

Christchurch Art Gallery

Activity Management Plan

Long Term Plan 2015–2025

30 August 2014

Quality Assurance Statement

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	Status	Draft
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	Activity Manager:	
	Chief / Director:	
	Asset Manager:	
	Finance Manager:	

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1 Key issues for Christchurch Art Gallery

Taken together Christchurch Art Gallery's building and collections are one of this city's single most important and valuable cultural asset. Council is responsible for operating the Art Gallery and ensuring the effective management and maintenance of its collections. These are housed within the gallery's safe storage areas which have been refurbished ahead of other building repairs. Good risk management procedures established by gallery staff have ensured the collections' continuous insurance cover throughout the seismic events of the last 4 years.

The planned re-opening in December 2015 will send an important signal to the city and the education and tourism sectors that Christchurch is open for business. However, the need to cut operating costs by 2% + 2% + 2% cumulatively at this time will limit our ability to open as we had hoped and impact negatively on the vitality and depth of our continuing programmes.

During the Art Gallery's extended period of closure, a core staff has offered some 80 Outer Spaces projects, including the family-friendly and popular 'Burster, Flipper, Wobbler, Dropper, Spinner, Stacker, Shaker, Maker'. We have achieved considerable national and international reputation for demonstrating resilience, flexibility and for supporting creative communities within this city. There is community interest in maintaining this programme, but it is not possible without a fully-costed increase in budget allocation for this purpose [estimate \$350k pa].

1.1 Community outcomes

The effective management of Christchurch Art Gallery Te Puna o Waiwhetu contributes to achieving community outcomes which ensure:

- arts and culture thrive in Christchurch;
- Christchurch is recognised as a great place to work, live, visit, invest and do business;
- the city's identity is enhanced by its buildings and public spaces;
- the central city is used by a wide range of people and for an increasing range of activities;
- the city's heritage and taonga are conserved for future generations;
- cultural and ethnic diversity is valued and celebrated.

Section 4 shows how these outcomes flow down into and influence Council's activities and levels of service in relation to Christchurch Art Gallery.

1.2 Effects of population growth, demand and sustainability

Population growth and demand

General: Continual demographic change is forecast within Christchurch, particularly as a result of the 2010-11 earthquakes. The initial post-quake loss of 2.8% is expected to be replaced by slow growth until 2016, with stronger recovery over 2016 to 2026. Increasing growth areas are emerging in the north and south-west of Christchurch with a significant increase in over 60 year olds predicted by 2031.

Christchurch Art Gallery: Population growth will increase visitor attendances, including school visits and participation in public programmes (see also 3.4). It will not have an impact on the Art Gallery's collections-related activities or levels of service.

As far as provision of first-hand access to collections, exhibitions and public programmes is concerned, Christchurch Art Gallery is a sole venue enterprise.

A good public transport system, with nearby stops on several routes, and the availability of parking is crucial to enable visitation levels to be maintained and enhanced. This is particularly significant for families, those who live in outlying suburban areas and the elderly.

Sustainability

General: The Local Government Act requires local authorities to take a sustainable development approach while conducting its business.

Christchurch Art Gallery: Aspects of environmental sustainability relating to the Art Gallery's

activities are addressed in section 2 (p 4), with energy savings planned and implemented after re-opening. The sustainability of all other activities directly relates to the costs of their provision.

1.3 Key challenges and opportunities for Art Gallery

Table 1-1

Costs of reopening and managing a quality exhibitions programme	All costs have risen during the period of closure: national and international freight; insurance. While the Gallery will re-open with a collections-based exhibition and the usual period for this show will be extended, the quality and vibrancy of the exhibitions programme is essential to maintain our good reputation and to grow visitation numbers. To supplement CAG's collection holdings pre-closure, the Gallery borrowed an average of more than 650 works pa. This will need reviewing in the light of the proposed budget cuts, but will negatively affect our ability to maintain audience numbers, in particular those of returning local visitors.
Re-recruiting good staff	While a core of key staff has been retained, CAG is at less than half strength in most areas, with no staff in some. The costs of re-recruiting during the forthcoming year will be kept in balance by careful personnel planning, including starting dates. However, this is a major exercise with greater than normal expenses associated for year 1 of the LTP period, alongside planning the public re-opening of CAG's building.
Re-attracting an audience	Re-attracting a broad audience will take time (possibly up to 10 years for some audience segments). While a exhibitions programme with an appealing mix of public programmes and family-friendly activities during the first two years after re-opening is essential to encourage visitors, new and returning, our ability to offer the expected range of good exhibitions and programmes within current budget restraints will be sorely tested. There are now fewer schools in the city and we anticipate encouragement will be needed for some to return to their practice of regularly bringing classes into the central city. CAG will schedule and market family days as before, but organised school groups may take longer to return to pre-quake levels of attendance. Public programmes will be similarly affected, with many U3A groups having found alternative venues in the interim.
Fundraising in a competitive post-earthquake environment	Sponsorship and fundraising for aspects of our collection and public programmes has always been part of the mix of activities with which the Art Gallery and its Foundation are involved. However, post-earthquake – and particularly within the arts sector – the Christchurch fundraising environment is extraordinarily competitive. Christchurch-based arts-related fundraising causes include: Centre for Contemporary Art; Canterbury Museum; SCAPE Public Art Biennial; Physics Room; Arts Centre; CSO, Court Theatre and Isaac Theatre Royal - and there are others. All are, or will be, involved in major fundraising drives over the current LTP period.
Tenant mix and income generation	It is essential to negotiate with and manage the mix of tenants required for retail and café, including KPIs for quality of service provision. As we are aware from our experience pre-closure, visitor satisfaction with tenants reflects on their judgement of satisfaction with the gallery experience.
Storage and exhibition space requirements	Longer-term collection storage and exhibition spaces requirements will grow. While it has been possible to include 25% more racks within refurbished storage areas to allow for more growth, not all art is able to stored in these racking systems. Options to consider and price include: building on top of the Worcester Boulevard-facing wing to alleviate space currently occupied by staff offices; a public-private partnership to develop the former Gallery Apartments site on Gloucester Street with office space leased by gallery staff; and an investigation of whether the Gallery might use some shared storage space with Libraries and or Canterbury Museum in the future.
Quality of building refurbishment	The quality of the pre-opening refurbishments impacts on replacements and renewals within the LTP period. If the allocated capital budget does not allow for full refurbishment, including planned improvements, further periods of disruption and possible closure cannot be ruled out (see also section 8, p 26). Restitution of the gallery's forecourt is not currently within the repair budget. A continuing lack of resolution about insurance recovery impacts on interim options for repair, with 'as new' solutions costing more than other potential 'interim' repairs. Without attention to good quality pre-opening repairs, it becomes harder to predict and manage future increasing asset management costs within restricted budgets.
Maintaining support for collections development	It is crucial that CAG maintains its ability to grow its collections for a whole range of reasons: maintaining the historical record of art's development here; supporting the creative community and maintaining community pride in CAG; being able to present up-to-date and challenging work to our audiences and remain current; the increasing cost of 'back buying' caused by any hiatus in collecting.

2 Proposed changes to activity

In order to achieve the required savings of 2% + 2% + 2% cumulatively, we propose to make changes to our staffing structure including, but not confined to, not filling some current vacancies (for example, not filling an education vacancy until numbers in this area build up again); and we also propose re-examining post-opening staffing levels, ensuring a saving of at least \$150k.

