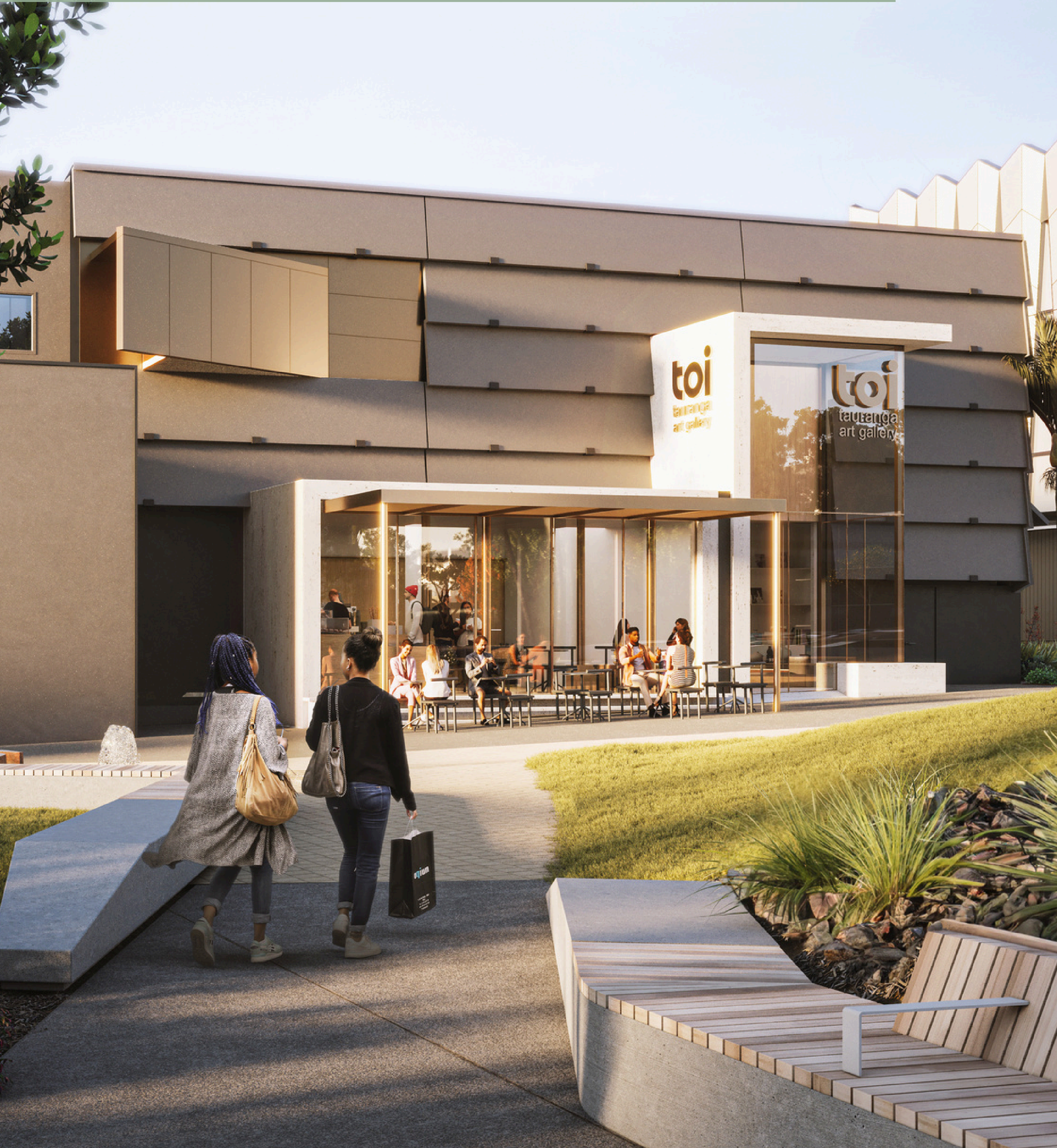
Tauranga Art Gallery Trust
Statement of Intent

2025 - 2028



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1. Purpose of the Statement of Intent

In accordance with Section 64 of the Local Government Act 2002 and the Local Government Amendment Act 2019, this annual Statement of Intent (SOI) publicly outlines the activities and intentions of the Tauranga Art Gallery (TAG) for the next three years.

