

Asset Management Plan Summary

Te Puna o Waiwhetū Christchurch Art Gallery

Asset management plans

Together, our 14 asset management plans present a detailed description of all the things – roads, cycleways, footpaths, pipes, buildings, vehicles, parks and so on – that the Christchurch City Council owns, across all areas of work, and how these ‘assets’ are planned, managed, operated and funded.

All our assets, collectively worth \$16.8 billion, belong to ratepayers and are managed and operated on their behalf. Ensuring our assets are appropriate for the city’s needs

enables us to deliver the services that make Christchurch and Banks Peninsula a great place to live, work and visit.

Asset management plans are technical documents. The summary documents give an overview of how we manage our assets through their lifecycles to ensure we deliver services in cost-effective ways.

For the first time, we have published these documents online as part of our commitment to transparency.

What we do

We are a collector, researcher, educator and exhibitor of art from the past and present.

We are a key central city visitor attraction, maximising opportunities to develop vibrancy in the city of Christchurch. We help deliver Toi Ōtautahi, Christchurch’s Art Strategy which aims to: elevate the arts and creativity in Christchurch and Banks Peninsula by harnessing and building on the energy, passion and innovative spirit of the community.

We are also a crucial driver in the strategy’s focus on the role that the arts play in; improving people’s wellbeing, sense of identity and connectivity, activating and bringing life to the city, attracting visitors and boosting the economy.

We do this by promoting strong relationships in the community and by valuing the differences that define us, our beliefs, our history and our roots, through our art collections, exhibitions and public programmes.

Why we do it

As well as being integral to education and tourism markets we are part of the city’s knowledge economy, maintaining the record of visual art from and related to the Christchurch area.

Many of our collections have been entrusted to us by generations of supporters and donors and we continue to acquire works of art that contribute to the city’s sense of identity and connectivity through time and across cultures.

We also have a key role in supporting and inspiring creative communities and researchers. We actively work with Friends of Christchurch Art Gallery and the Christchurch Art Gallery Foundation and manage an active volunteer programme.

Our assets

We own, plan and manage \$144.3 million of building assets on behalf of the community (asset book value as at 1 July 2020).

The principal asset in our portfolio is the Christchurch Art Gallery building. Our portfolio also includes the Akaroa Museum, and three neighbouring heritage building (Langlois-Eteveneaux Cottage, Akaroa Customs House and Akaroa Courthouse).

Asset category	Book value
Christchurch Art Gallery building	\$142,357,146
Akaroa Museum and other associated Akaroa buildings	\$1,903,000
TOTAL	\$144,260,146

Where we've come from

The Robert McDougall Art Gallery was formerly home to the Christchurch Art Gallery from 1932 to 2003 when the building was gifted to the parks heritage team. Following site selection, design and construction, the new Christchurch Art Gallery was opened in 2003.

Following the February 2011 earthquake, the building was closed to the public when it operated as the Civil Defence Emergency Operations Centre.

The building reopened to the public in 2015 following extensive strengthening and repair work and has since received more than 1.6m visitors.

Our issues and risks

In this asset management plan we provide a snapshot of the greatest risks recorded for the Christchurch Art Gallery, and summarise the main mitigation measures.

Description of risk	Risk rating
Failure to meet international museum standards for climate control (including temperature and relative humidity)	High
Failure or non-performance of critical plant or equipment which results in business interruption such as site closure	High
Reduced budgets resulting in deferred capital and maintenance works which increases in reactive requests	Medium
Compromise of insurance obligations through non-performance of infrastructure which controls/maintains the gallery environment.	Medium





What it costs

Our proposed budget for the activity that uses these assets in Year 1 of the LTP is \$12.40 million (total activity net cost of service plus capital spend for 21/22), with the net operational expenditure projected at \$11.32 million (net cost of service) and capital expenditure at

\$1.08 million (total capital spend). Tables for each area of spending are included in our activity plan.