It is also proposed to investigate, price and negotiate the following to provide for the balance of the \$356k savings required in 2015-16 and onwards:

Key Change	Reason	Level of significance? What investigations are needed?	Options for consultation and engagement	Financial Implication (If Any)
Reduction in staffing levels by not refilling some current vacancies. (2.67 FTEs).	Potential savings can be made through staff structure changes and not refilling identified current vacancies. Includes 2 nd art educator position.	Low: Level of service and financial implications are understood. School audiences may take some time to rebuild after reopening. Therefore the 2 nd Art Educator position may not be necessary for first three years of CAG reopening. Key risk is if demand from schools increases more quickly than anticipated.	School service users Gallery education advisory committee Canterbury Art teachers Association	\$150,000 pa

Key Change	Reason	Level of significance? What investigations are needed?	Options for consultation and engagement	Financial Implication (If Any)
A possible reduction of exhibition programme changes (from around 18 to 'No fewer than 12 per year' during the first three years of the LTP period only)		Moderate. Reduction in the number of exhibitions on offer during the year may have an impact on repeat visitation from local audiences. A fast-paced exhibitions programme with a range of changing displays ensures visitors return again and again. A reduction in number of exhibitions may affect overall visitor numbers. (91% of Christchurch resident visitors define themselves as returning visitors.)	Gallery visitors CCT CAG Friends	\$22k savings pa
A possible reduction from 24 hours to 14 hr on-site security coverage post-art gallery building repairs (unless a formal agreement clearly indicates a cost-sharing of the preferred 16 or 24 hour surveillance of CAG as well as Civic and other CCC facilities)		Moderate - high The benefits of a shared 24-hour surveillance system within CAG have been discussed with Corporate Services for some years now. In the absence of a formal agreement, however, CAG would return to the provision of surveillance for its collections, gallery plant and building perimeter for fewer hours, with 24-hour on-site security costs if required for some key loans and exhibitions being attributed to the relevant exhibition budget.		\$38k savings pa

Key Change	Reason	Level of significance? What investigations are needed?	Options for consultation and engagement	Financial Implication (If Any)
Reductions in gallery energy use and cleaning through an investigation of inefficiencies (including those attributed to the large glazed foyer) and current museum and art gallery sustainability practices.		While some matters have already been discussed with colleagues elsewhere and with CCC's Energy Analyst, it is not possible to fully assess and implement cost savings until after the Art Gallery building is re-opened. Further investigation and energy audit to identify possible efficiencies and potential Capital R+R costs.	CCC Energy Analyst Industry peers	\$50k target for 2015-16 onwards
Tenancing all of retail spaces , including the art gallery shop area at an optimum rental	Maximise return from retail spaces.	Further investigation required to develop retail / tenant business strategy.		Potential increase in revenue.
Renegotiation of the management of the Art Gallery car-park , ensuring an appropriate allocation of associated expenses within this process	All services costs of the car-park operation are covered by CAG. However, revenue is returned directly to CCC Parking.	Further investigation required to identify costs of car-park operation and appropriate allocation of expenses to CCC Parking.		Unknown
Savings across other operational budgets				\$90k target for 2015-16 onwards

Note: All levels of service which rely on the Gallery's building being re-open for business will be pro-rated from the date of reopening (presently assumed to be mid-December 2015).

3 Activity description

3.1 Community outcomes which most directly relate to the management of Christchurch Art Gallery Te Puna o Waiwhetu

- arts and culture thrive in Christchurch;
- Christchurch is recognised as a great place to work, live, visit, invest and do business;
- the city's identity is enhanced in its buildings and public spaces;
- the central city is used by a wide range of people and for an increasing range of activities;
- the city's heritage and taonga are conserved for future generations;
- cultural and ethnic diversity is valued and celebrated.

3.2 How we will know we are achieving the outcomes?

We will know we are achieving the above outcomes when we see the following results:

- **access to nationally-significant art** is provided by a **range of freely-available exhibitions and events**, contributing to the learning and enjoyment of local school groups and residents and helping to attract visitors to the city;
- Christchurch Art Gallery's **facilities and collections are managed, maintained, researched and developed** in a way that stimulates and engages a wide range of visitors and other users of all ages and diverse interests, such as artists, students and researchers.
- Christchurch Art Gallery **attracts a range of residents and other visitors**, providing opportunities for complementary hospitality and retail activities as well as varied exhibitions of art and complementary activities;
- Christchurch Art Gallery is once again widely viewed as New Zealand's leading art gallery with **high visitation numbers, including a large percentage of return visitors, artists and school children**, and a gallery which puts this city on the map by providing its community with **exciting, thoughtful and stimulating exhibitions and related events**;
- **the purchase, commissioning and maintenance of a significant collection of local and national art** on behalf of current and future generations **fosters a sense of community identity in Christchurch** and stimulates an interest in and appreciation of our contribution to national excellence, to art's histories and the **experience of art and creativity**.

3.3 What services we provide

This activity includes the following services:

- develop, maintain and provide access to a collection of nationally-significant art;
- develop and host art exhibitions and present a range of public programmes;
- operate the Art Gallery building (including shop, leases and venue hire).

By developing, maintaining and presenting a collection of works of art on behalf of us and of future generations, Christchurch Art Gallery provides educational and leisure activities for a broad range of locals of all ages. As well as researching its art, generating and hosting a range of exhibitions, providing public programmes and a range of related events which contribute to the learning, enjoyment and sense of identity of residents and visitors to Christchurch, CAG has become well-known for its approach to developing exhibitions and related activities for family audiences.

It also administers the Public Art Fund and, with the approval of the Public Art Advisory Group, commissions public art for the city.

Prior to the earthquakes, Christchurch Art Gallery operated from a notable, instantly-recognised building which was opened in May 2003. Viewed by many as the leading art gallery in this country, it was a jewel in the crown of this city. When pre-closure visitor data was triangulated with the population of this city, its visitor numbers were second to none in this country. In terms of 'returning resident visitors', Christchurch was second to none in the English-speaking world. We were immensely proud of the results of our visitor research – and aspire to return to pre-earthquake levels of service to this community as soon as practicable, despite currently required budget reductions.

As with others in Australasia and UK, the Gallery has been staunchly free (with occasional visiting pay-to-view exhibitions), with its programme providing educational, leisure and visitor experiences. From its opening in 2003, the art gallery building has been viewed as a city-wide asset, supporting the delivery of services to residents and visitors by providing an accessible, comfortable and secure physical venue and social space. It is sorely missed and cannot be permitted to close again within our life-times.

The building's features, especially those related to security and environmental controls, support LTP performance standards (3.0.4; 3.0.8) and non-LTP performance standards (3.0.10; 3.0.11). In particular, the need to provide a continuously-optimum environment for the city's unique art and heritage collections and for incoming loans and visiting exhibitions is emphasised.

The Art Gallery has been closed since 22 February 2011. It remains closed while repairs and earthquake strengthening proceed, and it will be closed at the beginning of the LTP period. While it is anticipated that repairs presently underway will return the Gallery to the good standard of accommodation provided prior to the earthquake, this remains unclear in the uncertainties which still surround Council's insurance claim. A number of asset enhancements, including the retrofitting of base isolation, are being implemented in response to public expectations of the Gallery's levels of service and to industry standards (now that Christchurch is known to be a seismically-active zone).

3.4 Growth

General: Net household growth over the first 5 years of the LTP is likely to be limited, with moderate growth occurring in the subsequent 5 years. The availability of accommodation and the relative lack of key other tourist draw-cards may constrain growth in this area over the first 5 years.

Christchurch Art Gallery: The return of facilities such as Christchurch Art Gallery will be a great source of community joy and pride. Equally, it will help ensure the return of Christchurch residents to the centre city, as well as the return of New Zealand and international tourists to Christchurch during the LTP period.

