

6.2.0

ART
GALLERY

6.2.i

RESPONSIBLE COMMITTEE:	ARTS CULTURE & HERITAGE COMMITTEE
BUSINESS UNIT:	ART GALLERY
ACTIVITY:	BUSINESS UNIT SUMMARY

Key Changes***Committed Costs (Operating)***

<ul style="list-style-type: none"> Depreciation costs for the new Gallery building were not calculated at budget time last year, and increases for the first full year were not included in the LTOP. 	\$847,539
<ul style="list-style-type: none"> Cost of depreciation of art works has increased from \$35,380 in year 2003/04 to \$54,026, for year 2004/05, an increase of \$18,646. 	\$18,646
<ul style="list-style-type: none"> Security Service provision. The original estimate of \$25,000 was based on Gallery staff managing the security control room during opening hours, and for the security services to be placed with a monitoring service during the evening. The control system is considerably more complex and demanding than expected and staff have not been able to absorb this activity. The Gallery is undertaking a review of security and has come to the interim conclusion that lack of security staff in the building during the evening (11 pm – 6 am) is currently an unacceptable risk. The security review is still underway and staff continue to try and find ways of reducing costs. Note a provision of \$80,000 had been approved in the 2005/06 LTOP; this funding will be used as a part substitution for the security costs. 	\$370,000
<ul style="list-style-type: none"> Cost for bi-annual servicing the security system is \$15,760. This is greater than the anticipated servicing cost increases signalled in the LTOP for the entire building system checks [\$15,000] and certification checks [\$8,000]. 	\$15,760

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RESPONSIBLE COMMITTEE:	ARTS CULTURE & HERITAGE COMMITTEE
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Increased Costs due to Increased Demand

<ul style="list-style-type: none"> Gallery shop operating costs have increased to cope with increased demand. The shop had a targeted revenue increase of \$60,300 but staff believe the predicted increase of approximately \$400,000 is achievable based on quarter year sales figures of \$200,000. The extra costs provided will enable staff to keep up with stock purchasing and service standards. 	\$36,398
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New Operating Initiatives

New Operating Initiative		Matching Substitution	
Collection care and inventory update total	\$13,400	Substitutions total	\$13,400
Post move collection inventory. Checking, amending and standardising the collection data base. Fixed term.	\$11,000	LTOP approved cost for collection handling equipment.	\$2,400
Staff assistance for preparing outward loan. Ongoing requirement.	\$2,400	Transfer operational costs Frame Conservation.	\$5,000
		Transfer operational costs from Curatorial expenses re acquisitions.	\$6,000

Fee Changes

<ul style="list-style-type: none"> The cost of the venue hire facilities is under review and the rental fee may be adjusted. 	
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RESPONSIBLE COMMITTEE:	ARTS CULTURE & HERITAGE COMMITTEE
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Efficiency Gains / Additional Revenue

<ul style="list-style-type: none"> The shop targeted a revenue increase of \$60,300 but staff believe the predicted increase of approximately \$400,000 is achievable based on quarter year sales figures of \$200,000. Total revenue target for the Gallery shop is \$900,000. 	\$400,000
<ul style="list-style-type: none"> Saving on collection insurance due to change in insurer. Last financial year cost was \$82,648, current year \$32,000. 	\$50,648
<ul style="list-style-type: none"> The Gallery is still in the first year of operation and assessing running costs and best fit of programme for the Gallery's actual and target audience. The Gallery will review the late night Wednesday opening at the end of the first full year of operation. The late night opening during winter has not brought in expected visitor numbers but may still prove successful over summer. The late night may be successful as a seasonal activity only. 	\$0

Capital Cost Increases > 2%

<ul style="list-style-type: none"> Year 2007/08 is the fifth year of the Gallery's operation and is a standard replacement period for audio visual equipment. The budget figure is the tender price from year 2002/03. 	\$120,000
<ul style="list-style-type: none"> The renewal of the Gallery lighting track was included in the capital plan last year. The replacement is in two parts, year 2007/08 to replace lights in the ground floor galleries and year 2008/09 to coincide with the major change in the L1 galleries. 	\$20,000
<ul style="list-style-type: none"> The cost of replacing all handling equipment (snorkel and forklifts) is based on optimum trade in period and price. 	\$20,000

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Capital Cost Increases > 2% (contd.)