**The proposed operational and capital programme is indicative only. It will be updated through the LTP 2021-31 capital prioritisation process.*

How we're funded

We receive a mix of Council funding (mainly from rates) and commercial revenue. We are also very grateful for the funding support which we receive from the Christchurch Art Gallery Foundation (a charitable trust that supports fundraising and community-building initiatives), our corporate sponsor partner organisations and the Friends of Christchurch Art Gallery (an incorporated society and membership organisation).

How it's delivered

We manage the everyday aspects of our building and forecourt, including the retail shop, security and after-hours events. Climate control and building maintenance, the car park and on-site leases are managed by other Council units.

Staff deliver:

- day-to-day control of operations and management
- exhibitions, events and publications
- education and research

Contractors deliver:

- a range of services which includes project management, maintenance, cleaning, security services

Internal service partners:

- Business Partnership
- Information Technology
- Human Resources
- Facilities, Property and Planning Unit
- Marketing and Communications
- Procurement

Our functions and services

We develop, maintain and provide access to a collection of nationally-significant art, host art exhibitions and present a range of public programmes. We also provide a range of commercial services, including a retail shop, leases and venue hire. We administer the Public Art Fund, following decisions of the Public Art Advisory Group.

In summary we:

- care for 6930 works of art in our collection
- provide and manage a reference library and archive of works by significant Canterbury artists and arts organisations
- run an active hands-on schools programme
- host visitors – 4,978,078 visitors since opening in May 2003 (numbers to 17 November 2020) and 1,634,343 visitors since reopening in December 2015 (numbers recorded to 17 November 2020);
- provide a changing programme of exhibitions, touring exhibitions, artists' projects, and supporting public programmes
- provide an extensive award winning publishing programme, both digital and print
- work closely with established Friends, Foundation and other supporter organisations
- have a well-developed volunteer programme

Asset maturity assessment

The 2020 maturity assessment of our Asset Management practices shows we are performing at an intermediate level in most areas. The average score increased from 68 percent to 71 percent in the past two years, with the target being 87 percent. More detailed information about this is included in our asset management plan.

Christchurch Art Gallery Te Puna o Waiwhetū Asset Management Plan

December 2020

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Document Control

Version Control

Version numbering changes when a document is approved. Draft document numbering starts at 0.01. Released or approved numbering starts at 1.01.

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0.01	11.12.20	Tim Priddy Asset Planning Team	Christchurch Art Gallery Asset Management Plan, Draft Final version
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Document Acceptance and Release Notice

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Name	Role	Status	Signed	Date
Blair Jackson	Director, Christchurch Art Gallery	Approved		21. 12. 20
Neil Semple	Manager Operations & Projects, Christchurch Art Gallery	Reviewed		21. 12. 20
Tim Priddy	Strategic Property Analyst	Authored		15.12.20

1 Summary of the Activity

1.1 Activity Description

1.1.1 What do we do?

The Christchurch Art Gallery Te Puna o Waiwhetū (the Art Gallery) provides the following services and fulfils the following functions:

- collects, researches, educates and exhibits art from the past and present;
- enhances the cultural and social wellbeing of the citizens of Christchurch by promoting strong relationships within the community and by valuing the differences that define us, our beliefs, our history and our roots through its art collection and displays; and
- continues to be a key central city attraction, maximising opportunities to develop vibrancy in the city of Christchurch.

1.1.2 Why do we do it?

As well as being integral to both education and tourism markets, we are part of the local knowledge economy, maintaining the record of visual art from and related to this area. Through our programmes of exhibitions and active collection building, we provide people who live here with unparalleled evidence of their past and present and, like the city's libraries, we are social spaces for information-sharing and wonderment. The bulk of Christchurch's art collections have been entrusted to the Art Gallery by generations of supporters and donors. We continue to acquire works of art that help add to the city's sense of identity and connectivity. We support and inspire our creative communities and those who are interested in researching our past and considering our future.

It is well documented that the arts and culture nourish and foster improved mental health outcomes and wellbeing benefits for the community. The Art Gallery is one of Christchurch City Council's (the Council) key contributors to supporting and enhancing these important areas.