That said, increased demand over that which is forecast in this LTP period is unlikely to put unforeseen pressure on the capacity of the art gallery's building and activities.

3.5 Benefits and Funding Sources

Who Benefits?

Our customers include:

- our local communities (committed regular and returning visitors from Christchurch and Canterbury, and supporters of the Gallery, including Friends, members, etc);
- national and international tourists and visitors to Christchurch;
- primary, secondary and tertiary teachers, as well as students and researchers;
- artists, professional colleagues and the art infrastructure (local, national and international);
- key funding stakeholders and donors.

Who benefits?	
Individual	Some
Identifiable part of the community	
Whole community	Majority

Explanatory Comments:

Christchurch Art Gallery's is the city's treasury of visual culture. A pātaka of our history, a rich armoury of images, memories and ideas.

Works of art hold stories; stories about places, people, artists and ideas. These stories overlap and interlock, they provide us with personal perspectives on the time and places that we have lived and explored – from the suburbs of Christchurch, to New Zealand's high country, and beyond to the Pacific and the rest of the world.

Christchurch Art Gallery is the place where our communities and our visitors can explore these ideas and stories through exhibitions and programmes that inspire, educate, offer pleasure and a sense of place.

Who pays?

Funding - Fees / User Charges	Other revenue Grants & Subsidies	General rate	Targeted rate
12%	2%	86%	0%
Some		Majority	

Note, Funding Split % is derived from the 'Summary of Cost for Activity' (Section 13).

Key:		Typically
Full	All or almost all the cost is funded from that source. If the comment is made in the general or targeted rate columns it does not preclude making minor charges for the service but indicates that the charges are a negligible part of the fund.	95%+
Majority	The majority of the activity is funded from this source.	50%+
Some	Some revenue is derived from this source.	<50%

Does this Activity generate surplus funds that can be applied to other areas? **No**

Explanatory Comments:

Funding is largely derived from general rates, with some exhibitions fully or partially subsidised, some funding is also achieved through grants and donations. Revenue is also generated from the CAG managed retail area and the lease of the restaurant and one small retail space, though the management of these is under review as part of the current cost-savings exercise. The foyer and theatre are also rented out for social and commercial events outside of normal gallery opening hours.

4 Levels of service and performance measures

Performance standards Levels of service		Results (activities which contribute to results)	Method of measurement (We know we are meeting the levels of service if...)	Current performance	Benchmarks	Future Performance (targets)			Future performance (targets) by Year 10 2024/25
						Year 1	Year 2	Year 3	
						2015/16	2016/17	2017/18	
Develop, maintain and provide access to a collection of nationally significant art.									
3.0.6	Hours of opening	Hours of opening provide visitors (individual, family, community group and tourist) access to collections and exhibitions of nationally significant art.	3.0.6. Agreed opening hours maintained. NZ public gallery opening hours are standard 10.00am-5.00 pm daily. Most, like CAG pre-closure, offer longer opening hours one day a week. Note 1: Apart from late Wed evenings, these hours were maintained in our off-site exhibition venues, although such spaces were closed during change-overs. Note 2: As before, specific school and other groups may arrange to use the Gallery and our services prior to public opening time, by arrangement. Note 3: While we may remain open during times such as the Festival of Arts, an increase in standard open late nights diminishes chances of venue hire by third-party fee-paying groups. Hence, the Gallery's income generation is limited if opening hours are extended into the evening on a regular basis. Note 4: When CAG re-opens, it is likely to become a sought-after inner city venue. Dependency: Gallery re-opens within LTP period (LoS pro-rated from time of reopening. Current expectation is December 2015).	Pre-closure: 2,749 hours per annum (average of prior 4 years). Post closure: 2,200 (approx) in off-site exhibition spaces (which are also closed during changeovers).	Te Papa = 3,092 pa Most NZ public art galleries open 10am –5pm, with Te Papa opening from 10am–6pm x 365 days a year and a late night on Thursday. Canterbury Museum standard opening hours are 9 am-5.30 pm (summer) and 9 am-5pm (winter) CM = 3,002 pa Australian Galleries (AGNSW, QAG, NGV, AGSA, NGA, NPG, AGWA) open an average of 2,557 hours pa. 2012/13 median)	3.0.6 Maintain: Hours of opening: No fewer than 2,749 hours pa from re-opening (LoS pro-rated from re-opening)	3.0.6 Maintain: Hours of opening: No fewer than 2,749 hours pa.	3.0.6 Maintain: Hours of opening: No fewer than 2,749 hours pa.	3.0.6 Maintain: Hours of opening: No fewer than 2,749 hours pa.

Performance standards Levels of service		Results (activities which contribute to results)	Method of measurement (We know we are meeting the levels of service if...)	Current performance	Benchmarks	Future Performance (targets)			Future performance (targets) by Year 10 2024/25
						Year 1	Year 2	Year 3	
						2015/16	2016/17	2017/18	
3.0.1	Visitors per annum	Access to a diverse collection is provided; a sense of identity and history is fostered in this community; an appreciation of local and national visual culture and history is enhanced; a exciting and interesting cost-effective range of exhibitions and events is provided; an engaged community of return visitors is noted.	3.0.1 Visitors accurately recorded at all entrances with thermal-imaging cameras (and manual audits at least quarterly). Data analysis follows. Visitor numbers pre-closure of CAG in February 2011 were exceptional, given comparison with local population of 376,700 (2010 Statistics NZ estimate). The formula agreed by CCC in 2009 (an average of the prior 5 years +/- 5%) is sound, but we recommend caution in proposing an overall increase in audience visitation at this stage, especially since numbers are dependent on the quality of programming (and it will take time to re-establish this to prior closure levels and within envisaged budget constraints). Some 65% pa of visitors to CAG were either domestic or international tourists and these markets may take time with improvements to the central city overall to become more predictable. Hence, we do not propose an increase in line with CAG's stellar performance during the 5 years pre-closure. We note that Newcastle Art Gallery, the only Australasian art gallery to have been closed following an earthquake, took 10 years to return to its previous visitor count. Dependency: Gallery re-opens within LTP period. LoS will be pro-rated from time of reopening.	Average annual visitor count during 2003/07: 4 year average = 373,338 per annum Average annual visitor count during 2007/11 4 year average = 442,531 per annum	NZ benchmarks Auckland Art Gallery Since re-opening in Sept 2011 to June 2013 384,291 av pa City Gallery, Wellington 136,282 pa 2010-13 3 year av pa Art Gallery of South Australia, Adelaide 616,714 pa (local pop = 1,158,259) 2010-13 3 year av pa	3.0.1 Maintain: Visitors per annum within a range of 370,000 – 410,000 (LoS pro-rated from re-opening)	3.0.1 Maintain: Visitors per annum within a range of 380,000 – 420,000	3.0.1 Maintain: Visitors per annum within a range of 385,000 – 430,000	3.0.1 Maintain: Visitors per annum increasing within a range of 390,000 – 450,000