<ul style="list-style-type: none"> Staff have included the cost of a second boiler. The Gallery has only one boiler and a replacement will be required when the boiler is undergoing planned servicing during the year. A second boiler is also a prudent investment for any unplanned servicing requirements. The Gallery is contractually required to meet stringent environmental conditions for the majority of loans which it will not be able to achieve without a fully operational air conditioning system. 	\$55,000
<ul style="list-style-type: none"> Year 2008/09 second part of lighting change. 	\$20,000
<ul style="list-style-type: none"> Year 6 is the renewal of specialist computer equipment for the collection image capture. 	\$80,000
<ul style="list-style-type: none"> Security radios are anticipated to have a five year life. Full replacement will be required. Batteries have a two year life and are also included in the capital outputs. 	\$24,000
<ul style="list-style-type: none"> Year 8 is planned replacement of all the sound equipment in the auditorium. The budget figure is the tender price from year 2002/03. 	\$35,000
<ul style="list-style-type: none"> Year 9 is a repeat of the planned five year life cycle for all audio visual equipment in the exhibition galleries. 	\$100,000
<p>The building plant will have been out of warranty for a 10 year period and the HVAC system will need a major overhaul and recommissioning.</p>	\$60,000
<ul style="list-style-type: none"> Year 10 all the electronic lighting and security systems as well as security equipment such as cameras, alarms etc would be at the end of a 10 year life. It is recommended that a complete renewal is undertaken. The budget figure is the tender price from year 2002/03. 	\$923,000
<p>Please note the Property Unit is still to undertake a full asset management plan for the Gallery.</p>	

6.2.1

RESPONSIBLE COMMITTEE:	ARTS, CULTURE & HERITAGE COMMITTEE
BUSINESS UNIT:	ART GALLERY
OUTPUT CLASS:	OUTPUT SUMMARY

NET COST SUMMARY	2003/2004 BUDGET \$	2004/2005 BUDGET \$
ART COLLECTION		
Maintenance	1,719,408	2,241,020
Enhancements	182,000	235,148
EXHIBITIONS		
In-house	451,387	1,023,931
Local	278,958	757,120
National	180,807	761,778
International	191,679	540,437
Special Exhibitions	3,870	0
Merchandising	261,146	(138,514)
INFORMATION AND ADVICE		
Community Programmes & Activities	667,018	514,809
Gallery Promotion	541,667	477,330
Council - Advice on the Arts	133,136	204,012
Council -Art in Public Places	14,732	41,778
TOTAL NET COST ART GALLERY	4,625,809	6,658,850
COST OF CAPITAL EMPLOYED	160,409	803,281
FIXED ASSET PURCHASES	66,700	50,600
RESTRICTED ASSET PURCHASES	320,101	254,577
TOTAL CAPITAL	386,801	305,177
FINANCING TRANSFERS	(68,581)	(14,000)

6.2.2

RESPONSIBLE COMMITTEE:	ARTS, CULTURE & HERITAGE COMMITTEE
BUSINESS UNIT:	ART GALLERY
OUTPUT CLASS:	OUTPUT SUMMARY

OUTPUT CLASS EXPENDITURE

	2003/2004 BUDGET \$	2004/2005 BUDGET \$
ART COLLECTION		
Maintenance	1,723,658	2,245,270
Enhancements	182,000	235,148
EXHIBITIONS		
In-house	466,387	1,048,931
Local	278,958	757,120
National	219,997	791,778
International	341,679	550,437
Special Exhibitions	3,870	0
Merchandising	770,846	761,486
INFORMATION AND ADVICE		
Community -Programmes & Activities	677,518	555,809
Gallery Promotion	562,667	492,330
Council - Advice on the Arts	133,136	204,012
Council -Art in Public Places	14,732	41,778
TOTAL EXPENDITURE	5,375,449	7,684,100