The purpose of the SOI is to:

1. Provide an opportunity for stakeholders to influence the direction of the organisation; and
2. Provide a basis on which directors are accountable to shareholders for the organisation's overall performance

The Statement of Intent is informed by the expectations of Tauranga City Council (TCC) as outlined in the Enduring Statement of Intent and the Letter of Expectation dated 20 December 2024. Through the Statement of Intent, Tauranga Art Gallery Trust (TAGT) is able to demonstrate synergies, alignment and outcomes.

2. About Tauranga Art Gallery Trust

Tauranga Art Gallery Trust is incorporated under the Charitable Trusts Act 1957 as a not-for-profit entity established to deliver and operate a public art gallery to serve residents of Tauranga, the Western Bay of Plenty and visitors to the region.

Tauranga Art Gallery Trust has charitable status with New Zealand's Inland Revenue Department.

3. Tauranga Art Gallery strategic priorities

Tauranga Art Gallery's purpose is to build enduring relationships with art. We achieve this through creating exceptional art experiences that engage, inspire, educate and challenge.

The following five guiding principles give focus to Tauranga Art Gallery as an organisation:

He Tauranga Auaha ***To be an anchor of innovation and creativity***
Tauranga Art Gallery is a destination for both city visitors and residents, providing the opportunity for all to learn about, engage with and benefit from art, and enjoy unique art experiences.

He Tauranga Matarau ***To be an anchor for diversity***
Tauranga Art Gallery is inclusive. The organisation promotes partnerships with tangata whenua, puts value on culture and diversity, and is a place in which people of all ages and backgrounds are included and feel safe, connected and healthy.

He Tauranga Whaihua ***To be an anchor of enduring success***
Tauranga Art Gallery is an organisation committed to being financially sustainable and will pursue opportunities to secure funding. All funds will be managed with prudence and care.

He Tauranga Haumaru ***To be anchor for development***
Tauranga Art Gallery will take all practical steps to ensure our people have the very best foundations to grow in their roles, are valued, supported and thriving, and feel safe and connected. The Gallery will offer the same care for artists.

He Tauranga Haukaha ***To be an anchor of great shelter***
Tauranga Art Gallery is a regional asset that is fit-for-purpose and meets international museum standards.

He Tauranga Taiao ***To be anchor in environmental sustainability***
Tauranga Art Gallery prioritises kaitiakitanga (guardianship) and sustainability of the natural environment through its redevelopment and operates in an environmentally responsible way.

3.1 Focus for Tauranga Art Gallery

In the Letter of Engagement dated 20 December 2024, Tauranga City Council has encouraged Tauranga Art Gallery Trust to consider how best to:

- Deliver ongoing financial, economic, social, cultural and environmental sustainability
- Work collaboratively, in alignment with Council's objectives
- Deliver value for money for ratepayers
- Demonstrate transparency and accountability in decision-making processes
- Demonstrate robust and transparent financial analysis; and
- Care for and maintain community assets and ammenities

Further, Tauranga Art Gallery will work with the Tauranga City Council to achieve strategic community outcomes as follows:

Tauranga Mataraunui / We are inclusive
Tauranga is a city that celebrates our past, is connected in our present and invested in our future. Where people of all ages, beliefs, abilities and backgrounds are included and feel safe, connected and healthy.

Tauranga - Tātai Whenua / We have a well-planned city
Tauranga is a city that is well planned with a variety of successful and thriving compact centres, resilient infrastructure and community amenities.

Tauranga a te kura / We support business and education
Tauranga is a city that attracts and supports a range of business and educational opportunities, creating jobs and a skilled workforce.

The above intentions shall be delivered through the Tauranga Art Gallery Statement of Intent 2025-2026 priorities and measures outlined on the following page.

3.2 Establishing a baseline

The Gallery has been closed to the public since October 2023. Visitation prior to this had been greatly impacted by COVID. A review of other galleries around New Zealand indicates that they are only now reaching pre-COVID levels (2019).

Tauranga Art Gallery shall reopen in November 2025 during a three-year period of construction at the site. Thus, the 2025-26 financial year measures shall not be quantified with the same detail that they will be for the following years, from 2026-27 onwards. A baseline must been established.

With the Tauranga Library reopening later in 2026 and the completion of the Tauranga Museum and Te Manawataki o Te Papa (TMoTP) expected in mid-2028, the Gallery will establish stretch targets and expect annual growth from 2026-27.