Performance standards Levels of service		Results (activities which contribute to results)	Method of measurement (We know we are meeting the levels of service if...)	Current performance	Benchmarks	Future Performance (targets)			Future performance (targets) by Year 10 2024/25
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						2015/16	2016/17	2017/18	
3.0.2	Visitor satisfaction with the Gallery experience	Diverse public programme and range of exhibitions and events; CAG attracts a large community of residents and return visitors; a sense of identity and a fulfilling experience of art and creativity is fostered; visitors return to inner city Christchurch.	3.0.2.1 Continuous survey of visitors using MHM-devised questionnaire; 3.0.2.2 Record of improvements implemented. Most galleries and museums report a good quality of visitor experience. It is not compulsory to visit them; in general, those who go want to go. Results are not easily benchmarked within the cultural sector because of considerable variance in approaches to surveying. However, a new, more finely-nuanced survey was introduced in CAG in 2010-11 with 93% rating their experience as good or excellent; and 91% of Christchurch residents interviewed defining themselves as 'return visitors' – and exceptionally high percentage relative to other communities, national and international. This is administered by a Manchester-based company (MHM) doing international visitor research for a diverse range of art galleries, including: Tate London and Liverpool; V & A, London; and National Galleries of Scotland. A number of Australasian galleries (including Auckland Art Gallery) are now using the same 360° Visitor survey and better benchmarks and information will become available over time. Dependency: Gallery re-opens within LTP period.	2007-11 average of visitors rated their visit as good–excellent = 95%	Australasian Benchmarking Group data re quality of visitor experience (from CAG + 7 art galleries, incl., AGNSW, QAG, AGSA, NGA, AGWA, NPG, NGV) 2012-13 95%	3.0.2.1 At least 90% of visitors satisfied with the Art Gallery experience.	3.0.2.1 At least 90% of visitors satisfied with the Art Gallery experience.	3.0.2.1 At least 92% of visitors satisfied with the Art Gallery experience.	3.0.2.1 At least 95% of visitors satisfied with the Art Gallery experience.

Performance standards Levels of service		Results (activities which contribute to results)	Method of measurement (We know we are meeting the levels of service if...)	Current performance	Benchmarks	Future Performance (targets)			Future performance (targets) by Year 10 2024/25
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						2015/16	2016/17	2017/18	
3.0.3	Collections development	Facilities and collections are managed and developed; CAG attracts a diverse range of residents and visitors.	3.0.3 Collections increase incrementally; collections valuation aligns with market increases. Collections activity is a core activity for an art gallery such as CAG – essentially this is the city's art museum. This LoS continues despite our current closure and will help surprise and delight audiences at our re-opening. There are 6600 collection items in CAG and, together with the Trust's collection in the Gallery's care, current value is around \$88 million. Over the years 2008-14 an annual average of \$485,681 (inclusive of the challenge grant which supports CAG's Foundation with \$1:1 for external donations) has been spent on collections development. Despite this, it should be noted that CAG's remains the smallest and least valuable collection of the four main centres in this country. In terms of our Australasian benchmarking partners, CAG's collection is 6.1% of the average value of collections maintained within the group. (In 2010-11 it was 5.6%; the increase is related also to a currently favourable exchange rate.)	Spend CCC allocation provided for collection development in line with policy. Curatorial review of priority areas for acquisition annually.	Australasian Benchmarking Group (incl. (AGNSW, QAG, NGV, AGSA, NGA, NPG, AGWA, CAG) average number of items in collection: 44,296; average collection value: NZD \$1.44 billion Auckland Art Gallery Collection items: 15,687 in 2013-14 Te Papa (art only) Collection items: 15,500 in 2010-11 (unable to be updated)	3.0.3.1 Maintain: Works of art purchased to enhance Christchurch Art Gallery's collection in line with policy.	3.0.3.1 Maintain: Works of art purchased to enhance Christchurch Art Gallery's collection in line with policy.	3.0.3.1 Maintain: Works of art purchased to enhance Christchurch Art Gallery's collection in line with policy.	3.0.3.1 Maintain: Works of art purchased to enhance Christchurch Art Gallery's collection in line with policy.
						3.0.3.2 Maintain: Annual record of loans and requests for publication of CAG images	3.0.3.2 Maintain: Annual record of loans and requests for publication of CAG images	3.0.3.2 Maintain: Annual record of loans and requests for publication of CAG images	3.0.3.2 Maintain: Annual record of loans and requests for publication of CAG images

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						Year 1	Year 2	Year 3	
						2015/16	2016/17	2017/18	
3.0.4	Collections documented and maintained, with access provided	Collections are managed, maintained, researched and developed.	3.0.4.1 – 3.0.4.5 Various measurements are implied in each LoS; all are monitored and carefully recorded by CAG staff. The Gallery's collection of some 6,600 items has been safely returned to storage areas refurbished within the gallery building in advance of other repairs. It will be measured and monitored throughout the repair period and until re-opening. All collections are stored in line with accepted standards (refer, <i>Everyday decisions, a code of ethics for Australasian Registrars</i>, 2003.) A new conservation team (funded through current budgets) will be brought on at least 6 months in advance of re-opening. In the interim, limited necessary conservation work has been contracted to conservators in private practice. The Gallery's collection totals more than 6,600 items with 98% now online and searchable with basic data. A total of 90% is available online with images. Note: 100% is not a realistic expectation in this case as there will always be issues with privately-held copyright and other legal complications. A full collection inventory and audit of the information currently on the database (in particular, measurements, inscriptions, conservation priorities, labelling, etc) in relation to works on paper is being undertaken as a special project during the time leading up to re-opening in December 2015.	All new collection items are registered and documented on data-base within 3 x month period following the date of the decision to acquire. All collections items are currently stored safely. Collection items conserved according to prioritised needs within budget. My Gallery has resulted in 1,777 individual selections being created; there were 81,467 unique web visitors in 2013-14 (51,280 specifically used Collections Online).	This work is standard practice, but a specific time-frame has been introduced. It is also standard for art galleries to provide quality storage and conservation services to collections and visiting exhibitions. CAG's on-line data is well ahead of the Australasian average of 56.7% (cf. Australasian Benchmarking Group Report 2012/13).	3.0.4.1 Maintain: All new collection items documented and recorded on database within 3 months of acquisition decision (if with images, this remains copyright dependent). 3.0.4.2 Collections items stored safely. 3.0.4.3 Collections conserved within budget. 3.0.4.4 98% of collection on-line, with at least 90% online with images. 3.0.4.5 Accuracy of data (works on paper) cataloguing; anomalies rectified by June 2016.	3.0.4.1 Maintain: All new collection items documented and recorded on database within 3 months of acquisition decision (if with images, this remains copyright dependent). 3.0.4.2 Collections items stored safely. 3.0.4.3 Collections conserved within budget. 3.0.4.4 98% of collection on-line, with at least 90% online with images.	3.0.4.1 Maintain: All new collection items documented and recorded on database within 3 months of acquisition decision (if with images, this remains copyright dependent). 3.0.4.2 Collections items stored safely. 3.0.4.3 Collections conserved within budget. 3.0.4.4 Maintain: 98% of collection on-line, with at least 90% online with images.	3.0.4.1 Maintain: All new collection items documented and recorded on database within 3 months of acquisition decisions (if with image, this remains copyright dependent). 3.0.4.2 Collections items stored safely. 3.0.4.3 Collections conserved within budget. 3.0.4.4 Maintain: 98% of collection on-line, with at least 90% online with images.
Christchurch Art Gallery					Page 16				

Performance standards Levels of service		Results (activities which contribute to results)	Method of measurement (We know we are meeting the levels of service if...)	Current performance	Benchmarks	Future Performance (targets)			Future performance (targets) by Year 10 2024/25
						Year 1	Year 2	Year 3	
						2015/16	2016/17	2017/18	
3.0.7	Administer the allocation for public art in Christchurch	The commissioning of works of public art fosters a sense of identity and stimulates interest in and visitors to the city.	3.0.7 Sculptures and other approved public art capital projects are supported and reported in Annual Report. The city's re-build presents a key opportunity to contribute to outside works of art to enhance the fabric of the city. Public art has the potential to greatly assist Christchurch to develop a reputation aligned to well-regarded inner city re-developments such as those on Melbourne's Southbank. Despite the opportunities, however, funding lags well behind costs in this area and limits support of more than one or two works every 3 or 4 years. So far, however, CCC funding has been matched with the desirable target of at least \$1:1 private funding, so the city's assets are increasing well ahead of the rate of investment. Note: Decisions are made on the recommendation of the Public Art Advisory Group, which allocates the Public Art Fund upon application.	CCC allocation for public art spent in line with policy.	Considerable discrepancies exist in this area from city to city, but Christchurch has not performed well in comparison to either Auckland or, more especially, Wellington (which has made a considerable commitment to public art during the last 40 years).	3.0.7.1 Maintain: CCC allocation for public art spent in line with policy.	3.0.7.1 Maintain: CCC allocation for public art spent in line with policy.	3.0.7.1 Maintain: CCC allocation for public art spent in line with policy.	3.0.7.1 Maintain: CCC allocation for public art spent in line with policy.

