healthy, safe, secure facilities for our visitors and staff.
- Support staff with learning and development initiatives.

Museum Redevelopment Construction Project

- Deliver construction milestones for the redevelopment to agreed targets.

New Visitor Experience

- Plan and manage development of the New Visitor Experience.
- Develop and implement fundraising strategy for the New Visitor Experience.



Araiteuru, developed in partnership with mana whenua, will be the new Māori heart of the Museum.

1.2 Vision and Values Statement

He kōpapa taonga, he pātaka korero, hei kai mā Waitaha, hei kai mā te ao

A storehouse of treasures, a repository of knowledge for Canterbury and for the world

Te Whakatakanga Our Mission

Celebrating Waitaha Canterbury and discovering the world through innovative, accessible and sustainable collection care, public programmes and research.

Ā Mātou Mahi What we do

Canterbury Museum acquires and cares for world-wide collections of human and natural history, with a focus on the Ngāi Tahu rohe, Waitaha Canterbury and the Antarctic.

Access to these collections drives research, inspires learning and ignites imagination through stories that surprise and delight our visitors.

Ō Mātou Tikanga The Values We Live By

We ENGAGE positively with our visitors.

We work COLLABORATIVELY with each other and with our communities.

We are ACCOUNTABLE for what we do.

We always act with INTEGRITY.

1.3 The Museum Organisation

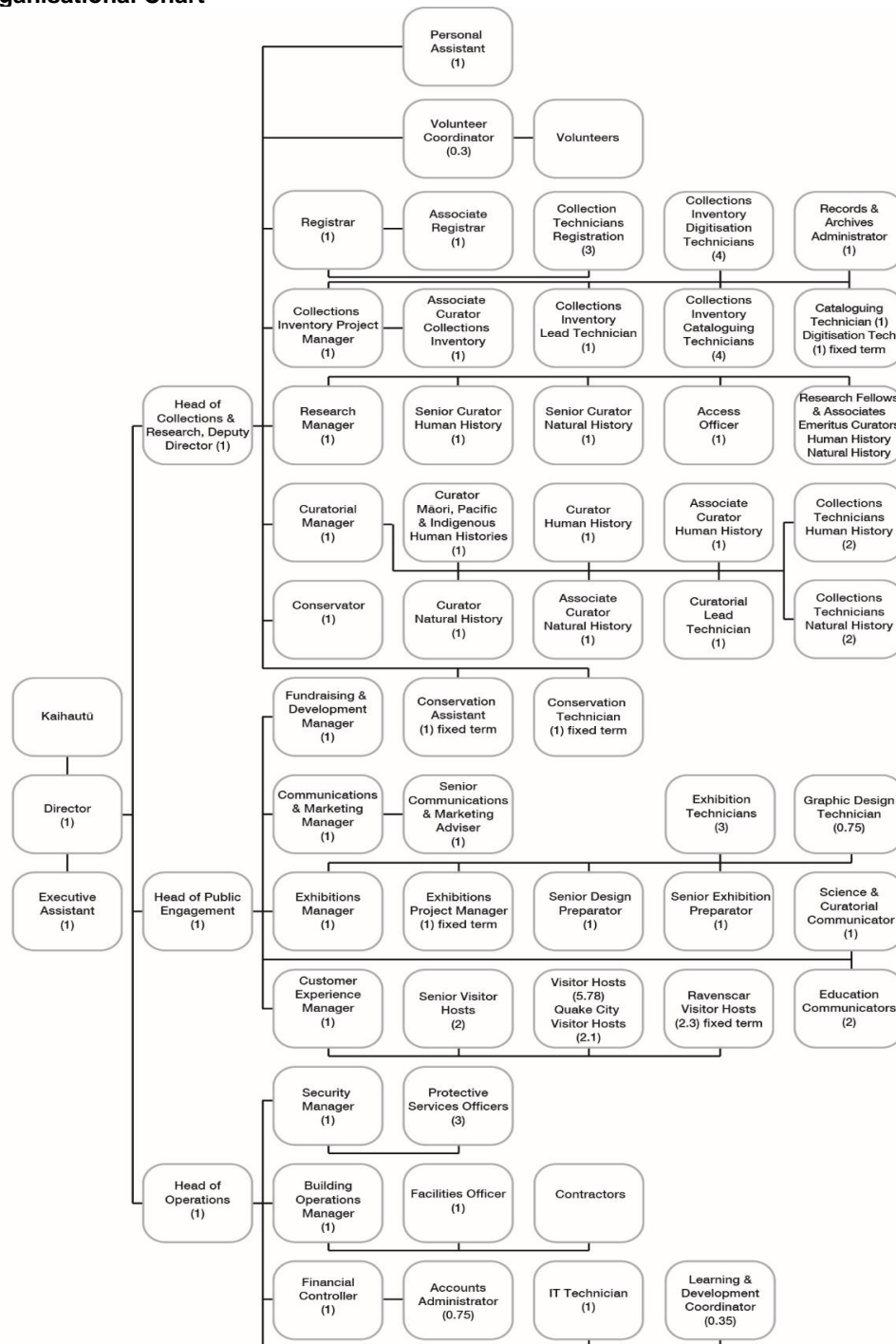
Canterbury Museum is governed by the Canterbury Museum Trust Board. The appointment of trustees and the Board's responsibilities are set out in the Canterbury Museum Trust Board Act 1993.