3.3 Looking to the Future

How will we measure our ambition to be a 'renowned gallery'?

Initially, this will be through our community response:

- Positive regional media coverage
- Annual increase in visitor satisfaction, measured through surveys
- Annual increase in visitor engagement, measured through attendance, surveys and financial contribution
- Annual increase in Friends of the Gallery engagement, measured through attendance, surveys and financial contribution

Then, to be recognised for the reputation of our programmes through:

- Benchmarking against other similar galleries
- Positive media and critical review coverage at a national level
- Being a destination for domestic and international tourists, measured through attendance, surveys and financial contribution
- National partnerships and our exhibitions tour to other institutions
- Over time, the success of the artists we have shown
- Recognition through awards such as LGFA Taituarā Local Government Excellence and BEST Design awards

3.4. Statement of Intent priorities 2025-2026

Priority	Objective	TCC Alignment	Measurables
He Tauranga Auaha ***To be an anchor of innovation and creativity***	1. Deliver a variety of arts and culture offerings to our local, regional and international visitors	We are inclusive We have a well planned city We support business and education Value for money	Annual programme of re-opening exhibitions and enhanced experience programmes is delivered. Visitor experience strategy is implemented, and surveys and analytics demonstrate diverse audience engagement and appreciation beyond 2023 reporting.
	2. Building reopens offering enhanced visitor and art experiences		Analytics show increased engagement in events, online and audio experiences beyond 2023 reporting.
He Tauranga Matarau ***To be an anchor for diversity***	3. Māori engagement framework is implemented	We are inclusive	Māori advisory group Te Kāhu ō Hinewa deliver identified outcomes.
	4. Diversity framework developed		Diversity framework completed and Advisory Group appointed.
He Tauranga Whaihua ***To be an anchor of enduring success***	5. Effective storytelling clearly demonstrates how the gallery provides value for money	Demonstrate robust and transparent financial analysis	Half-yearly and Annual Reports loaded onto website. Audit report completed.
	6. TCC is clearly recognised as the principal funder across various platforms	Deliver value for money for ratepayers	Public speeches, print and online platforms clearly communicate the role of Tauranga City Council.
	7. Implement and monitor prudent financial management and processes including a savings of 7% in 2025/26 year to meet the operational grant reduction	Demonstrate transparency and accountability in decision-making processes Everyone pays a fair share	Visitor surveys demonstrate increased appreciation of gallery services. Overseas visitor charges implemented.
	8. Establish and diversify revenue streams that will achieve financial sustainability	Demonstrate robust and transparent financial analysis	Approved annual budget and targets met.

3.4. Statement of Intent priorities 2025-2026

Priority	Objective	TCC Alignment	Measurables
He Tauranga Haukaha ***To be an anchor of great shelter***	9. Work closely with TMoTP partners to grow the profile of the precinct and city	Work collaboratively — in alignment with Council's objectives	Demonstrated collaboration including works from TAG collection installed in 90 Devonport Road
He Tauranga Taiao ***To be anchor in environmental sustainability***	10. Complete the upgrade, and work on air conditioning and lighting, as part of the gallery's redevelopment, in alignment with TCC Climate Action and Investment Plan.	We have a well-planned City Care for and maintain community assets and ammenities Looking after what we have	Upgrade completed and reported on. Building and infrastructure is properly maintained and fit for purpose.
	11. TAG Continues to use environmentally sustainable means through better sourcing of resources, reducing waste and recycling, and continuing to provide the ArtBus for students to attend educational programmes.		Waste Reduction Plan implemented and improves effectiveness. ArtBus utilised by schools.
He Tauranga Haumaru ***To be anchor for development***	12. TAGT host a voluntary board intern to increase diversity and fresh thinking on the board.	Work collaboratively — in alignment with Council's objectives	Internship successfully completed.

4. Approach to governance

Tauranga Art Gallery Trust is a Council Controlled Organisation (CCO) of the Tauranga City Council. The Tauranga Art Gallery Trust Board and management are committed to ensuring the organisation meets recommended best practice governance principles and maintains the highest ethical standards, as outlined in the Enduring Statement of Expectations. The Tauranga Art Gallery Trust Board of Trustees is appointed by the Council to govern and direct Tauranga Art Gallery activities. The Trustees appoint the Chair and Deputy. The Board is accountable to the TCC for the financial and non-financial performance of Tauranga Art Gallery. The Board works collaboratively with the TCC to ensure a bilateral “no surprises” relationship.