Performance Standards Levels of Service (we provide)		Results (Activities will contribute to these results, strategies and legislation)	Method of Measurement (We will know we are meeting the level of service if.....)	Current Performance	Benchmarks	Future Performance (targets)			Future Performance (targets) by Year 10 2024/25
						Year 1	Year 2	Year 3	
						2015/16	2016/17	2017/18	
Develop and host art exhibitions and present a range of public programmes									
3.0.8	Exhibitions and publications presented	Range of exhibitions and publications fosters a sense of identity and stimulates interest in art; collections are managed, maintained, researched and developed.	3.0.8.1 and 3.0.8.2 Numerical count at year end. Note: An exhibitions target of 15-18 exhibitions is considered more appropriate for the Gallery once it has re-opened and enables sufficient renewal and diversity of the programme to maintain and return local visits as well as national interest in the programme. However, with proposed budget cuts, a reduction in this number is allowed for during years 1-3.	Exhibitions presented pa 2006-2011: 16	<i>Australasian Benchmarking Group 2012/13 average pa = 17 exhibitions presented</i>	3.0.8.1 No fewer than 12 exhibitions presented pa (pro-rated from time of re-opening)	3.0.8.1 No fewer than 12 exhibitions presented pa.	3.0.8.1 No fewer than 12 exhibitions presented pa.	3.0.8.1 At least 15-18 exhibitions presented pa.
				Average number of CAG publications pa 2006-2011: 7	<i>Australasian Benchmarking Group 2012/13 average pa = 10 publications presented</i>	3.0.8.2 4-6 publications pa, with at least 1 significant book or exhibition-related publication every 2 years.	3.0.8.2 4-6 publications pa, with at least 1 significant book or exhibition-related publication every 2 years.	3.0.8.2 4-6 publications pa, with at least 1 significant book or exhibition-related publication every 2 years.	3.0.8.2 4-6 publications pa, with at least 1 significant book or exhibition-related publication every 2 years.

Performance Standards Levels of Service (we provide)		Results (Activities will contribute to these results, strategies and legislation)	Method of Measurement (We will know we are meeting the level of service if.....)	Current Performance	Benchmarks	Future Performance (targets)			Future Performance (targets) by Year 10 2024/25
						Year 1	Year 2	Year 3	
						2015/16	2016/17	2017/18	
3.0.9	Public programmes and school-specific programmes delivered	Programme and range of exhibitions and events is developed for younger visitors and education audiences. Public programmes are aligned to curatorial vision.	3.0.9.1 and 3.0.9.2 Record of attendance levels kept. Education services were delivered directly to schools in the Christchurch region during our closure, with schools attending the small classroom at 'Burster, Flipper, Wobbler, Dripper...' in St Asaph Street during 2014. There are fewer schools in the Christchurch area than pre-earthquake. We believe it will take some time and encouragement for schools to return to bringing classes to the Art Gallery and the incremental return we predict is reflected in an initial reduction and then an increase in post re-opening attendance levels. Note: when Canterbury Museum closes, outlying schools which make a practice of visiting both venues may reduce. The suggested drop in public programme attendance aligns with an anticipated reduction in overall visitors during the first few years after re-opening, working back up to pre-quake levels by 2025.	Attendance at school-specific programmes: pre-earthquake average 2006-11: 13,095 pa. post-earthquake: 2011-14: 8,145 pa. Attendance at advertised public programmes: pre-earthquake average 2006-11: 28,645 pa. post-earthquake public programmes 2011-14: 5744 pa.	City Gallery Wellington 2011-13: 4,868 Auckland Art Gallery 2011-13: 14,415 Average attendance at advertised public Programmes: City Gallery Wellington 2011-13: 7,167 Auckland Art Gallery 2011-13: 13,200	3.0.9.1 Average of at least 9,000 attend school specific programmes per annum. (LoS pro-rated post-opening)	3.0.9.1 Average of at least 10,000 attend school specific programmes per annum.	3.0.9.1 Average of at least 11,000 attend school specific programmes per annum.	3.0.9.1 Average of at least 13,000 attend school specific programmes per annum.
						3.0.9.2 Average of at least 20,000 people attend advertised public programmes per annum. (LoS pro-rated post-opening)	3.0.9.2 Average of at least 22,000 people attend advertised public programmes per annum.	3.0.9.2 Average of at least 25,000 people attend advertised public programmes per annum.	3.0.9.2 Average of at least 28,000 people attend advertised public programmes per annum.

Performance Standards Levels of Service (we provide)		Results (Activities will contribute to these results, strategies and legislation)	Method of Measurement (We will know we are meeting the level of service if.....)	Current Performance	Benchmarks	Future Performance (targets)			Future Performance (targets) by Year 10 2024/25
						Year 1	Year 2	Year 3	
						2015/16	2016/17	2017/18	
Operate and maintain the Art Gallery building (including shop, leases and venue hire)									
3.0.10	International Museum standards maintained: climate control	Facilities and collections are managed, maintained and protected.	3.0.10.1 and 3.0.10.2 Constant monitoring of data (storage areas only pre-opening; then also in exhibitions areas). It is crucial to the Gallery's continuing operation and ability to attract loans to maintain agreed international standards of climate control 100% of the time. It is also imperative for the well-being of our own collections. Our insurance policy is predicated on good climate control systems being maintained. It also essential to document a stable environment during all seasons so as to be able to provide this to other institutions and collectors as required. If the target is not achieved at any given point, lenders and insurers must be notified in line with the terms of the standard loan agreement. As part of the repair project a back up system of climate control will be in place at reopening.	Target was not achieved post-quake on an annual basis until recently. However, the primary systems and a back up will be in place within the next two month period. Systems will be maintained by Fulton Hogan and monitored by Christchurch Art Gallery during the repair period.	'Museum Benchmarks 2011', a report endorsed by IAMFA (international Association of Museum Facility Administrators) clearly states the agreed international standard.	3.0.10.1 Maintain: Humidity is maintained at 50% +/- 5% 24/7/365 3.0.10.2 Temperature is maintained at 21°C+/-2°C 24/7/365	3.0.10.1 Maintain: Humidity is maintained at 50% +/- 5% 24/7/365 3.0.10.2 Temperature is maintained at 21°C+/-2°C 24/7/365	3.0.10.1 Maintain: Humidity is maintained at 50% +/- 5% 24/7/365 3.0.10.2 Temperature is maintained at 21°C+/-2°C 24/7/365	3.0.10.1 Maintain: Humidity is maintained at 50% +/- 5% 24/7/365 3.0.10.2 Temperature is maintained at 21°C+/-2°C 24/7/365

