

6.2.0

*ART  
GALLERY*



## 6.2.i

RESPONSIBLE COMMITTEE:	<b>ARTS CULTURE &amp; HERITAGE COMMITTEE</b>
BUSINESS UNIT:	<b>ART GALLERY</b>
ACTIVITY:	<b>BUSINESS UNIT SUMMARY</b>

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

<ul style="list-style-type: none"> <li>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.</li> </ul>	\$847,539
<ul style="list-style-type: none"> <li>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.</li> </ul>	\$18,646
<ul style="list-style-type: none"> <li>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.</li> </ul>	\$370,000
<ul style="list-style-type: none"> <li>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].</li> </ul>	\$15,760

## 6.2.ii

RESPONSIBLE COMMITTEE:	<b>ARTS CULTURE &amp; HERITAGE COMMITTEE</b>
BUSINESS UNIT:	<b>ART GALLERY</b>
ACTIVITY:	<b>BUSINESS UNIT SUMMARY</b>

*Increased Costs due to Increased Demand*

<ul style="list-style-type: none"> <li>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.</li> </ul>	\$36,398
--	----------

*New Operating Initiatives*

New Operation Initiative		Matching Substitution	
<b>Collection care and inventory update total</b>	<b>\$13,400</b>	<b>Substitutions total</b>	<b>\$13,400</b>
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 ((471/102/3/3/)	\$5,000
		Transfer operational costs from Curatorial expenses re acquisitions (471/101/4)	\$6,000

*Fee Changes*

<ul style="list-style-type: none"> <li>The cost of the venue hire facilities is under review and the rental fee may be adjusted.</li> </ul>	
---	--

## 6.2.iii

RESPONSIBLE COMMITTEE:	<b>ARTS CULTURE &amp; HERITAGE COMMITTEE</b>
BUSINESS UNIT:	<b>ART GALLERY</b>
ACTIVITY:	<b>BUSINESS UNIT SUMMARY</b>

*Efficiency Gains / Additional Revenue*

<ul style="list-style-type: none"> <li>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.</li> </ul>	\$400,000
<ul style="list-style-type: none"> <li>Saving on collection insurance due to change in insurer. Last financial year cost was \$82,648, current year \$32,000.</li> </ul>	\$50,648
<ul style="list-style-type: none"> <li>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.</li> </ul>	\$0

*Capital Cost Increases > 2%*

<ul style="list-style-type: none"> <li>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.</li> </ul>	\$120,000
<ul style="list-style-type: none"> <li>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.</li> </ul>	\$20,000
<ul style="list-style-type: none"> <li>The cost of replacing all handling equipment (snorkel and forklifts) is based on optimum trade in period and price.</li> </ul>	\$20,000

RESPONSIBLE COMMITTEE:	<b>ARTS CULTURE &amp; HERITAGE COMMITTEE</b>
BUSINESS UNIT:	<b>ART GALLERY</b>
ACTIVITY:	<b>BUSINESS UNIT SUMMARY</b>

***Capital Cost Increases > 2% (contd.)***

<ul style="list-style-type: none"> <li>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.</li> </ul>	\$55,000
<ul style="list-style-type: none"> <li>Year 2008/09 second part of lighting change.</li> </ul>	\$20,000
<ul style="list-style-type: none"> <li>Year 6 is the renewal of specialist computer equipment for the collection image capture.</li> </ul>	\$80,000
<ul style="list-style-type: none"> <li>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.</li> </ul>	\$24,000
<ul style="list-style-type: none"> <li>Year 8 is planned replacement of all the sound equipment in the auditorium. The budget figure is the tender price from year 2002/03.</li> </ul>	\$35,000
<ul style="list-style-type: none"> <li>Year 9 is a repeat of the planned five year life cycle for all audio visual equipment in the exhibition galleries.</li> </ul>	\$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"> <li>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.</li> </ul>	\$923,000
<p><b>Please note the Property Unit is still to undertake a full asset management plan for the Gallery.</b></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 \$
<b>ART COLLECTION</b>		
Maintenance	1,719,408	2,548,934
Enhancements	182,000	255,567
<b>EXHIBITIONS</b>		
In-house	451,387	575,140
Local	278,958	405,433
National	180,807	366,192
International	191,679	280,879
Special Exhibitions	3,870	0
Merchandising	261,146	229,349
Our City	514,683	556,684
<b>INFORMATION AND ADVICE</b>		
Community Programmes & Activities	667,018	1,013,003
Gallery Promotion	541,667	812,662
Council - Advice on the Arts	133,136	199,948
Council -Art in Public Places	14,732	17,931
<b>TOTAL NET COST ART GALLERY</b>	----- 5,140,493	----- 7,261,720
<b>COST OF CAPITAL EMPLOYED</b>	=====	=====
	160,409	803,281
<b>FIXED ASSET PURCHASES</b>	66,700	55,600
<b>RESTRICTED ASSET PURCHASES</b>	320,101	254,577
<b>TOTAL CAPITAL</b>	----- 386,801	----- 310,177
<b>FINANCING TRANSFERS</b>	=====	=====
	(68,581)	(14,000)