It is anticipated that at the beginning of the 2024/25 financial year there will be 79 full-time equivalent (FTE) establishment and fixed term staff:

Directorate	2.00
Collections and Research	39.30
Public Engagement	27.93
Operations	10.10

Due to the high level of rostering in front-of-house positions the 79 FTE is represented by approximately 83 staff.

1.4 Organisational Chart



March 2024

2. Requirements of the Canterbury Museum Trust Board Act 1993

Section 15 of the Canterbury Museum Trust Board Act 1993 requires that:

- (1) The Board shall prepare and adopt, for each financial year ending with 30 June, an annual plan which outlines:
 - (a) In particular terms for the financial year in which the plan is adopted and in general terms for each of the following two financial years:
 - (i) The intended significant policies and objectives of the Board
These are outlined in Sections 1 and 5. A detailed Operating (Policy and Procedures) Manual is available for inspection at the office of the Director.
 - (ii) The nature and scope of significant activities to be undertaken
These are outlined in Section 3.
 - (iii) Performance objectives together with performance targets and other measures by which performance may be judged in relation to the objectives
These are set out in Section 3.
 - (b) In particular terms for the financial year in which the report is adopted, and in general terms for each of the following two financial years, in total and for each significant activity of the Board:
 - (i) The indicative costs, including an allowance for depreciation of plant
These are set out in Section 4.
 - (ii) The sources of funds and the amount of any proposed levies
These are set out in Section 4.
- (2) The plan shall include an explanation of any significant changes between policies, objectives and activities, and performance targets specified in the plan as being those for the financial year in which the plan is adopted and those specified in the plan for the immediately preceding financial year as being those for the financial year in which the plan is adopted.

There are no significant changes between the objectives, activities and performance targets specified in the plan as between those in this 2024/25 financial year and those for the immediately preceding 2023/24 financial year.

The Museum will continue to fulfil the current year (2023/24) objectives.
- (3) The draft annual plan shall be referred to contributing authorities for a period of six weeks concluding no later than 31 May in each year or such earlier date as agreed by mutual consultation with contributing authorities.

This draft annual plan will be referred to the contributing Local Authorities for a period of six weeks from Friday 15 March 2024 concluding on Friday 26 April 2024.
- (4) The Board shall consider all submissions received in respect of the draft annual plan and amend it as considered appropriate prior to adoption by the Board no later than two weeks following the period referred to in subsection (3) of section 15.
- (5) A copy of the annual plan, when adopted, shall forthwith be sent to each contributing local authority.

Section 16 of the Canterbury Museum Trust Board Act 1993 requires that:

- (1) The levies proposed in the draft annual plan shall be deemed to have been approved by all contributing authorities and binding on them once the annual plan is adopted unless either the Christchurch City Council or 2 or more of the remaining contributing

authorities give notice in writing objecting to the levies proposed therein during the period referred to in section 15(3).

- (2) Within 14 days of the receipt of such notice, the Board shall convene a meeting of all contributing authorities to be held not later than 1 month following that date referred to in Section 15(3) of this Act.
- (3) At that meeting each contributing authority may be represented by 1 delegate. The delegates attending the meeting shall hear such submissions as the Board may make in support of its budget and levy. The Christchurch City Council or not less than 3 other contributing authorities may resolve that the total levy be reduced to an amount being not less than the total levy made in respect of the previous year.



The blue whale skeleton will be suspended from the atrium ceiling of the new Museum. Image: Athfield Architects

3. 2024/25 performance objectives

As indicated, in 2024/25 the overall intent is to advance five main streams of work:

- The continuation of Business as Usual including operating *Canterbury Museum at CoCA*, *Quake City* and Ravenscar House Museum.
- Providing strategic direction, guidance and support to the Museum redevelopment.
- Planning, developing and building the new Visitor Experience for the new Museum.
- Continuing the Inventory Team project.
- Planning and raising the funds to complete the redevelopment.

The following performance objectives describe the principal activities to be carried out by the Museum during the 2024/25 year.

In addition, there will be many other activities furthering the overall objectives of the Museum contained in the 2024/25 Performance Plans of individual staff members.

Objectives	Targets
1. Our visitors	
1.1 Achieve visitor numbers	150,000
1.2 Achieve visitor donations	\$50,000
1.3 Achieve % of visitors rating their Museum experience as satisfied or very satisfied	≥ 95%
1.4 Achieve visitor numbers for <i>Quake City</i>	60,000
1.5 Ensure staff have completed relevant customer service training	95%
1.6 Ensure all Museum premises occupants remain in an environment where zero Notifiable Events arise through negligence of the PCBU's business or undertaking	Achieve
1.7 Number of engaged sessions to Museum websites by our digital visitors	200,000
1.8 Social media engagement (eg comments, interactions, shares, likes)	50,000
2. Our programmes	
2.1 Develop, deliver and evaluate 3 special exhibitions	3
2.2 Tour an exhibit to the four local council areas to reach a visitor target of	150,000
2.3 Achieve 15,000 individuals receiving a Museum education programme delivered either by Museum staff or their own teacher (including 7,000 school students)	15,000 (7,000)
2.4 Achieve 7,500 individuals engaging in a Museum delivered public programme	7,500
2.5 Answer 100% of external written/phone/email enquiries within 5 working days (total number to be reported)	100%
2.6 Achieve 700 media hits (via print, broadcast, and online media)	700
2.7 Actively participate in professional associations/external bodies	40
2.8 Provide outreach advice and support to other Canterbury museums and related organisations (number of interactions)	120
3. Our collections	
3.1 Process 100% of newly offered objects received between 1 April 2024 and 31 March 2025 in the 2024/25 financial year	100% (Max.700 acquired)