1.1.3 How much does it cost?

Our proposed budget for the activity that uses these assets in Year 1 of the LTP is \$12.40 million (to be the total of the activity net cost of service plus capital spend for 21/22), with the operational expenditure projected at \$11.32 million (net cost of service) and capital expenditure at \$1.08 million (total capital spend). Tables for each area of spending are included in our activity plan.

Tables for each area of spending are included in Section 9 of this document.

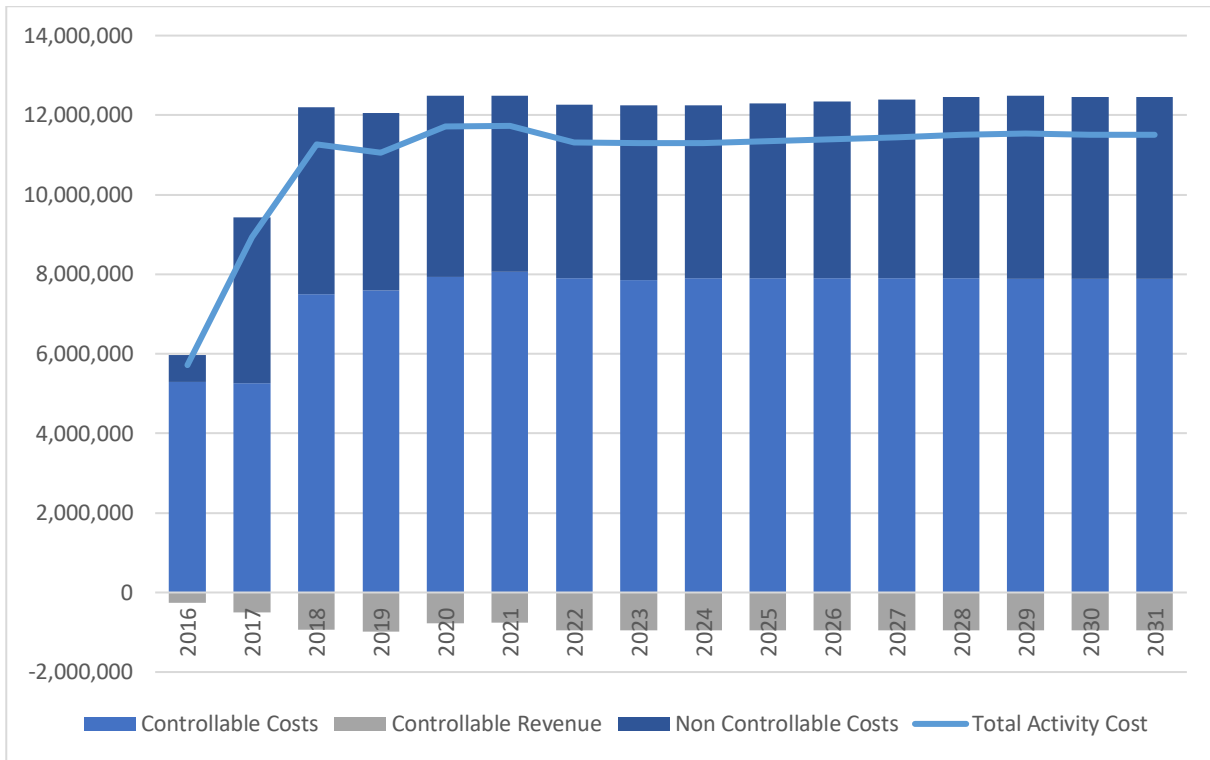


Figure 1-1: Forecast for the net cost of service for the Art Gallery (uninflated)

This Asset Management Plans (AMP) includes lifecycle projections and 10 year projections based on maintenance, operating and renewal strategies and using the currently available information. Controllable building asset costs are shown in the below figures.