4.1 Trust Deed guiding objectives

The activities and operations laid out in this SOI are guided by our guiding objectives in the Tauranga Art Gallery Trust Deed (4.1) to:

a) Provide the establishment and management of a sub-regional public art gallery and ensure that its assets and collections are managed to a high standard.
b) Provide public art gallery facilities and art experiences which are relevant and accessible to the Western Bay of Plenty, sub-regional communities and visitors to the area.
c) Lead and promote activities to raise funds for the Gallery.

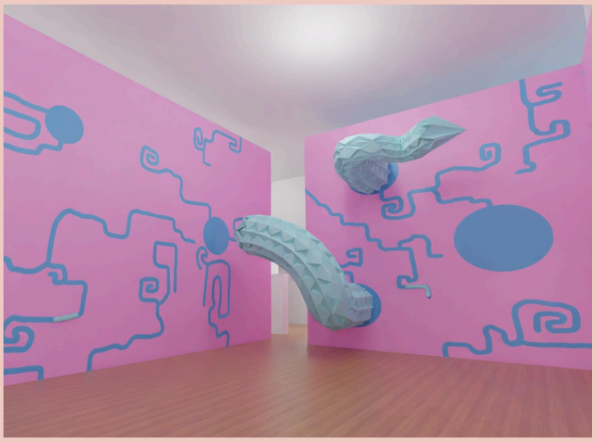
4.2 List of Trustees

5. Nature and Scope of Activity

Tauranga Art Gallery is pleased to be a partner in Tauranga City Council's civic precinct development. Tauranga Art Gallery's own redevelopment is a key precinct project that will showcase the vision of Te Manawataki o Te Papa and the value of the Tauranga City Council /Tauranga Art Gallery Council Controlled Organisation partnership to achieve strong community-focused outcomes.

Activity

During 2024–2025, the Trustees and staff have continued to focus on opportunities to review and streamline systems, processes and capabilities. Staff have reviewed exhibition, education, engagement programmes and are implementing a new visitor experience strategy that will, through exceptional art experiences, demonstrate (rate-payer) value for money. A new collection storage fit-out, funded through the New Zealand Lotteries Commission is underway and the art collection is to be relocated. As Tauranga Art Gallery positions itself as a leading regional art gallery, The Trust is confident that this work has enabled a solid foundation for the Gallery and builds towards a more resilient organisation.



Whakairo, Kereama Taepa

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Tauranga Art Gallery reopening

With a scheduled reopening in November 2025, the people of Tauranga will be wowed by the upgraded facility and exceptional art programmes.

From Masonic Park, visitors will be drawn inside by the hint of an exhibition they can see in the Craigs Investment Partners Atrium. As they enter they will be warmly greeted by visitor hosts and assisted as required to ensure the best experience. For families it may be a 'Curiosity Activity Booklet' that keeps them busy or, for the art lover, an audio guide. Low vision visitors may wish to refer to the scaled-up artwork labels designed to enhance their experience. All guests will be greeted with a question around where they have travelled from, to help the gallery understand the demographics of its visitors and to process international visitors' payment of $15 for adults (under 16-year-olds are free).

Inside the Atrium, visitors will experience Kereama Taepa's *Whakairo* (image on previous page). Referencing the origins of carving, *Whakairo* is one of the most ambitious augmented reality experiences in a New Zealand gallery.

Moving around the Gallery spaces, audiences will appreciate a range of media, from moving image to painting, jewellery, sculpture, drawing and installation. There are nine exhibitions on show by artists that range in age from mid-30s to 80s. Highlights will be work by Samoan mother and daughter, Pusi and Vamaila Urale, portrait favourites from the Tauranga Art Gallery collections and, showing for the first time in Tauranga, renowned senior artist Darcy Nicholas (Ngāti Ranganui).

To enable our youth to develop a lifelong love of art and to offer opportunities for adults to participate in art classes, we will offer, through our upgraded Creativity Centre, a wide range of workshops and, for teachers and activity providers, professional development opportunities.

The overall experience will be further enhanced by upgraded lighting and Heating, Ventilation and Air Conditioning (HVAC) systems, ensuring an experience that meets international standards. The onsite cafe will nourish guests and the retail store be a destination shopping experience in the heart of the city centre.