Performance Standards Levels of Service (we provide)		Results (Activities will contribute to these results, strategies and legislation)	Method of Measurement (We will know we are meeting the level of service if.....)	Current Performance	Benchmarks	Future Performance (targets)			Future Performance (targets) by Year 10 2024/25
						Year 1	Year 2	Year 3	
						2015/16	2016/17	2017/18	
3.0.11	International Museum standards maintained: security & asset protection	Facilities and collections are managed; a significant collection of art is maintained, protected and enhanced on behalf of current and future generations.	3.0.11.1 and 3.0.11.2 On site security presence effective at monitoring safety and asset protection. No avoidable incidents reported. Security and asset protection is necessary for the building, the art collections and any borrowed works on display in exhibitions post re-opening. Loans from elsewhere are secure with CAG collections and loans appropriately insured. During CAG's building repairs, a 24 hour security presence will monitor the art gallery collections, building and site 24/7/365. While this option is preferred and standard elsewhere in equivalent public art galleries, there is a potential saving here of two hours per day Note: 24-hour surveillance can be re-implemented, but only on a cost-share basis within CCC (where plans for locating a 24-hour surveillance of multiple city assets within CAG are under discussion).	Security staff on site 24/7/365 from 1/8/14 until site is returned to CAG. Additional video monitoring of back-of-house and public areas, staff and visitor access is provided at all times. Note: Costs of providing a security service is benchmarked annually within the Australasian galleries. In the year pre-closure CAG = AUD \$19.90 or NZ \$25.63 p m ² ; 2012-13: Australasian Corp Managers' average costs = AUD \$120.09 (NZ \$133.77 per m ²)	The Protection of Australasian Cultural Assets Group (PACA) recommends 24-hour on site, in-house staff presence able to respond to incidents within 5 minutes.	3.0.11.1 On site security presence for CAG during re-build 24/7 reduces to 16/7365 or 14/7/365 post-CAG re-opening.	3.0.11.1 Reduce: On site security presence for CAG 14/765.	3.0.11.1 Reduce: On site security presence for CAG 147/365.	3.0.11.1 Improve: On site security presence for CAG (and Civic?) 24/7/365.

Performance Standards Levels of Service (we provide)		Results (Activities will contribute to these results, strategies and legislation)	Method of Measurement (We will know we are meeting the level of service if.....)	Current Performance	Benchmarks	Future Performance (targets)			Future Performance (targets) by Year 10 2024/25
						Year 1	Year 2	Year 3	
						2015/16	2016/17	2017/18	
3.0.12	Cost of providing Christchurch Art Gallery services	Costs benchmarked annually with like NZ and Australian art galleries.	Overall costs ÷ by annual budget. We note the relative costs of providing CAG's services are well below those of the key Australasian galleries with which we benchmark and do not recommend adjusting this target in the forthcoming LTP period, due to likely increases in costs of operating and the need to return visitors to pre-earthquake levels. Dependency: Gallery opens within LTP period and visitor numbers return to pre-earthquake levels. (Note: LoS pro-rated in re-opening year)	Average over years, 2007-11 = \$15.16 cost per visit 2012-14: data not relevant	4 year average across 7 Australasian Galleries 2010-2013 AUD \$36.15 per visitor (NZD \$40.32 per visitor)	Maintain: Operating cost per visitor to CAG of no more than \$21.00 per annum. (LoS pro-rated in year of re-opening)	Maintain: Operating cost per visitor to CAG of no more than \$21.00 per annum.	Maintain: Operating cost per visitor to CAG of no more than \$21.00 per annum.	Maintain: Operating cost per visitor to CAG of no more than \$18.00 per annum.

5 Long Term Infrastructure Strategy

5.1 Issues, principles and implications

Christchurch Art Gallery is clearly a strategic, long-term asset for Council and there is a strong commitment by to continue to provide significant and continuing investment in its asset management (maintenance, refurbishment and renewal) to enhance the value and preserve the life of the Gallery over time.

The Gallery opened on 11 May 2003; it was therefore less than eight years old at the time of the 22 February 2011 earthquake. Even now, the Gallery is only a little over 11 years old. As with any facility which contains complex systems and elements, there is a range or mix of asset lifecycles applying to all of these systems and elements thereof, with a similar mix of required preventative maintenance and refurbishment work, in addition to the need for reactive maintenance provided on an as-required basis.

From opening, an integrated works programme tailored to maintaining and preserving the utility of each system and element within the Gallery has been implemented. This has been developed from a number of sources including:

- manufacturers/designers specifications;
- information gained from 'gathered history' at the Gallery including performance data, maintenance history records;
- experience and applied judgement from analogous systems/elements at other facilities.

The major project currently underway includes:

- re-levelling the building [completed];
- retrofitting base isolation; and
- earthquake repair and strengthening work

As mentioned elsewhere, we have had to assume the likely scope and composition of the latter work items in compiling the LTP. These assumptions will have a significant impact on the 30-year operational and capital requirements as the asset life-cycle clock is effectively reset if a system item or building element is renewed in the repair and strengthening project. By definition, this is a 'best guess' at this moment, but the Improvement Plan process provides an appropriate opportunity and vehicle for making change to the LTP in a controlled and rigorous manner when changes to our assumptions occur.

The relatively short life-to-date of the Gallery (short that is in comparison with its nominal 100 year life) means we are still reliant on recommended asset life-cycles for some elements which are only part way through their life. This is usual best practice asset management; specialist advice complements our own expertise where appropriate.

Although the Gallery has been closed to the public for some time, it must be remembered that, with the collections on-site, most systems are still operational (including climate control, security, fire protection, utilities) as well as many of the fabric elements which have been continuing to 'age'. It is misleading to assume that current spending on operating the Art Gallery can be significantly reduced.

6 Review of cost-effectiveness – infrastructure delivery

The Local Government Act requires local authorities to review the cost effectiveness of current arrangements for delivering infrastructure. The same criteria and options as defined in section 4 above apply.

Christchurch Art Gallery is currently managed as part of Council within the Culture, Leisure and Parks portfolio. While its operations are not covered by an Act of Parliament, it is the only such organisation within Council's structure. We submit that it is most efficiently run as at present, with none of the additional costs which are associated with a board of trustees or within an independent COO structure.

Current Arrangements			
Governance	Funding	Delivery	Estimated Cost
CCC	CCC	CCC	See later

Review of cost-effectiveness – options explored

1 Sell Art Gallery facility

This is rejected as the Gallery is such a specific design/form and has a specific function within the community. The building would not be attractive to potential purchasers as it does not lend itself to an alternate use without considerable remodelling. The collections which are held in trust for the people of Christchurch would need to be re-housed. Many could be disposed of without considerable legal wrangles.

2 Manage Art Gallery though an arm's length CCO

This option is also rejected on the basis that the Art Gallery is a non-profit community facility. It is not believed that it would be sufficiently well-funded by CCC at an arm's length to manage the expense of maintenance, operating costs, additional board fees and other costs which would accrue.

7 Review of cost effectiveness – service delivery

Pre-closure the Art Gallery operated cost effectively as can be shown by benchmarked data from Australasian Art Galleries. This annual review of cost effectiveness (3.0.9.1; 3.0.9.2; 3.0.11; 3.0.12) will be maintained throughout the forthcoming LTP period.

Our assumption is that CAG's activities are unlikely to justify the cost of a review beyond that already provided by benchmarking (see example below).