3.2	Create new inventory records and check and verify new and existing Vernon records	65,000
3.3	Process 100% of all approved loan requests (total number of objects loaned)	100%
3.4	Provide access to collections or collections expertise in response to 100% of requests (total number to be reported)	100%
3.5	Make collections more accessible by adding records and images to Collections Online	50,000
3.6	Complete conservation treatment of collection items ready for new visitor experience	700
4.	Our research	
4.1	Peer-reviewed research papers accepted for publication	10
4.2	Publish research via popular formats, including blogs	10
4.3	Peer review external articles or supervise a thesis	8
4.4	Publish one volume of Records of the Canterbury Museum	1
4.5	Present conference papers	5
4.6	Adjunct positions held in research institutions	3
4.7	Undertake professional visitor survey research to drive continuous improvement	Achieve
5.	Our people and working environment	
5.1	Maximise return on investment funds within the Museum's Investment Policy	4.08%
5.2	Achieve timely audit to a pre-agreed plan with the only qualification being agreed departure from accounting standards as regards valuation and capitalisation of heritage assets	Achieve
5.3	Achieve an end-of-year financial result within budget	Achieve
5.4	Achieve learning and development hours	2,000
5.5	Review risk register quarterly for report to the Audit and Risk Committee	Achieve
5.6	Maintain healthy, safe and secure facilities in accordance with Building Compliance schedules by completing regular cyclical maintenance and achieving Building Warrants of Fitness for Museum sites	Achieve
5.7	Seek an improvement in employee engagement score as indicated by the annual Gallup Q12 survey, underpinned by a people and capability strategy	Achieve
5.8	Support the Museum team's working environment by improving helpdesk and asset management infrastructure to enable and support people	Achieve
6.	Museum Redevelopment Construction Project	
6.1	Maintain an up-to-date construction project plan	Achieve
6.2	Update construction staging plan for quarterly reporting to the Board	Achieve
6.3	Report quarterly on the Redevelopment construction fundraising target to the Board	Achieve
6.4	Deliver the construction milestones to the agreed targets	Achieve
7.	New Visitor Experience	
7.1	Maintain an up-to-date project plan and manage planning for the New Visitor Experience	Achieve
7.2	Report quarterly on the Redevelopment New Visitor Experience fundraising strategy to the Board	Achieve
7.3	Deliver the New Visitor Experience plan to agreed targets	Achieve

4. Budget

4.1 Introduction

The level of operational levy increase requested from contributing local authorities is 5.4%.

The funded depreciation has been removed from the operating budget for the next 5 years and included as part of the capital budget funded by the contributing local authorities.

The base operating deficit for the 2024/25 financial year is (\$527,486) with a net operating deficit, including self-generated income, of (\$2,099).

In 2020 Christchurch City Council advised that they were trying to achieve substantial savings across the board, largely as a result of the Covid-19 pandemic, and requested a 0% levy increase. The resulting levy increase for 2021/22 and 2022/23 was 0.29% (effective 0% for CCC) and 0.65% (effective 0% for CCC) respectively. In 2023/24 the Board approved a budget increase of 22% for consultation. After meeting with the Councils Consultative Committee, it was agreed that depreciation for the next five years will be capitalised and added to the redevelopment project funding in each contributing council's long-term plan. Payment of this portion of the 'operating levy' as capital means Councils can borrow and thus lessen their load on rates. This resulted in a 4.5% increase in operating levies for 2023/24.

Whilst it would be preferable for the base operating result to be break-even, the Museum has agreed that we will aim for a break-even scenario after the self-generated revenue/expenditure.

The 2023/24 Annual Plan has been used as the basis for the LTP projections for the Councils. Whilst we had forecast levy increases of 5% increases for the next four years, with small surpluses and deficits, the CCC has recommended levy increases that achieve break-even. These increases are 5.4%, 3.1%, 3.7% and 7.8% (which are an average of 5.0%).

The following assumptions have been made in the draft 2024/25 operations budget.

- An operating expense inflationary adjustment of 3.0% has been applied.
- Two additional redevelopment planning/fundraising roles added to remuneration expenses.
- A 5.0% cost of living adjustment made for remuneration expenses.
- Normal promotion allowances reinstated to remuneration expenses.
- A 2.5% vacancy rate for back-of-house staff remuneration.
- Deferral of Ravenscar House building depreciation.
- Continued growth of *Quake City* admissions.
- An operating levy increase of 5.4%.

Overhead and administration expenses are allocated to each division of Collections and Research, Public Engagement and Operations based on staff numbers.

Collection acquisitions which are funded by way of bequests and the interest income on these bequests are shown separately in the operational budget (Section 4.2).

Budgeted capital grants are recognised as the project expenditure is incurred (Section 4.3).

A detailed breakdown of revenue, expense and depreciation items is provided in the notes to the operational and capital budgets (Section 4.4).