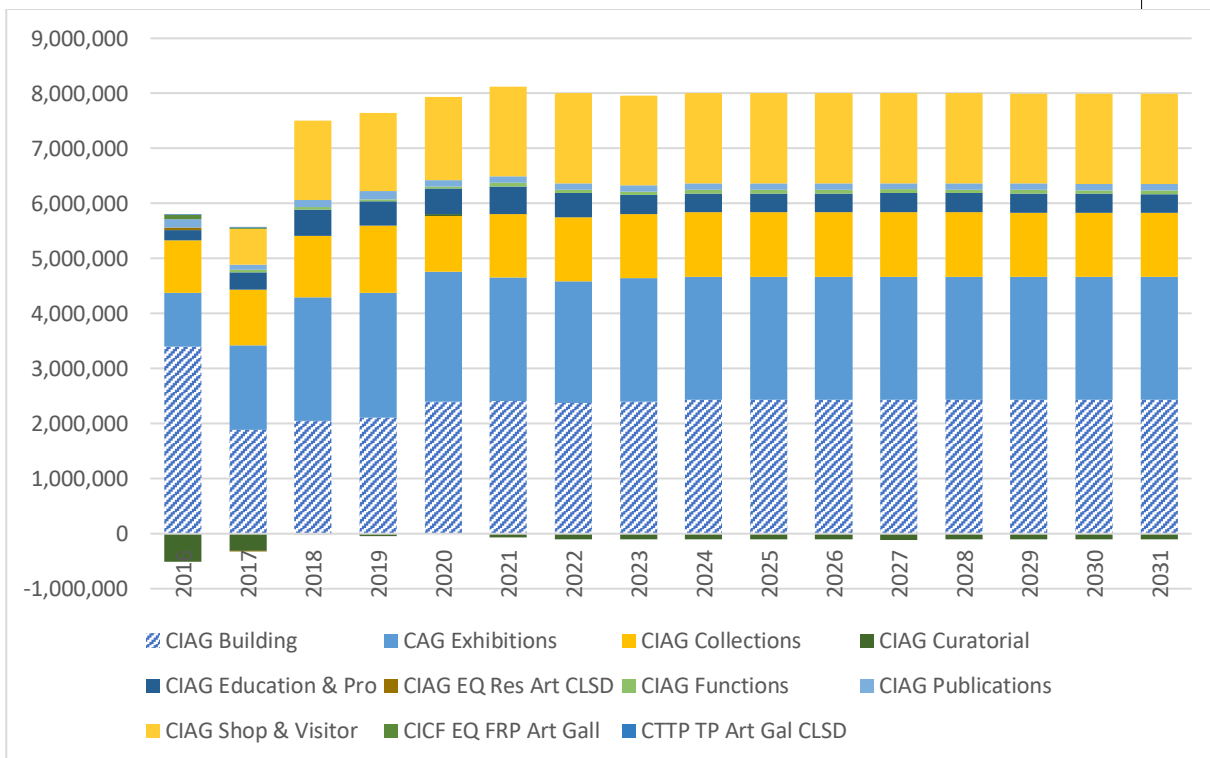


Figure 1-2: Projection for the Art Gallery controllable costs (uninflated)