6.2.3

RESPONSIBLE COMMITTEE:	ARTS, CULTURE & HERITAGE COMMITTEE
BUSINESS UNIT:	ART GALLERY
OUTPUT CLASS:	OUTPUT SUMMARY

OUTPUT CLASS REVENUE & RECOVERIES

	2003/2004 BUDGET \$	2004/2005 BUDGET \$
ART COLLECTION		
Maintenance	4,250	4,250
Enhancements	0	0
EXHIBITIONS		
In-house	15,000	25,000
Local	0	0
National	39,190	30,000
International	150,000	10,000
Special Exhibitions	0	0
Merchandising	509,700	900,000
INFORMATION AND ADVICE		
Community -Programmes & Activities	10,500	41,000
Gallery Promotion	21,000	15,000
TOTAL REVENUE AND RECOVERIES	<u>749,640</u>	<u>1,025,250</u>
TOTAL NET COST ART GALLERY	<u><u>4,625,809</u></u>	<u><u>6,658,850</u></u>

6.2.4

RESPONSIBLE COMMITTEE:	ARTS, CULTURE & HERITAGE COMMITTEE
BUSINESS UNIT:	ART GALLERY
OUTPUT CLASS:	CAPITAL OUTPUTS

CAPITAL OUTPUTS	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
FIXED ASSETS					
RENEWALS & REPLACEMENTS					
General Equipment	15,300	15,000	15,000	15,000	15,000
AV and sound equipment in auditorium				20,000	
AV equipment in exhibition (x 4 Data projectors)				100,000	
Exhibition Lighting				20,000	20,000
Handling Equipment - "trade in"				20,000	
Security replacement battery's and radio's		4,000		4,000	
Building replacement of plant					20,000
TOTAL RENEWALS & REPLACEMENTS	15,300	19,000	15,000	179,000	55,000
NEW ASSETS					
Building - additional Boiler				55,000	
Computer equipment for image storage	5,000				
Education	2,000				
Exhibitions	10,000				
Security	12,000				
Photography equipment	2,000				
Library	800				
Conservation - paper	900				
Conservation - frames	2,000				
Miscellaneous	600	30,000	30,000	30,000	30,000
TOTAL NEW ASSETS	35,300	30,000	30,000	85,000	30,000

6.2.5

RESPONSIBLE COMMITTEE:	ARTS, CULTURE & HERITAGE COMMITTEE
BUSINESS UNIT:	ART GALLERY
OUTPUT CLASS:	CAPITAL OUTPUTS

CAPITAL OUTPUTS

2004/2005 2005/2006 2006/2007 2007/2008 2008/2009

RESTRICTED ASSETS**NEW ASSETS**

Acquisitions	240,577	244,924	249,394	260,677	264,549
Acquisitons ex Stirrat bequest	14,000	14,000	14,000		
TOTAL NEW ASSETS	254,577	258,924	263,394	260,677	264,549

TOTAL CAPITAL EXPENDITURE

305,177	307,924	308,394	524,677	349,549
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Annual Plan 2003/2004	\$386,801	309,577	358,924	313,394	385,677	389,549
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6.2.6

RESPONSIBLE COMMITTEE:	ARTS, CULTURE & HERITAGE COMMITTEE
BUSINESS UNIT:	ART GALLERY
OUTPUT CLASS:	CAPITAL OUTPUTS

Description	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
RENEWAL & REPLACEMENTS					
General Equipment	15,000	15,000	15,000	15,000	15,000
Computer equipment	80,000				
AV and sound equipment in auditorium			35,000		
AV equipment in exhibition				100,000	
Exhibition Lighting and EBOS				20,000	220,000
Handling equipment				20,000	20,000
Security replacement batterys and radio's	24,000		4,000		4,000
Security system					550,000
Asset tracking system					153,000
Building - replacement of plant				60,000	
TOTAL RENEWAL & REPLACEMENTS	119,000	15,000	54,000	215,000	962,000
NEW ASSETS					
Miscellaneous	30,000	30,000	30,000	30,000	30,000
TOTAL NEW ASSETS	30,000	30,000	30,000	30,000	30,000
RESTRICTED ASSETS					
NEW ASSETS					
Acquisitions	270,743	271,126	270,743	270,743	270,743
TOTAL NEW ASSETS	270,743	271,126	270,743	270,743	270,743
TOTAL ART GALLERY EXPENDITURE	419,743	316,126	354,743	515,743	1,262,743
Annual Plan 2003/2004	340,743	346,126	340,743	435,743	