## 6.2.2

RESPONSIBLE COMMITTEE:	<b>ARTS, CULTURE &amp; HERITAGE COMMITTEE</b>
BUSINESS UNIT:	<b>ART GALLERY</b>
OUTPUT CLASS:	<b>OUTPUT SUMMARY</b>

<b>OUTPUT CLASS EXPENDITURE</b>	<b>2003/2004 BUDGET</b>	<b>2004/2005 BUDGET</b>
	<b>\$</b>	<b>\$</b>
<b>ART COLLECTION</b>		
Maintenance	1,723,658	2,553,184
Enhancements	182,000	255,567
<b>EXHIBITIONS</b>		
In-house	466,387	600,140
Local	278,958	405,433
National	219,997	396,192
International	341,679	290,879
Special Exhibitions	3,870	0
Merchandising	770,846	1,129,349
Our City	547,683	586,684
<b>INFORMATION AND ADVICE</b>		
Community -Programmes & Activities	677,518	1,054,003
Gallery Promotion	562,667	827,662
Council - Advice on the Arts	133,136	199,948
Council -Art in Public Places	14,732	17,931
<b>TOTAL EXPENDITURE</b>	<b>5,923,133</b>	<b>8,316,970</b>



## 6.2.3

RESPONSIBLE COMMITTEE:	<b>ARTS, CULTURE &amp; HERITAGE COMMITTEE</b>
BUSINESS UNIT:	<b>ART GALLERY</b>
OUTPUT CLASS:	<b>OUTPUT SUMMARY</b>

**OUTPUT CLASS REVENUE & RECOVERIES**

	<b>2003/2004 BUDGET</b>	<b>2004/2005 BUDGET</b>
	\$	\$
<b>ART COLLECTION</b>		
Maintenance	4,250	4,250
Enhancements	0	0
<b>EXHIBITIONS</b>		
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
Our City	33,000	30,000
<b>INFORMATION AND ADVICE</b>		
Community -Programmes & Activities	10,500	41,000
Gallery Promotion	21,000	15,000
<b>TOTAL REVENUE AND RECOVERIES</b>	<u>782,640</u>	<u>1,055,250</u>
<b>TOTAL NET COST ART GALLERY</b>	<u><u>5,140,493</u></u>	<u><u>7,261,720</u></u>



## 6.2.4

RESPONSIBLE COMMITTEE:	<b>ARTS, CULTURE &amp; HERITAGE COMMITTEE</b>
BUSINESS UNIT:	<b>ART GALLERY</b>
OUTPUT CLASS:	<b>CAPITAL OUTPUTS</b>

<b>CAPITAL OUTPUTS</b>	<b>2004/2005</b>	<b>2005/2006</b>	<b>2006/2007</b>	<b>2007/2008</b>	<b>2008/2009</b>
<b>FIXED ASSETS</b>					
<b>RENEWALS &amp; REPLACEMENTS</b>					
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 batterys and radio's		4,000		4,000	
Building replacement of plant					20,000
Furniture & Equipment - Our City-Otautahi	5,000	5,000	5,000	5,000	
<b>TOTAL RENEWALS &amp; REPLACEMENTS</b>	<b>20,300</b>	<b>24,000</b>	<b>20,000</b>	<b>184,000</b>	<b>55,000</b>
<b>NEW ASSETS</b>					
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
<b>TOTAL NEW ASSETS</b>	<b>35,300</b>	<b>30,000</b>	<b>30,000</b>	<b>85,000</b>	<b>30,000</b>

## 6.2.5

RESPONSIBLE COMMITTEE:	<b>ARTS, CULTURE &amp; HERITAGE COMMITTEE</b>
BUSINESS UNIT:	<b>ART GALLERY</b>
OUTPUT CLASS:	<b>CAPITAL OUTPUTS</b>