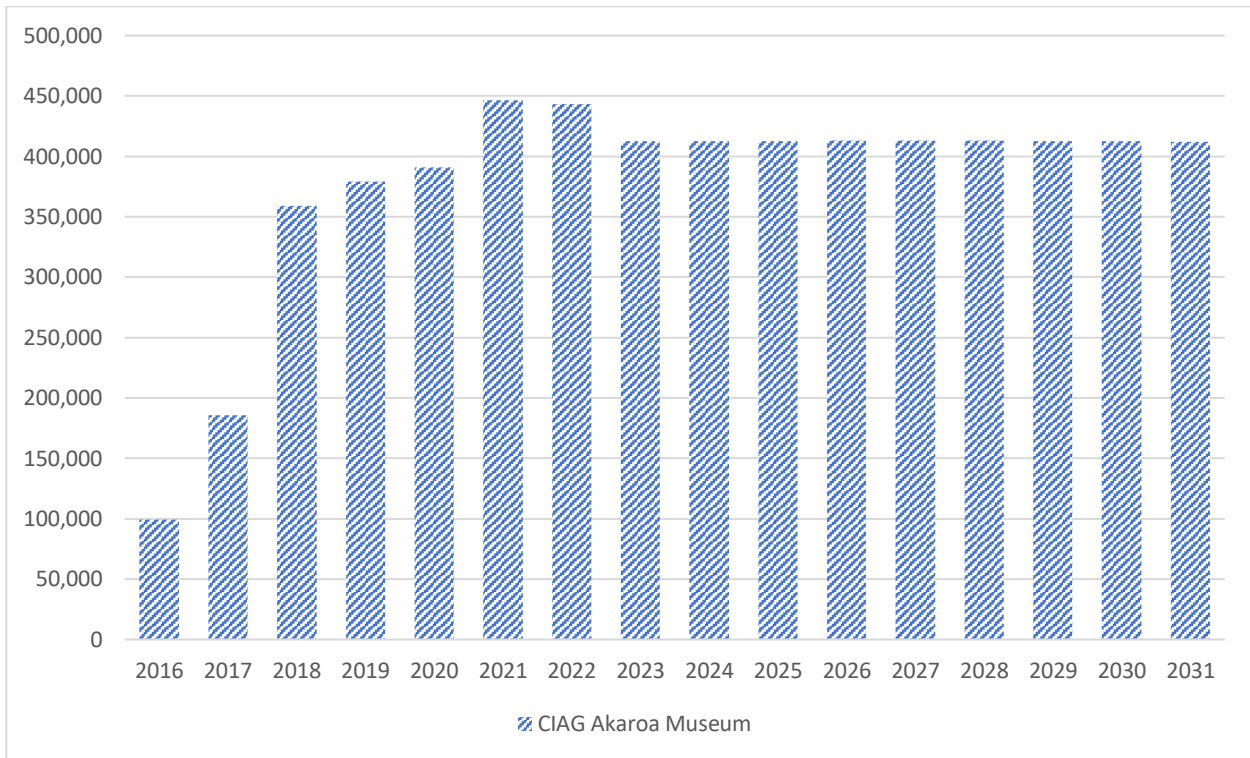


Figure 1-3: Projection for the Akaroa Museum controllable costs (uninflated)

The proportion of operating and maintenance costs can be seen in Figure 1-4, which includes both the Christchurch Art Gallery and Akaroa Museum assets. Operations and maintenance have been planned to ensure the defined levels of service can be met while managing service consequences and risks.