Financials

Tauranga Art Gallery is pleased to be a significant contributor to the local creative economy, employing a staff of creative professionals based in Tauranga and engaging (where possible) local suppliers.

The Trust and staff are committed to the realisation of Te Manawataki o Te Papa. Looking to the short term, staff are prepared for the challenges of being closed in Q1 and then, when open, the likelihood of reduced visitation, foot traffic, access and revenue generation as the city transforms and other infrastructure projects are completed.

A redeveloped building creates additional revenue streams with new hospitality, venue hire and retail options. We have forecast the value of these new revenue streams, but these will not be confidently known until the building has been operational for 12 to 24 months. On this basis, the Trust is taking a cautious approach to budgeting, covering regular operating costs, anticipated expenses and potential future costs — including those that depend on external funding or may require support from the Trust's reserves.

We are conscious that the Gallery will face more economic challenges over the next three years and we will continue to work diligently on building diverse revenue streams for operational expenditure and capital expenditure requirements, and exploring positive relationships to secure funding and sponsorship. We will continue to place an emphasis on communicating the value of Tauranga City Council and the city's investment in the gallery's activities to stakeholders and audiences.

We acknowledge the current fiscal environment across the country and support Tauranga City Council's 7% reduction in operating expenditure. We are adjusting accordingly in respect to the reduced grant we will receive for the forthcoming financial year. This has been achieved through reducing exhibition delivery costs and postponing a senior staff appointment.

The Trust and staff look forward to working in partnership with Tauranga City Council and Te Manawataki o Te Papa project, and we are excited about the opportunity to expand our capacity to deliver more enriching art and culture experiences for Tauranga.

6. The future and beyond

The redevelopment of the Tauranga Art Gallery, including a major seismic upgrade, is an investment in future-proofing this civic asset for generations to come.

The key benefits to the capital development of Tauranga Art Gallery are:

- Through the calibre of art experiences, be known as a destination gallery, attracting locals and visitors alike
- To be a regional asset that is fit-for-purpose and meets international museum standards
- As a Te Manawataki o Te Papa and city centre partner, to uplift the cultural, environmental, social and economic wellbeing of our community
- To increase revenue, achieving a sustainable business model