4.2 Operational budget

CANTERBURY MUSEUM TRUST BOARD Operational budget

	Note	Actual 2022/23	Forecast 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
Base Operating Activities						
Operating levy increase		0.65%	4.50%	5.40%	3.1%	3.7%
Operating levy		9,724,761	10,162,375	10,711,143	11,043,189	11,451,787
Base Operating Expenditure						
Employee remuneration		6,381,286	6,198,562	6,972,084	7,246,849	7,562,480
Collections Research division	3	2,115,770	1,883,959	1,940,985	1,979,051	2,034,070
Public Engagement division	4	1,461,595	1,419,038	1,467,036	1,497,981	1,540,100
Operations division	5	1,864,530	836,209	858,524	879,671	905,067
Depreciation	6	1,807,056	-	-	-	-
		13,630,236	10,337,768	11,238,630	11,603,552	12,041,717
Base Operating (Deficit)		(3,905,475)	(175,393)	(527,486)	(560,363)	(589,931)
Self-Generated Revenue						
Commercial activities	1	2,364,207	979,691	1,332,900	1,369,797	1,410,891
Donations and grants	2	330,356	244,007	201,908	111,597	132,545
		2,694,564	1,223,698	1,534,808	1,481,394	1,543,436
Self-Generated Expenditure						
Employee remuneration		512,144	445,977	421,897	319,986	329,585
Collections & Research	3	51,046	37,274	29,177	30,052	30,954
Public Engagement	4	141,388	175,396	171,300	176,439	181,732
Operations	5	301,717	390,640	387,046	398,657	410,617
		1,006,295	1,049,287	1,009,420	925,134	952,888
Net Self-Generated Surplus		1,688,269	174,411	525,388	556,259	590,547
Net Operating Surplus/(Deficit)		(2,217,206)	(982)	(2,099)	(4,103)	617
Non Operating income/(expenditure)						
Investment income on Project funds	1	1,647,114	1,020,000	700,000	420,000	380,000
plus capital grants	7	612,055	45,433,500	31,112,000	32,776,000	48,803,000
plus bequest income		4,120	300,000	300,000	320,000	340,000
plus interest on trust and bequest funds		600,837	500,000	500,000	500,000	500,000
less relocation expenses		(2,936,883)	-	-	-	-
less capital levy funded depreciation	6	-	(1,610,300)	(1,574,100)	(1,580,600)	(1,493,400)
less bequest funded acquisitions		(32,014)	(500,000)	(500,000)	(500,000)	(500,000)
Net Annual Report Surplus/(Deficit)	8	(2,321,977)	45,142,218	30,535,801	31,931,297	48,030,217

4.3 Capital Budget

	Note	Actual 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
Capital expenditure		3,012,346	700,000	700,000	800,000	900,000
Asset replacement/gallery redevelopment reserve		(1,205,290)	(700,000)	(700,000)	(800,000)	(900,000)
Fixed asset expenditure	9	1,807,056	-	-	-	-
Museum Project works	7	7,127,375	45,433,500	31,112,000	32,776,000	48,803,000
Net capital budget		8,934,431	45,433,500	31,112,000	32,776,000	48,803,000

4.4 Notes to the operational and capital budgets

1 Commercial activities (exchange transactions)					
Discovery income	26,862	-	-	-	-
Lease income	84,775	-	86,005	88,585	91,242
Image Service income	4,261	5,000	5,000	5,150	5,305
Exhibitions income	1,800	-	-	-	-
Special exhibition income	2,129	-	-	-	-
Other trading income	2,244,380	974,691	1,241,895	1,276,062	1,314,344
Realised gain/(loss) on sale of investments	(226,989)	-	-	-	-
Interest on operating funds	1,208,082	620,000	500,000	320,000	270,000
Dividends on operating funds	666,021	400,000	200,000	100,000	110,000
	4,011,321	1,999,691	2,032,900	1,789,797	1,790,891
2 Donations and grants (non-exchange transactions)					
Donations admission	53,410	50,000	50,000	70,000	90,000
Donations and bequests	5,465	1,500	1,500	1,545	1,591
Grants	271,481	192,507	150,408	40,052	40,954
	330,356	244,007	201,908	111,597	132,545
3 Collections Research					
Collections Inventory	692,107	605,105	615,738	626,721	643,906
Collections Registration	512,445	446,183	477,287	488,725	502,765
Curatorial	962,263	869,945	877,137	893,657	918,353
	2,166,815	1,921,233	1,970,162	2,009,103	2,065,024
4 Public Engagement					
Communications	258,197	344,246	363,344	373,093	384,037
Customer Experience & Education	860,097	633,910	644,832	656,584	674,642
Exhibitions	484,689	616,278	630,160	644,744	663,154
	1,602,983	1,594,434	1,638,336	1,674,420	1,721,833
5 Operations					
IT	118,705	136,075	154,543	158,603	163,237
Building Operations	1,358,316	816,169	810,794	833,389	858,018
Security	689,225	274,605	280,234	286,336	294,429
	2,166,246	1,226,849	1,245,570	1,278,329	1,315,684