<b>CAPITAL OUTPUTS</b>	<b>2004/2005</b>	<b>2005/2006</b>	<b>2006/2007</b>	<b>2007/2008</b>	<b>2008/2009</b>	
<b>RESTRICTED ASSETS</b>						
<b>NEW ASSETS</b>						
Acquisitions	240,577	244,924	249,394	260,677	264,549	
Acquisitons ex Stirrat bequest	14,000	14,000	14,000			
<b>TOTAL NEW ASSETS</b>	<u>254,577</u>	<u>258,924</u>	<u>263,394</u>	<u>260,677</u>	<u>264,549</u>	
<b>TOTAL CAPITAL EXPENDITURE</b>	<u>310,177</u>	<u>312,924</u>	<u>313,394</u>	<u>529,677</u>	<u>349,549</u>	
<b>Annual Plan 2003/2004</b>	<b>\$386,801</b>	309,577	358,924	313,394	385,677	389,549

## 6.2.6

RESPONSIBLE COMMITTEE:	<b>ARTS, CULTURE &amp; HERITAGE COMMITTEE</b>
BUSINESS UNIT:	<b>ART GALLERY</b>
OUTPUT CLASS:	<b>CAPITAL OUTPUTS</b>

<b>Description</b>	<b>YEAR 6</b>	<b>YEAR 7</b>	<b>YEAR 8</b>	<b>YEAR 9</b>	<b>YEAR 10</b>
<b>RENEWAL &amp; REPLACEMENTS</b>					
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	
<b>TOTAL RENEWAL &amp; REPLACEMENTS</b>	<b>119,000</b>	<b>15,000</b>	<b>54,000</b>	<b>215,000</b>	<b>962,000</b>
<b>NEW ASSETS</b>					
Miscellaneous	30,000	30,000	30,000	30,000	30,000
<b>TOTAL NEW ASSETS</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>
<b>RESTRICTED ASSETS</b>					
<b>NEW ASSETS</b>					
Acquisitions	270,743	271,126	270,743	270,743	270,743
<b>TOTAL NEW ASSETS</b>	<b>270,743</b>	<b>271,126</b>	<b>270,743</b>	<b>270,743</b>	<b>270,743</b>
<b>TOTAL ART GALLERY EXPENDITURE</b>	<b>419,743</b>	<b>316,126</b>	<b>354,743</b>	<b>515,743</b>	<b>1,262,743</b>
<b>Annual Plan 2003/2004</b>	<b>340,743</b>	<b>346,126</b>	<b>340,743</b>	<b>435,743</b>	

## 6.2.7

RESPONSIBLE COMMITTEE:	<b>ARTS, CULTURE &amp; HERITAGE COMMITTEE</b>
BUSINESS UNIT:	<b>ART GALLERY</b>
OUTPUT CLASS:	<b>CAPITAL OUTPUTS</b>

<b>Description</b>	<b>2004/2005</b>	<b>2005/2006</b>	<b>2006/2007</b>	<b>2007/2008</b>	<b>2008/2009</b>
<b>NEW ART GALLERY CAPITAL AS PER PROPERTY BUDGET</b>					
Christchurch Art Gallery Contributions	(273,870)				
	<u>(273,870)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL AS PER ANNUAL PLAN</b>	<u>36,307</u>	<u>312,924</u>	<u>313,394</u>	<u>529,677</u>	<u>349,549</u>

## 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		
<b>Corporate Evening Functions</b>	Various		Various		100.0%	
Standard Fee for all hirers plus set fee	Various	\$48,750	Various	\$56,700		
<b>Set Fees * to be revised</b>						
Corporate Sponsors						
Non Profit Organisations						
Corporations, Companies & Organisations						
Cost above 3 hrs						
<b>Exhibitions</b>						
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		

## 6.2.9

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
<b>Community Programme</b>						
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		
<b>Promotion</b>						
Fundraising Activities (Opening Event)						
<b>Our City</b>						
Venue Hire Provincial Bldg		\$5,000		\$6,000		
Venue Hire Municipal Bldg		\$5,000		\$6,000		
Rental Municipal Bldg		\$18,000		\$18,000		
Environment Canterbury Rental		\$0		\$0		
<b>TOTAL</b>		<b>\$981,390</b>		<b>\$1,291,950</b>		