	Cost of providing Christchurch Art Gallery services	Costs benchmarked annually with like NZ and Australian art galleries.	Overall costs ÷ by annual budget. We note the relative costs of providing CAG's services are well below those of the key Australasian galleries with which we benchmark and do not recommend adjusting this target in the forthcoming LTP period, due to likely increases in costs of operating and the need to return visitors to pre-earthquake levels. Dependency: Gallery opens within LTP period and visitor numbers return to pre-earthquake levels. (Note: LoS pro-rated in re-opening year)	Average over years, 2007-11 = \$15.16 cost per visit 2012-14: data not relevant	4 year average across 7 Australasian Galleries 2010-2013 AUD \$36.15 per visitor (NZD \$40.32 per visitor)	Maintain: Operating cost per visitor to CAG of no more than \$21.00 per annum. (LoS pro-rated in year of re-opening)	Maintain: Operating cost per visitor to CAG of no more than \$21.00 per annum.	Maintain: Operating cost per visitor to CAG of no more than \$21.00 per annum.	Maintain: Operating cost per visitor to CAG of no more than \$18.00 per annum.
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8 Risk management

Table 8-1 Significant risks and control measures

Damage to collection items	• Seismic risks mitigated by locking, bracing, strapping and packing so works protected from shaking and environmental hazards; • Disaster bins/equipment provided in storage, as well as priority lists and response plans. • Priority works distributed throughout building so risk is dispersed; • Storage is secure, with access restricted to key staff and the disaster response team; • Collections stored in discreet locations throughout the building; • Environmental hazards are managed via the CAG BMS; • All areas are pest-controlled with no food and drink in storage areas; • Works are documented thoroughly for identification purposes with inscriptions noted, photographed etc; • Works are documented in an industry-standard database; • Works are regularly subject to inventory checking and valued; • Collections are insured.	During remainder of building project: On-site security and building monitoring maintained. Agreement in place with Fulton Hogan re security, access, and building standards. Beyond re-opening: Maintain as outlined in current control column (refer: <i>Everyday decisions: a code of ethics for Australasian Registrars</i>, 2003)
Fundraising efforts do not bear sufficient fruit to support CAG's programme.	Increasing allocation of director's time to the task. Alignment with aims of Foundation and Friends.	Maintain best efforts; concentrate on key relationship management priorities and ensure good data.
Tenancies independently managed through shared service may negatively affect visitor experience and perceptions of CAG.	No tenancies operating at present.	Increase dialogue both when tenants secured after; quality KPIs in all contracts; shared tenant management.

RISK	EXAMPLES	MITIGATION
Theft or damage to works of art on exhibition	Leaking roof: There were problems with internal leaks pre-earthquake which have been exacerbated post-earthquake. It would be unacceptable to reopen CAG with water-collection devices (wheelie bins and buckets) in the foyer or exhibition galleries. If roof and other fixtures are not fully repaired, the integrity of the waterproofing is compromised as is the protection of collection items and loans within the building; reputation of gallery also compromised. Security Our desire for greater on-site security presence is presently compromised by the cost savings target imposed on all CCC facilities and budgets. 24-hour on-site security can be arranged for specific exhibitions which require it, but the proposed LTP reduction in levels of on-site security is simply not ideal.	Repair building to best standards, whether insurance-funded or not. Roof repairs costs approved in 2014-15 budget. While there is always the possibility of intentional damage to a works art during opening hours, our Visitor Hosts and on-site security provide a reasonable level of protection. The advantages on an on-site presence with less than 5 minute response time are obvious and usual in most public art galleries. We regret continuing with less than optimal solution.

9 Significant effects

Table 9-1 Significant negative effects

Table 9-2 Significant positive effects

9.1 Assumptions

Council has made a number of assumptions in preparing the Activity Management Plan. Table 9-3 lists the most significant assumptions and uncertainties that underline the approach taken for this activity.

Table 9-3 Major Assumptions

Assumption Type	Assumption	Discussion
Financial assumptions.	That all expenditure has been stated in 1 July 2011 dollar values and no allowance has been made for inflation.	The LTP will incorporate inflation factors. This could have a significant impact on the affordability of the plans if inflation is higher than allowed for, but Council is using the best information practically available from Business and Economic Research Limited (BERL). The bitumen cost index is subject to high fluctuations and is difficult to predict and manage.
Asset data knowledge.	That Council has adequate knowledge of the assets and their condition so that the planned renewal works will allow Council to meet the proposed levels of service.	There are several areas where Council needs to improve its knowledge and assessments but there is a low risk that the improved knowledge will cause a significant change to the level of expenditure required.
Growth forecasts.	That the district will grow as forecast in the Growth Demand and Supply Model (refer to Appendix F).	If the growth is very different it will have a moderate impact. If higher, Council may need to advance capital projects. If it is lower, Council may have to defer planned works.
Network capacity.	That Council's knowledge of network capacity is sufficient enough to accurately programme capital works.	If the network capacity is higher than assumed, Council may be able to defer works. The risk of this occurring is low and will have little significance. If the network capacity is lower than assumed, Council may be required to advance capital works projects to address congestion. The risk of this occurring is low; however the impact on expenditure would be significant.
Emergency funding.	That the level of funding in these budgets and held in Council's disaster fund reserves will be adequate to cover reinstatement following emergency events.	Funding levels are based on historic requirements. The risk of requiring additional funding is moderate and may have a moderate effect on planned works due to reprioritisation of funds. Note, this assumption may need to be revised once the costs of the December 2011 heavy rain event are known.
Timing of capital projects.	That capital projects will be undertaken when planned.	The risk of the timing of projects changing is high due to factors like resource consents, funding and land purchase. Council tries to mitigate these issues by undertaking the consultation, investigation and design phases sufficiently in advance of the construction phase. If delays are to occur, it could have significant effects on the level of service.
Funding of capital projects.	That the projects identified for subsidies will receive subsidy at the anticipated levels.	The risk of Council not receiving project subsidy is high due to the current NZTA's criteria. If subsidies are not secured, it may have significant effect on the levels of service as projects may be deferred due to lack of funding.

10 Improvement plan

It is well known that Christchurch Art Gallery sustained damage from the Canterbury earthquakes, from shaking and from differential settlement. Decisions have been taken to re-level the building and retrofit base isolation to provide it and its contents with a better level of protection in future events; this work is underway. What is less well known is that the Art Gallery suffered considerable degradation through its occupation and use as the Emergency Operations Centre (EOC) for several months following 22 February 2011. It has meant that many of the Gallery's spaces were subjected to inappropriate use, resulting in accelerated wear-and-tear, strain on building service systems and damage to some elements. While the need to use the building for this purpose in 2010-11 was accepted, this must never be repeated. It is not set up to function in this way and it is recognised that the community needs cultural facilities more than ever on these occasions. The objective of re-leveling and base-isolation is to ensure its quick return to the community in the event of another earthquake.

The scope and the cost of strengthening and repair project work is still not fully defined and the required budget remains unclear as a result of uncertainty relating to Council's insurance claim. Hence, we have grappled to define the likely Capital and Operational Expenditure for the facility over the LTP period. Put simply, if work elements are included in the strengthening and repair project, these do not need to be included in the capital expenditure section of the LTP. The asset life cycle clock for each element would be effectively reset to zero, with the 'up front' capital cost being offset by an initially reduced maintenance expenditure.

The converse is also true. If work elements are not included in the strengthening and repair project, they must be allowed for in the periodic refurbishment, increasing maintenance and then replacement of the element at their predicted end-of-life. (Note: most elements in CAG are part-way through their asset life).

Some work which was required before the earthquakes had already been deferred, and the delay in progressing the strengthening repair work, means that this work has been deferred for more than 4 years. A delay of a further 3 years will impact on the continued viability and standing of Christchurch Art Gallery and the reputation of Council, increasing the need for reactive maintenance and resulting in higher future costs. Some deteriorating elements, the leaking roof being the most significant, pose a risk if they are not addressed (see section 8)

Although the CAG has been closed to the public for some time, most of the systems (including climate control, security, fire-protection, utilities) as well as many of the fabric elements have been continuing to age. Because the collection has remained on site throughout this period, these systems have been maintained and this needs to continue.