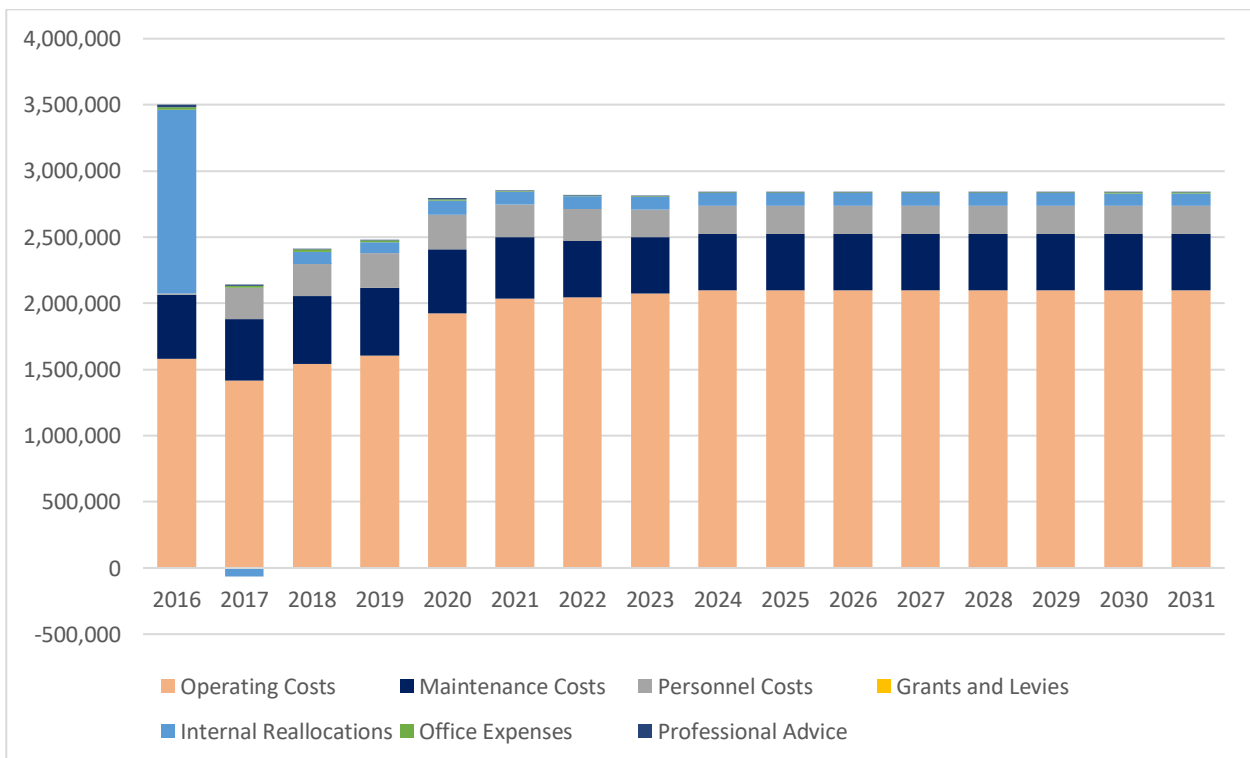


Figure 1-4: Forecast for the operational budgets for the Christchurch Art Gallery and Akaroa Museum assets.