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RESPONSIBLE COMMITTEE:	ARTS, CULTURE & HERITAGE COMMITTEE
BUSINESS UNIT:	ART GALLERY
OUTPUT CLASS:	CAPITAL OUTPUTS

Description	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
NEW ART GALLERY CAPITAL AS PER PROPERTY BUDGET					
Christchurch Art Gallery Contributions	(273,870)				
	(273,870)				
TOTAL AS PER ANNUAL PLAN	31,307	307,924	308,394	524,677	349,549

6.2.8

RESPONSIBLE COMMITTEE:		ARTS, CULTURE & HERITAGE COMMITTEE				
BUSINESS UNIT :		ART GALLERY				
ACTIVITY:		FEES SCHEDULE				
Fees Description	2003/2004 Present Charge	2003/2004 Revenue from Present Charge	2004/2005 Proposed Charge	2004/2005 Projected Revenue From Proposed Charge	2004/2005 Projected Revenue as a percentage of Total Cost	Notes
Recoveries, Lectures/ Ed Kits etc	Various		Various		100.0%	
Conservation Appraisals/ Work	\$30 per half hr	\$1,250	\$30 per half hr	\$1,250	Full Cost Recovery	
Photography	Various	\$1,000	Various	\$1,000	Full Cost Recovery	
Curatorial Advice/ Valuations		\$1,000		\$1,000		
Sundry Donations	Various	\$0	Various	\$5,000	N/A	
Registration Packing / Storage	Various	\$1,000	Various	\$1,000		
Publications - Special Projects	Various		Various		20.0%	
Shop Sales (Gross)	Various	\$509,700	Various	\$900,000	100.0%	
Other External Recoveries	Various	\$155,000	Various	\$175,000		
Corporate Evening Functions	Various		Various		100.0%	
Standard Fee for all hirers plus set fee	Various	\$48,750	Various	\$56,700		
Set Fees * to be revised						
Corporate Sponsors						
Non Profit Organisations						
Corporations, Companies & Organisations						
Cost above 3 hrs						
Exhibitions						
Special exhibition entry charge	\$2.00 donation /k	\$110,000	\$2.00 donation /koha	\$0	Contribution towards cost	
Catalogue sales - Vignettes						
Catalogue Sales Christchurch Oxford						
Catalogue Sales - various	Various		Various			
Publications - Special Projects	Various	\$21,000	Various	\$15,000	20.0%	
Sponsors - Puawai						
Sponsorship - Allure		\$20,000		\$0		
Sponsorship & Grants		\$42,500		\$30,000		
Acoustiguide - Reimbursement for Hire costs from Art Gallery		\$16,690		\$10,000		
Acoustiguide sales for the permanent collecti	\$2.50	\$15,000	\$2.50	\$25,000		

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RESPONSIBLE COMMITTEE:		ARTS, CULTURE & HERITAGE COMMITTEE				
BUSINESS UNIT :		ART GALLERY				
ACTIVITY:		FEES SCHEDULE				
Fees Description	2003/2004 Present Charge	2003/2004 Revenue from Present Charge	2004/2005 Proposed Charge	2004/2005 Projected Revenue From Proposed Charge	2004/2005 Projected Revenue as a percentage of Total Cost	Notes
Community Programme						
Community Programmes & Activities	Various	\$8,000	Various	\$5,000		
Sponsorship - late night and holiday prog				\$30,000		
Recoveries Education Kits & Art Appreciation	Various	\$2,500	Various	\$6,000		
Promotion						
Fundraising Activities (Opening Event)						
TOTAL		\$953,390		\$1,261,950		