Key members of the current design team have been involved in developing a 10-year LTP scenario, based on a 'most likely' outcome to the Council approval process, but this can and is likely to change as elements of the project receive final approval, requiring a review and revision as appropriate. We have listed the assumptions on which the plan is based as comments on the spreadsheets which have been prepared. The CAPEX profile is included in the attached spreadsheet (see 11.1).

Specific tasks are outlined below:

Technology

Due to the age of some of our systems and control equipment there is an ongoing need for these to be kept up to date in line with technological advances. Examples include: environmental Building Management System (BMS), fire protection systems, security systems and front of house lighting system which is no longer supported.

Contract Management

We are keen to ensure negotiations for all contract management, including work carried out by City Care, have an appropriate level of tension to ensure we get the most cost effective and efficient service. This includes a greater level of Gallery input to contractor/sub contractor selection for acceptable solutions. This is particularly relevant for the Gallery as we have in-house capability in building services in particular with an understanding of plant function and performance. Also once the building is handed back to the Gallery, we want to retain decision-making capability in-house, instead of delegating this to a more expensive contracted service.

Renewals and Replacements

Once the scope of work of the repair and strengthening project is known, this improvement plan is the appropriate vehicle to review the capital and operational items. If items are not in the repair programme, then they must be included in renewals and replacements as described above.

11 Operations, maintenance and renewals strategy

11.1 Operations and maintenance

Without knowing the content of the repair and strengthening programme, we have assumed proposed cost allocations for some items. Therefore this schedule below should be treated as work in progress to form part of the improvement plan.

BE1185	BU1	Year	2011/12	2012/13	2013/14	2014/15	NEW ?	Some Costs for Half Year only	-2%	Full year
OPEX	Christchurch Art Gallery	2010 to June 2011	2012	2013	2014	2015	2015	2016		2017
62110	Consultants Fees	6,380	-	6,500	6,500	6,500	6,500	6,500	130	6,370
62150	Security Services	348,290	399,748	383,010	400,008	511,002	108000 VIP \$9k a month	120,000	2,400	117,600
62310	Security Contracts	240	1,488	-	-	-	876000 Armourguard 24/7	876,000	17,520	858,480
62330	Refuse Disposal Fees	17,829	7,929	19,000	19,000	19,000	3000	12,000	240	11,760
62530	Equipment Hire	1,227	637	1,400	1,400	1,400	1400	1,400	28	1,372
65110	Misc Materials	1,203	1,438	4,500	4,500	4,500	4500	4,500	90	4,410
66110	Insurance	34,321	34,938	229,047	677,873	357,377	357377	677,873	13,557	664,316
66120	Electricity	111,293	183,188	284,742	181,725	284,032	67845	120,000	2,400	117,600
66140	Rates	67,788	11,975	45,193	47,905	48,688	48688	48,688	974	47,714
66150	Excess Water	2,147	0	1,011	1,011	1,011	0	1,011	20	991
66160	Fuel	180,154	13,547	34,000	34,000	34,000	15000	34,000	680	33,320
66210	Building Maintenance	171,810	137,788	174,144	124,144	174,070	120000	124,144	2,483	121,661
66220	H/V Contract	128,192	118,031	95,800	95,800	95,800	50000	95,800	1,916	93,884
66240	Fire Service Contrac	7,028	9,703	17,577	19,216	17,510	10000	12,000	240	11,760
66260	Lift Maintenance	20,384	22,869	24,720	24,720	24,720	0	15,000	300	14,700
66410	Equip Maintenance	383	178	500	-	500	0	-	-	-
66420	Commn Equip Maint	818	170	1,000	-	1,000	0	-	-	-
66710	Grounds Maintenance	19,417	20,398	1,222	322	1,200	0	5,000	100	4,900
66810	Maint in house	-	0	-	5,000	-	-	5,000	100	4,900
66820	Maint Variable Rate	1,750	2,847	-	-	-	-	-	-	-
66830	Caretaking Cleaning + Pest control	182,323	74,188	188,000	22,039	188,000	30000	60,000	1,200	58,800
66880	Mtce fixed rate	-	5,598	-	-	-	-	-	-	-
82110	Commercial Rent Rev	-	94,271	0	155,000	-	-	-	-	-
		1,188,282	1,046,407	1,336,366	1,645,163	1,750,310	1,698,310	2,218,916	44,378	2,174,538
62310	Security Services - could be cost shared with outhr Community Services units - LPT									
66110	Insurance - Dianne Brandish may have more information 27 August 2014 - Ops Budget shouldn't pay insurance if FH have works insurance									
66120	Electricity for C1 and Peterborough street to 2015									
66160	Fuel - who is paying for fuel in 2014/15									
66210	Building mtce - ongoing require more filter checks									
66710	Repair project paying for grounds maintenance?									
66830	Caretaking cleaning and pest control will step up in 15/16									

11.2 Renewals

As with the Operations and maintenance section 11.1 above, we have reviewed historical capital budgets. Without knowing the capital renewal items of the repair and strengthening programme, an assumed capital expenditure profile which has been included in the LTP (see attachment 1).

This should be treated as work in progress.

12 Key projects

Table 12-1 details the key capital and renewal work programmed for years 2015 to 2025.

Table 12-1

Project Name	Description	Year 1 (\$)	Year 2(\$)	Year 3 (\$)	Years 4-10 (\$)	Project Driver
	For details of the capital works relating to this activity refer to the draft Capital Programme, draft Long Term Plan, volume 1					

13 Summary of costs for Art Gallery

Figure 13-1

ARTS & CULTURE - ART GALLERY					Funding splits exclude EQ Costs from all calculations						
Funding Caps in 2015/16 Dollars					Benefit identifiable parts of the community, whole community or individuals	Funding - User Charges	Other revenue	General rate	Targeted rate	Period of Benefit (years)	Comments
2014/15 Annual Plan	2015/16	2016/17	2017/18	%							
000's											
Operational Budget					Historic Benefit - Direct/General						
Art Exhibitions & Public Programmes	2,901	2,944	2,932	2,893	60 / 40						
Nationally Significant Art Collection	1,142	1,199	1,186	1,166	60 / 40						
Art Gallery Building	3,056	3,533	3,407	3,266	60 / 40						
Activity Costs before Overheads	7,099	7,676	7,524	7,326	34 / 66						
Earthquake Response Costs	179	-	-	-							
Corporate Overhead	454	475	466	435							
Depreciation	1,432	1,560	1,575	1,619							
Interest	259	380	489	591							
Total Activity Cost	9,423	10,090	10,055	9,971	% splits: Description:	mainly community	12% Availability	2% Some	87% Residual	0%	The benefits from the Art Gallery are a mixture of both private and public. There is a private benefit to the Gallery patrons from the opportunity to attend exhibitions. There is public benefit to the community in the preservation of cultural heritage and the contribution of the Gallery to the cultural identity and social cohesion of the community is also significant.
Funded By:											
Fees and Charges	-	1,166	1,166	1,166							
Grants and Subsidies	154	179	179	179							
Earthquake Recoveries	-	-	-	-							
Total Operational Revenue	154	1,345	1,345	1,345							
Net Cost of Service	9,269	8,746	8,711	8,626							
Funded by:											
Rates	9,090	8,746	8,711	8,626							
Earthquake Borrowing	179	-	-	-							
	9,269	8,746	8,711	8,626							
Capital Expenditure											
Earthquake Rebuild											
Renewals and Replacements											
Improved Levels of Service											
Additional Demand											

Figure 13-2