	Actual 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
6 Depreciation					
Buildings	1,079,183	777,200	777,200	777,200	777,200
Building systems / plant	133,070	326,000	327,000	330,000	332,000
Security	212,062	120,000	100,000	105,000	73,000
Exhibition galleries	1,424	10,000	13,000	17,000	19,000
Front of house fixed facilities	4,187	4,200	4,200	3,700	1,500
Collection stores	107,270	132,000	115,000	117,000	115,000
Back of house fixed facilities	18,592	7,900	7,700	7,700	7,700
Furniture fittings and equipment	119,910	113,000	115,000	123,000	85,000
Information technology and audio visual	131,360	120,000	115,000	100,000	83,000
Museum Redevelopment Project	-	-	-	-	-
	1,807,056	1,610,300	1,574,100	1,580,600	1,493,400
7 Capital grants					
Capital Grants are only recognised when the project expenditure has been spent.					
8 Income					
Levies	9,724,761	10,162,375	10,711,143	11,043,189	11,451,787
Grants	271,481	192,507	150,408	40,052	40,954
Capital Grants	612,055	45,433,500	31,112,000	32,776,000	48,803,000
Bequest income	4,120	300,000	300,000	320,000	340,000
Donations admission	53,410	50,000	50,000	70,000	90,000
Donations and bequests	5,465	1,500	1,500	1,545	1,591
Trading activities	2,364,207	979,691	1,332,900	1,369,797	1,410,891
Interest	1,208,082	620,000	500,000	320,000	270,000
Interest on trust and bequest fund	600,837	500,000	500,000	500,000	500,000
Dividends	666,021	400,000	200,000	100,000	110,000
Realised gain/(loss) on sale of investments	(226,989)	-	-	-	-
Total income	15,283,451	58,639,573	44,857,951	46,540,583	63,018,222
Expenses					
ACC levies	11,122	38,434	42,156	43,421	44,724
Audit fees	49,715	45,510	63,816	65,730	67,702
Building services	562,747	439,562	408,597	420,855	433,481
Board expenses	13,377	30,226	17,495	18,020	18,560
Books and journals	16,632	23,807	24,521	25,256	26,014
Cleaning	297,674	273,823	293,168	301,963	311,022
Collection acquisitions	760,765	832,954	834,062	835,384	836,746
Depreciation	1,807,056	1,610,300	1,574,100	1,580,600	1,493,400
Equipment	20,948	27,526	28,351	29,202	30,078
Exhibition expenses	408,707	238,568	241,005	248,235	255,682
Heat, light and power	210,614	232,551	229,432	236,315	243,404
Human resources support	9,890	36,086	15,000	15,450	15,914
Insurance	556,569	677,403	625,759	636,509	657,282
IT expenses	76,495	106,215	119,101	122,674	126,354
Legal fees	1,116,170	953,820	1,067,688	1,098,602	1,130,416
Lease	53,569	24,256	24,983	25,733	26,505
Management expenses	58,822	54,395	89,261	91,939	94,697
Marketing and public relations	284,558	345,414	334,549	344,586	354,923
Operational expenses	687,205	558,104	589,389	587,071	604,683
Postage and freight	8,183	8,694	9,955	10,253	10,561
Rates	24,880	41,827	42,782	44,065	45,387
Recruitment	67,935	24,256	24,983	25,733	26,505
Remuneration	6,737,973	6,509,739	7,236,624	7,404,757	7,725,126
Repairs and maintenance	584,018	122,287	124,580	128,317	132,167
Staff expenses	144,335	96,367	115,201	118,657	122,216
Staff training	69,440	106,940	110,148	113,453	116,856
Stationery	16,418	20,796	21,420	22,062	22,724

Strategic development	2,936,883	-	-	-	-
Telephone and tolls	12,725	17,497	14,022	14,443	14,876
Total expenses	17,605,428	13,497,355	14,322,150	14,609,286	14,988,006
Net surplus	(2,321,977)	45,142,218	30,535,801	31,931,297	48,030,217

9 **Fixed asset expenditure**

The fixed asset expenditure is equal to the depreciation expense which is now funded by a capital levy until the opening of the redeveloped Museum.

5. Summary of significant accounting policies

A) Reporting Entity

The Canterbury Museum Trust Board (the "Museum") is a non-profit-making permanent institution, founded by the people of Canterbury for the service and development of their community with a particular responsibility for the natural and cultural heritage of the wider Canterbury region. The Museum is created under the Canterbury Museum Trust Board Act 1993 and is a charitable organisation registered under the Charities Act 2005. It is located at Rolleston Avenue, Christchurch, New Zealand.

These financial statements are for the reporting entity, Canterbury Museum Trust Board, and are prepared pursuant to Section 28 of the Canterbury Museum Trust Board Act 1993.

B) Measurement Base

The Museum followed the accounting principles recognised as appropriate for the measurement and reporting of surplus and financial position on a historical cost basis, as modified by the fair value measurement of certain items of property, plant and equipment and available-for-sale financial assets.

These financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable Financial Reporting Standards as appropriate that have been authorised for use by the External Reporting Board for Public Sector entities, with the exception of PBE IPSAS 17 'Heritage Assets' as stated in Note 1(d)(viii). For the purposes of complying with NZ GAAP, the Museum is a public benefit not-for-profit entity and is eligible to apply Tier 2 Public Sector PBE IPSAS on the basis that it does not have public accountability and it is not defined as large. The financial statements have been prepared in accordance with Tier 2 PBE standards and the Museum has taken advantage of all applicable Reduced Disclosure Regime (RDR) concessions.

The information is presented in New Zealand dollars, which is the Museum's functional and presentation currency.

Changes in accounting policy

The accounting policies adopted in these financial statements are consistent with those of the previous reporting period.

C) Judgement And Estimation Uncertainty

The preparation of financial statements of necessity involves judgement and estimation. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable. Actual results may differ from these estimates.

D) Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of surplus and financial position have been applied consistently to both reporting periods:

i) Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Museum and revenue can be reliably measured. Revenue is measured when earned at the fair value of consideration received or receivable. The following specific recognition criteria must be met before revenue is recognised.

Revenue from non-exchange transactions

Local authority operating levies

Local authority operating levies are recognised as revenues when levied.

Grants and donations

Grants and donations, including Government grants, are recognised as revenue when received. When there are conditions attached which require repayment of the grants and donations if they are not met, revenues are recognised when the conditions for their use are met. Where there are unfulfilled conditions attached to the revenue, the amount relating to the unfulfilled condition is recognised as a liability and released to revenue as the conditions are fulfilled.

Bequests

Bequests are recognised in the income statement upon receipt. Where contributions recognised as revenue during the reporting period were obtained on the restriction that they be expended in a particular manner or used over a particular period, and those restrictions were undischarged as at the reporting date, the amounts pertaining to those undischarged restrictions are transferred to trust and bequests reserve in equity and the nature of such restrictions are

disclosed in the notes to the financial statements.

Capital donation

Capital donations are recognised as non-operating revenue when received.

Revenue from exchange transactions

Discovery income, image service income and other revenues

Discovery income, image service income and other operating revenues are recognised when services have been performed or goods provided.

Lease income

Revenue is recognised on a straight-line basis over the rental period.

Interest income

Interest is recognised in the income statement as it accrues using the effective interest rate method.

Dividend income

Dividends from investments are recognised when the shareholder's rights to receive payment have been established.

ii) **Budget figures.** The budget figures are from the Canterbury Museum Trust Board Annual Plan that was approved by the Board's Executive Committee on 28 June 2022. Budget figures have been prepared in accordance with PBE IPSAS, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

iii) **Offsetting of income and expenses.** Income and expenses are not offset unless required or permitted by an accounting standard. Items of income and expenses are offset when offsetting reflects the substance of the transaction or other event. In addition, gains or losses arising from a group of similar transactions are reported on a net basis, unless items of gains or losses are material, in which case they are reported separately.

iv) **Income tax.** The Museum has charitable status and accordingly no taxation expense or liability is recognised in the financial statements.

v) **Cash and cash equivalents.** Cash and cash equivalents include cash on hand, cash in banks and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

vi) **Debtors.** Debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of debtors is established when there is objective evidence that the Museum will not be able to collect all receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The provision, if any, is recognised in the statement of comprehensive revenue and expenses.

vii) **Financial instruments.** Financial instruments are transacted on a commercial basis to derive an interest yield/cost with terms and conditions having due regard to the nature of the transaction and the risks involved. All financial instruments are accounted for on a settlement basis. They are classified in one of the following categories at initial recognition: loans and receivables, financial assets and financial liabilities at fair value through comprehensive income, available-for-sale financial assets, held-to-maturity investments, and other financial liabilities.

Loans and receivables

Assets in this category are non-derivative financial assets with fixed determinable payments that are not quoted in an active market. They include:

- cash and cash equivalents (refer to item v above)
- debtors (refer to item vi above)
- accrued interest income (refer to item i above)

Available for sale financial assets

Assets and liabilities in this category are those non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through surplus or deficit. Assets in this category include investments in equity instruments. The fair value of these instruments are based on quoted market prices.

Held-to-maturity investments

Assets in this category are measured at amortised cost. The Museum has classified its bank term deposits and fixed term investments as held-to-maturity investments.

Other financial liabilities

This category includes all financial liabilities other than those at fair value through comprehensive income. Liabilities in this category are measured at amortised cost. They represent:

- liabilities for goods and services provided to the Museum prior to the end of the reporting period that are unpaid and arise when the Museum becomes obliged to make future payments. These amounts are unsecured.

Other financial liabilities include:

- creditors
- employee entitlements (refer to item ix below)
- grants received in advance (refer to item i above)
- retirement gratuity (refer to item ix below)
- term loans

viii) **Property, plant and equipment.** All property, plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. Repairs and maintenance are charged against income as incurred. Depreciation is calculated on a straight-line basis, except for land, so as to write off the net cost amount of each asset over its expected useful life to its estimated residual value. Land is not depreciated.

The Board reviews depreciation rates and adjusts them to more appropriately reflect the consumption of economic benefits. The depreciation rates applied are as follows:

	Rate
Buildings	2% - 20%
Building fit-out	10% - 33%
Furniture, fittings and equipment	10% - 33%

When an item of property, plant and equipment is disposed of, any gain or loss is recognised in the income statement and is calculated as the difference between the net disposal proceeds and the carrying value of the item.

Revaluation

Land and buildings are revalued on a cyclical basis at least every five years by an independent valuer. Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount. If the asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to equity under the heading "Asset Revaluation Reserve". However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit. Revalued assets are depreciated over the remaining useful life. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the asset revaluation reserve, net of any related deferred taxes, is transferred directly to retained earnings.

Work in progress

Work in progress costs are capital costs of a partially finished asset which are not yet able to be recognised as property, plant and equipment. The work in progress is not depreciated. At the completion of the construction, these costs will be transferred to property, plant and equipment and will then be depreciated.

Intangible assets

Computer software are finite life intangibles and are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives of 3 years and reported within the Statement of Comprehensive Revenue and Expenses. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

Heritage assets

Heritage assets include collection items or artefacts of cultural or historical significance. The cost of acquisition of heritage assets is charged to the Statement of Comprehensive Revenue and Expenses. During the reporting period,

the acquisition cost of collection items amounted to \$734,469 (2022: \$275,144).