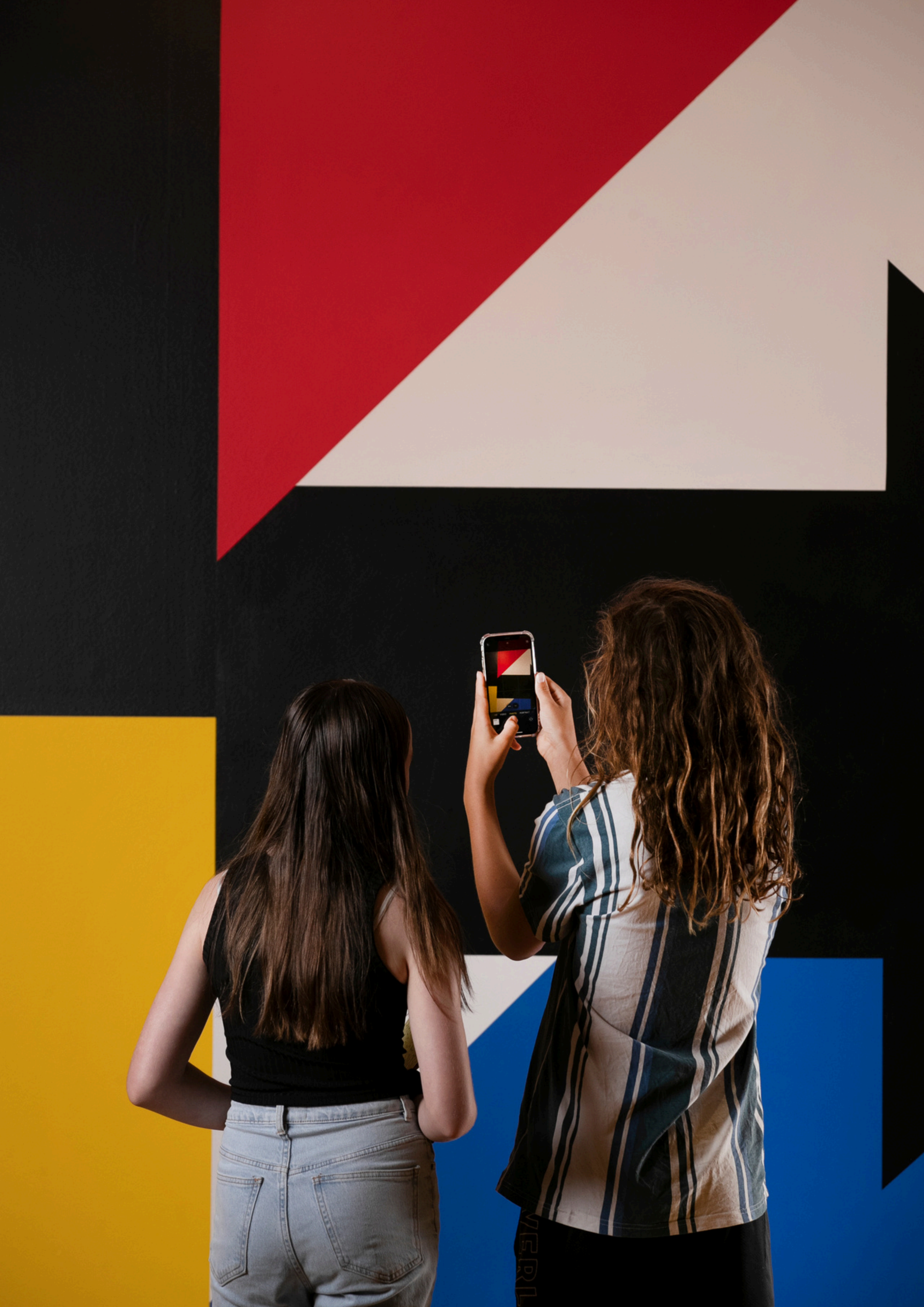
2025 - 2026 and beyond is going to be an exciting period for the Gallery. A revitalised building, with expanded experiences and programmes, will attract residents and visitors to the city centre. Opening onto Masonic Park creates a beautiful public space for Tauranga Art Gallery. It generates opportunities for Tauranga Art Gallery in placemaking, programming and activation with art projects, events and activities.

We will continue to offer opportunities to showcase the work of regional, national and international creatives in the Gallery, and continue to inspire young people into art through our junior art awards.

Through our Māori Engagement Strategy we are committed to presenting a programme that showcases contemporary art practice, matauranga, knowledge and mahi toi, art of mana whenua and tangata whenua artists. In 2027 we are working towards a major exhibition that will attract visitation from across Aotearoa.

Developing the capability of our people at the governance and operational levels of the Gallery is a priority over the next few years. The challenges of the past few years have reinforced to us there is a need to make sure our people are not only capable of doing the work but have the resilience to be able to adapt to a changing and unpredictable environment.

Working with our Te Manawataki o Te Papa partners - Tauranga Libraries, Tauranga Museum and Baycourt Community and Arts Centre - will showcase the richness of art, culture and heritage in Tauranga. Together, we are committed to building a vibrant city centre.



7. Planning

Tauranga Art Gallery Trust will prepare and update a three-year Strategic Plan and Annual Business Plan with:

- Indicative rolling three-year forecasts of financial performance and position, separately identifying any significant intended expenditure
- Any likely requests for increased levels of funding from Tauranga City Council
- Key actions or initiatives to deliver on the objectives of the Trust
- Upcoming challenges, risks and opportunities for the Trust

Tauranga Art Gallery Trust will work collaboratively with Tauranga City Council to review, and as necessary update, the Enduring Statement of Expectation and the annual Letter of Expectation.

8. Reporting

Tauranga Art Gallery Trust will:

- Keep Tauranga City Council informed of matters affecting the Trust as outlined in Enduring Statement of Expectation
- Produce an annual report on both financial and non-financial performance
- Appraise the performance of the Trust Board / Trustees at least every two years

Annual Report

Within two months following the end of each financial year, Tauranga Art Gallery Trust shall deliver to the Tauranga City Council a draft Annual Report and, within three months after the end of each financial year, audited financial statements in respect of that financial year, containing the following information:

- A Trustees' report, including a summary of the financial results, a report of the operations and comparison of performance in relation to its objectives and recommendations for further funding requirements or opportunities
- Audited financial statements for that financial year
- An auditor’s report

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9. Financial performance targets

The Trust's financial performance targets are:

- Gross revenue is consistent with the agreed budget
- Expenditure is managed within the agreed budget
- Working capital ratio of no less than 1 (excluding current portion of term debt)
- Consolidated funds (total equity) are not less than 90% of total assets (all current and non-current assets)
- No debt is to be raised to finance operating expenses
- No distribution of income or capital to Tauranga City Council

Non-Financial Performance Targets:

- Indicative Non-Financial Performance Targets of planning and reporting requirements are met as per priorities framework above.