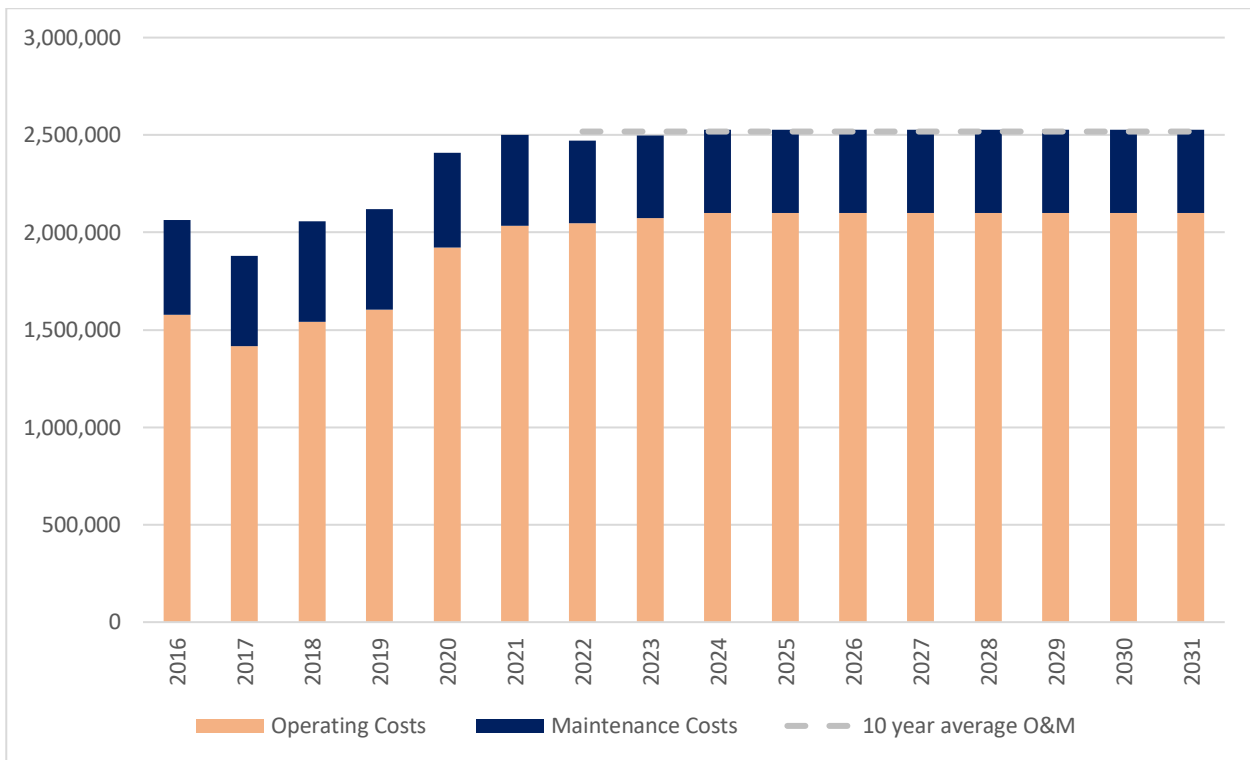


Figure 1-5: Forecast for operating and maintenance for the Christchurch Art Gallery and Akaroa Museum assets (uninflated)

Over the next 30 years the majority of our expenditure is replacement/renewal and refurbishment. A 30 Year Capital Plan has been developed based on an identified work programme with a robust matching capital spend. These can be seen in

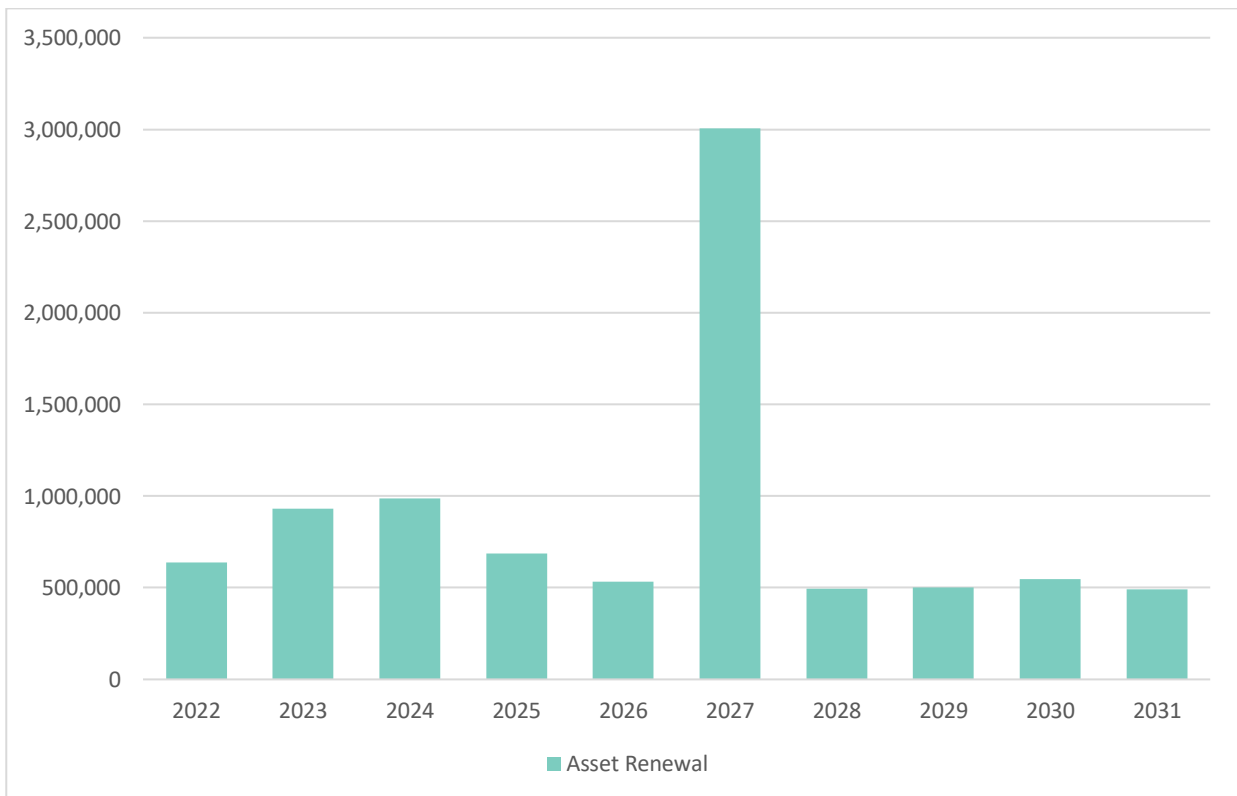


Figure 1-6: 10 Year forecast for the CAPEX for the Christchurch Art Gallery building (uninflated)