It is the policy of the Museum to write off collection acquisitions and not attribute a monetary value to items gifted to the collection. The classification of the collections as a heritage asset is based on the premise that the collections are held in trust in perpetuity for the benefit of the public.

PBE IPSAS 17 requires that where an asset, eg collection item or artefact of cultural or historical significance, is acquired at no cost, or for a nominal cost, the asset is capitalised at its fair value as at the date of acquisition. PBE IPSAS 17 has not been followed because the Board considers that the fair values of the collection items cannot be measured reliably. Usually, gifts to the collection are unique items that have iconic status or are historic and irreplaceable or sacred to particular communities, with no market, so no financial value can be ascribed.

The Museum holds in excess of two million individual collection items. To comply with the requirements of PBE IPSAS 17 the value of these items would need to be assessed on an annual basis to identify possible impairment, which is required to be undertaken on an asset-by-asset basis.

Impairment of property, plant and equipment and intangible assets

The Museum does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

Non-cash generating assets

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or service units approach. The most appropriate approach used to measure value in use depends on the nature of impairment and availability of information. If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

ix) **Employee entitlements.** Provision is made for benefits accruing to employees in respect of salaries and wages, annual leave, alternate leave, and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Museum in respect of services provided by employees up to the reporting date.

x) **Goods and Services Tax (GST).** The financial statements have been prepared using GST exclusive figures with the exception of receivables and payables which have been shown inclusive of GST in the Statement of Financial Position.

xi) **Inventories.** Inventories are measured at the lower of cost and net realisable value.

xii) **Leases.** Payments on operating lease agreements, where the lessor retains substantially the risk and rewards of ownership of an asset, are recognised as an expense on a straight-line basis over the lease term.

6. Seven-year forecasts

6.1 Introduction

The seven-year operational funding forecast, Section 6.2, shows the increase in operating funds of 3.10%, 3.7% and 7.8% until the opening of the redeveloped museum.

The funding of depreciation for the five years from 2023/24 totalling \$7.55m has been added to the Local Government capital levy contribution to the Museum Project.

The Project depreciation has been itemised separately in Section 6.2 so that its impact can be clearly differentiated. The seven-year capital forecast, Section 6.3, details costs and sources of funding for the Project as well as ongoing asset maintenance.

The following assumptions have been made regarding the new Project:

- Aim for a single site solution,
- All buildings to be strengthened to 100% or better of code,
- To conserve the 19th Century Heritage Buildings and restore heritage features,
- Design within City Plan envelope and tie development into wider urban development context
- Aim for a 50-year solution to Museum's needs incorporating as much flexibility as possible
- Undertake redevelopment and planning in as open and transparent a manner as possible,
- The Museum Project budget has been contained to \$205 million.
- The Museum Project commenced with start of demolition in 2023.
- The proposed funding mix for the overall project is as follows:

Central Government	\$50.0 million	24%
Local Government	\$69.8 million	34%
Canterbury Museum fundraising	\$85.2 million	42%
- Central Government has committed \$25m from the Greater Christchurch Regeneration Portfolio and \$10m from Ministry Culture and Heritage towards the seismic strengthening and base-isolated basement of the main premises.
- The first Capital Levy payments from the Christchurch City Council for the initial Robert McDougall Gallery strengthening works began in 2023/24.
- The first Capital Levy payments for the main premises from the District Councils began in 2023/24
- Christchurch City Council has deferred its first Capital Levy payments in their LTP for the main premises until 2024/25.
- The construction phase (pre services/fitout) of the redevelopment (Stages 1-4) is budgeted at \$113m. The Museum has \$160m as in-hand or committed funding. An additional \$14.6m fundraising is required to complete the services/fitout stage.
- The funded depreciation methodology on the Project has been set out in an Asset Replacement Principles document that has been distributed to the contributing Councils. No comments have been received.
- Earliest opening of the new redeveloped Museum in 2028.

Details of the capital levy funding are provided in Section 6.3 and 6.4.

In Section 6.4 is a schedule showing the calculation of the operations levy in the Annual Plan. The calculations are also shown for the capital levy relating to the Project, including the payments that have been made and held in trust. For the purpose of apportioning levies the population figures are those provided by Statistics New Zealand as at 30 June 2022.