10. Accounting policies

Financial statements will be prepared and applied consistently in accordance with New Zealand Generally Accepted Accounting Policies (GAAP). They will comply with International Financial Reporting Standards (IFRS) and other applicable Financial Reporting Standards, as appropriate to public benefit entities that qualify for and apply differential reporting concessions.

11. Asset management

Tauranga Art Gallery Trust will prepare and implement Asset Management Plans for the building and other assets.

Commercial Values of Assets
Tauranga Art Gallery Trust operates a public service and not a commercial activity. It is not practical to provide a commercial value to assets. Fair value of land, building and artworks are determined by an independent valuer every three years and changes reflected in the financial statements. Fair value is reviewed annually. The next valuation is to be undertaken in the year ended 30 June 2026.

12. Transactions between related parties

Transactions between Tauranga City Council and Tauranga Art Gallery Trust will be conducted on an arms-length basis.

13. Significant decisions

Tauranga Art Gallery Trust will not undertake any activity of a significant nature or scope not outlined in the Enduring Statement of Expectation or the Statement of Intent without prior approval of Tauranga City Council. In particular, the prior approval would be required for Tauranga Art Gallery Trust to:

- Form any subsidiary entity
- Purchase shares in any other entity
- Dispose of any significant assets, e.g., land or buildings
- Dispose of or deaccession any works within the Tauranga City Council Civic Art Collection
- Purchase any significant assets, e.g., land or buildings

14. Investment from TCC

2025–26
Management and operation of Tauranga Art Gallery $1,427,122

2026–27
Management and operation of Tauranga Art Gallery $1,427,122

2027–28
Management and operation of Tauranga Art Gallery $1,427,122

Any increases of the management and operational funding or Trustee fees would be subject to TCC approval as an internal submission via the Annual Plan process.

15. Payment

Payment of the Tauranga Art Gallery management and operation will be made monthly in advance, as per the schedule.

Compensation for any other services provided to or by the Council will be based on a service delivery agreement entered into by both parties.