6.2 Seven-year forecast – operations

	Actual 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28	Budget 2028/29	Budget 2029/30	Budget 2030/31
Local Authority levy	9,724,761	10,162,375	10,711,143	11,043,189	11,451,787	12,345,026	14,863,411	17,241,557	18,965,713
Commercial activities	2,364,207	979,691	1,332,900	1,369,797	1,410,891	1,453,217	1,695,689	1,839,403	1,892,647
Donations and grants	330,356	244,007	201,908	111,597	132,545	133,521	204,443	225,390	246,364
Total revenue	12,419,325	11,386,073	12,245,951	12,524,583	12,995,222	13,931,765	16,763,543	19,306,351	21,104,724
Operating expenses	(12,829,474)	(11,387,055)	(12,248,050)	(12,528,686)	(12,994,606)	(13,945,527)	(14,435,951)	(14,642,751)	(15,169,824)
Depreciation (existing assets)	(1,807,056)	-	-	-	-	-	-	(20,000)	(1,284,546)
Depreciation (Project assets funded)	-	-	-	-	-	-	(2,325,000)	(4,650,000)	(4,650,000)
Total expenditure	(14,636,531)	(11,387,055)	(12,248,050)	(12,528,686)	(12,994,606)	(13,945,527)	(16,760,951)	(19,312,751)	(21,104,370)
Net funded operating surplus/(deficit)	(2,217,206)	(982)	(2,099)	(4,103)	617	(13,762)	2,592	(6,400)	354
Extraordinary items									
Investment income on Project funds	1,647,114	1,020,000	700,000	420,000	380,000	380,000	380,000	380,000	380,000
plus bequest income	4,120	300,000	300,000	320,000	340,000	360,000	380,000	400,000	420,000
plus interest on trust and bequest funds	600,837	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
less bequest funded acquisitions	(32,014)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
	2,220,058	1,320,000	1,000,000	740,000	720,000	740,000	760,000	780,000	800,000
Net operating surplus	2,852	1,319,018	997,901	735,897	720,617	726,238	762,592	773,600	800,354
CLA levy % increase (excl Project depn)	0.29%	4.50%	5.40%	3.10%	3.70%	7.80%	1.57%	0.36%	10.00%
CLA levy % increase (funded Project depn)	-	-	-	0.00%	0.00%	0.00%	18.83%	15.64%	0.00%
Local Authority levy % increase	0.29%	4.50%	5.40%	3.10%	3.70%	7.80%	20.40%	16.00%	10.00%

6.3 Seven-year forecast – capital

	Actual 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28	Budget 2028/29	Budget 2029/30	Budget 2030/31
Income - Project									
Capital levy - local government	229,790	2,102,011	11,133,715	11,133,715	9,031,704	-	-	-	-
Capital fundraising by the Museum	-	31,380,000	-	-	27,000,000	34,550,000	11,275,735	-	-
Capital grants - central government	-	15,000,000	22,900,000	11,400,000	3,400,000	3,400,000	3,400,000	-	-
Extension towards McDougall Gallery (Districts)		1,244,296	1,244,296	1,244,297	-	-	-	-	-
Robert McDougall Gallery - CCC	-	7,400,000	8,912,192	3,955,267	-	-	-	-	-
	229,790	57,126,307	44,190,203	27,733,279	39,431,704	37,950,000	14,675,735	-	-
Income – other									
Funded depreciation	1,807,056	-	-	-	-	-	-	-	-
Total income	2,036,846	57,126,307	44,190,203	27,733,279	39,431,704	37,950,000	14,675,735	-	-
Expenditure – Project									
Project works	7,127,375	45,433,500	31,112,000	32,776,000	48,803,000	38,958,000	14,889,000	-	-
	7,127,375	45,433,500	31,112,000	32,776,000	48,803,000	38,958,000	14,889,000	-	-
Expenditure – other									
Capital expenditure	3,012,346	700,000	700,000	800,000	900,000	1,000,000	1,000,000	900,000	800,000
Asset replacement / gallery redevelopment reserve	(1,205,290)	(700,000)	(700,000)	(800,000)	(900,000)	(1,000,000)	(1,000,000)	(900,000)	(800,000)
	1,807,056	-	-	-	-	-	-	-	-
Total expenditure	8,934,431	45,433,500	31,112,000	32,776,000	48,803,000	38,958,000	14,889,000	-	-
Surplus/(deficit)	(6,897,585)	11,692,807	13,078,203	(5,042,721)	(9,371,296)	(1,008,000)	(213,265)	-	-

6.4 Operations and capital levies

Operations levy for 2024/25 by population and distance factor

Local Authority	Population * % of total	No.	Differ- ential	Product	% of Total products	TOTAL	Installment amount
Christchurch City	0.71	396,200	1.00	70.71	84.66	9,068,337	3,022,779
Hurunui District	0.02	13,800	0.30	0.74	0.88	94,757	31,586
Selwyn District	0.15	81,300	0.45	6.53	7.82	837,368	279,123
Waimakariri District	0.12	69,000	0.45	5.54	6.63	710,681	236,894
	1.00	560,300	2.20	83.52	100.00	10,711,143	3,570,381

* The population numbers used are the estimated resident populations as at 30 June 2023, as provided by Statistics New Zealand.

Capital levy payments by population and distance factor

Local Authority	Population * % of total	No	Differ- ential	Product	% of Total products	Levy paid and held in trust	Projected interest accrued	Additional levy	Funded Depn	TOTAL	Outstanding capital levy	
											2024/25	2025/26 to 2026/27
Christchurch City	0.71	389,300	1.00	70.76	84.69	7,297,703	211,633	45,209,214	6,399,545	59,118,095	17,943,896	22,018,676
Hurunui District	0.02	13,700	0.30	0.75	0.89	-	-	556,571	67,563	624,134	208,045	208,045
Selwyn District	0.14	79,300	0.45	6.49	7.76	626,093	18,157	4,188,171	586,611	5,419,032	1,591,594	1,591,594
Waimakariri District	0.12	67,900	0.45	5.55	6.65	-	-	4,137,722	502,281	4,640,004	1,546,668	1,546,668
	1.00	550,200	2.20	83.54	100.00	7,923,796	229,790	54,091,679	7,556,000	69,801,265	21,290,203	25,364,983

* The population numbers used are the estimated resident populations as at 30 June 2022, as provided by Statistics New Zealand.