Signed by:
Rosemary Protheroe
Chair, Tauranga Art Gallery Trust

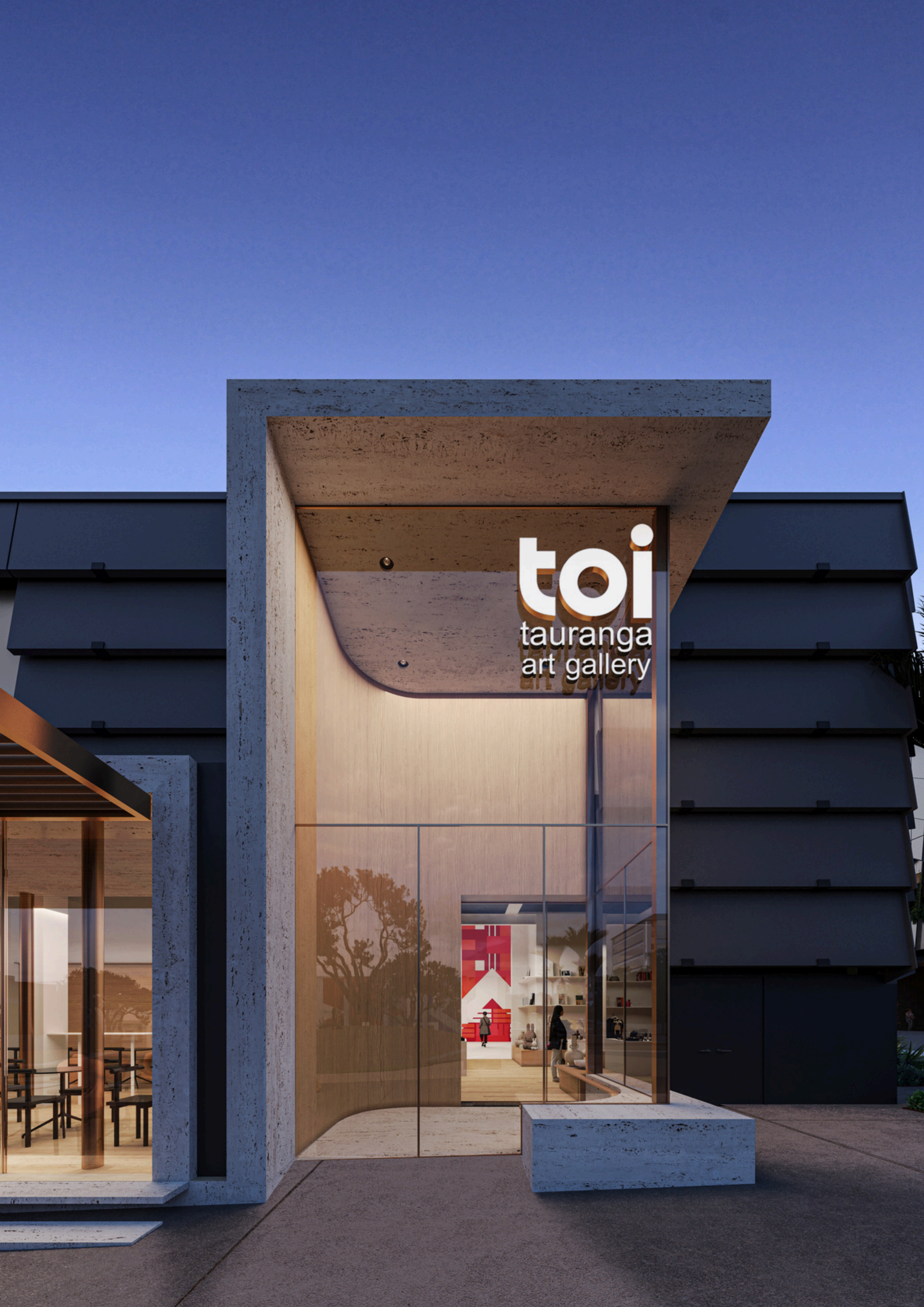
Signed by:
Sonya Korohina
Director, Tauranga Art Gallery

16. Three-year forecasted budget

Tauranga Art Gallery Indicative Three Year Operational Forecast	Current Year Forecast 2024-25	3 Year Forecast 2025-26	2026-27	2027-28
Income				
Revenue from providing goods or services	109,713	206,763	262,744	267,745
Donations, fundraising or similar revenue	2,820	218,180	257,525	269,891
Interest, dividends or other investment revenue	86,414	44,000	44,000	44,000
TCC operational	1,546,525	1,427,122	1,427,122	1,427,122
WBOPDC	44,000	47,696	48,708	49,741
Other Income	376	6,253	25,496	26,006
Total Income	1,789,847	1,950,015	2,065,595	2,084,505
Less Operating Expenses				
Building	301,120	186,975	202,518	205,455
Expenses from providing goods or services	127,204	281,973	289,823	292,485
Volunteer & employee related costs	909,486	1,085,202	1,160,138	1,173,621
Trustees & governance	79,951	77,403	73,933	73,933
Other expenses	155,115	130,184	126,616	118,065
Total Operating Expenses	1,572,876	1,761,736	1,853,028	1,863,558
Operating Surplus/(Deficit)	**216,971**	**188,279**	**212,567**	**220,946**
Non-operating Expenses				
Depreciation	150,580	192,859	213,789	213,789
Net Surplus/(Deficit)	**66,391**	**(4,581)**	**(1,222)**	**7,157**

17. Assumptions and notes

1. The Gallery will reopen to the public in November 2025
2. The Trust acknowledges that construction time may increase which will impact reopening and have a direct impact on visitor numbers and correlating revenue
3. The projections do not reflect the final impact of the redevelopment of the Tauranga Art Gallery as there are a number of unknowns in terms of complex accounting treatment and final costs. These will not be able to be accurately forecast until the project has been completed. The projections do, however, reflect the Gallery reopening in November 2025.
4. Income and expenses have been phased, where applicable, to reflect the timing of the Gallery reopening.
5. Inflation has been applied nominally, reflecting a fiscally-constrained environment.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