Significant spend is projected in 2026/27 for the energy project relating to the substitution of landfill gas as a fuel source to the Christchurch Art Gallery (which is also shared with the Civic Offices building)

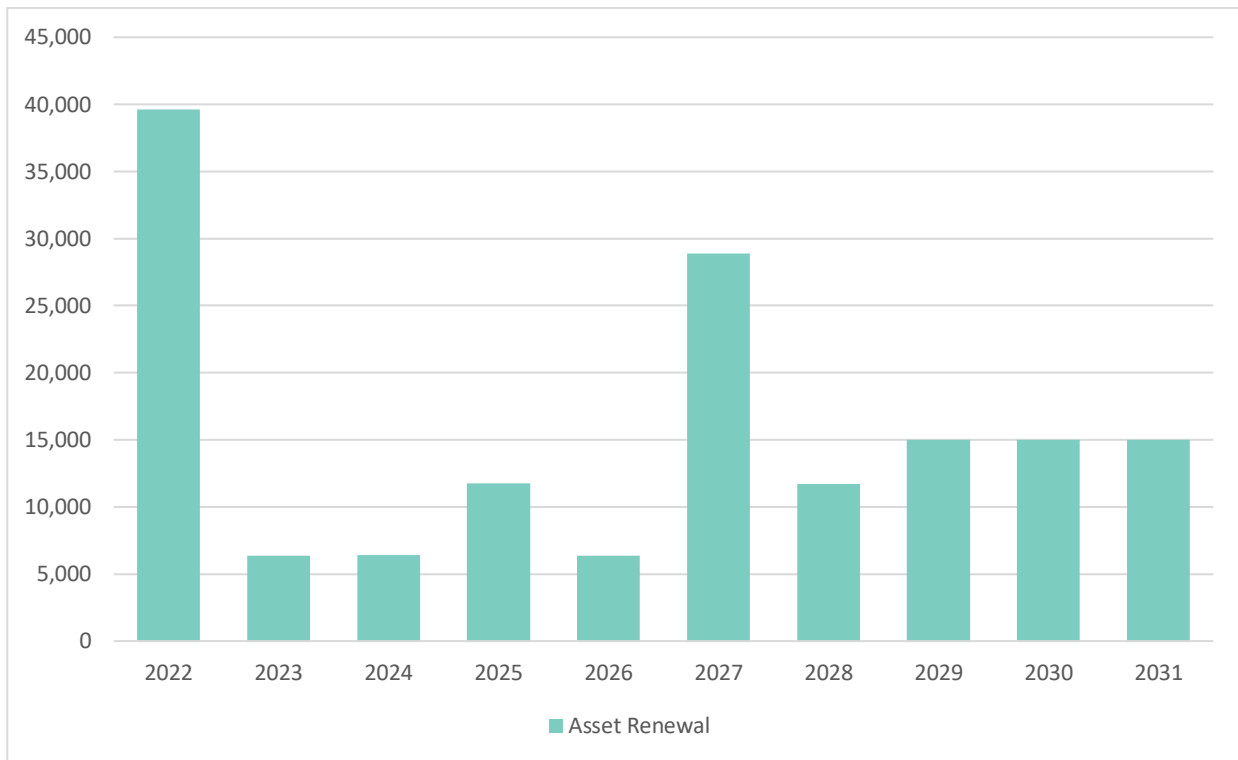


Figure 1-7: 10 year forecast for the CAPEX for the Akaroa Museum assets (uninflated)

Roof replacements and equipment renewals, along with component renewals feature in the CAPEX for Akaroa Museum in the next 10 years.

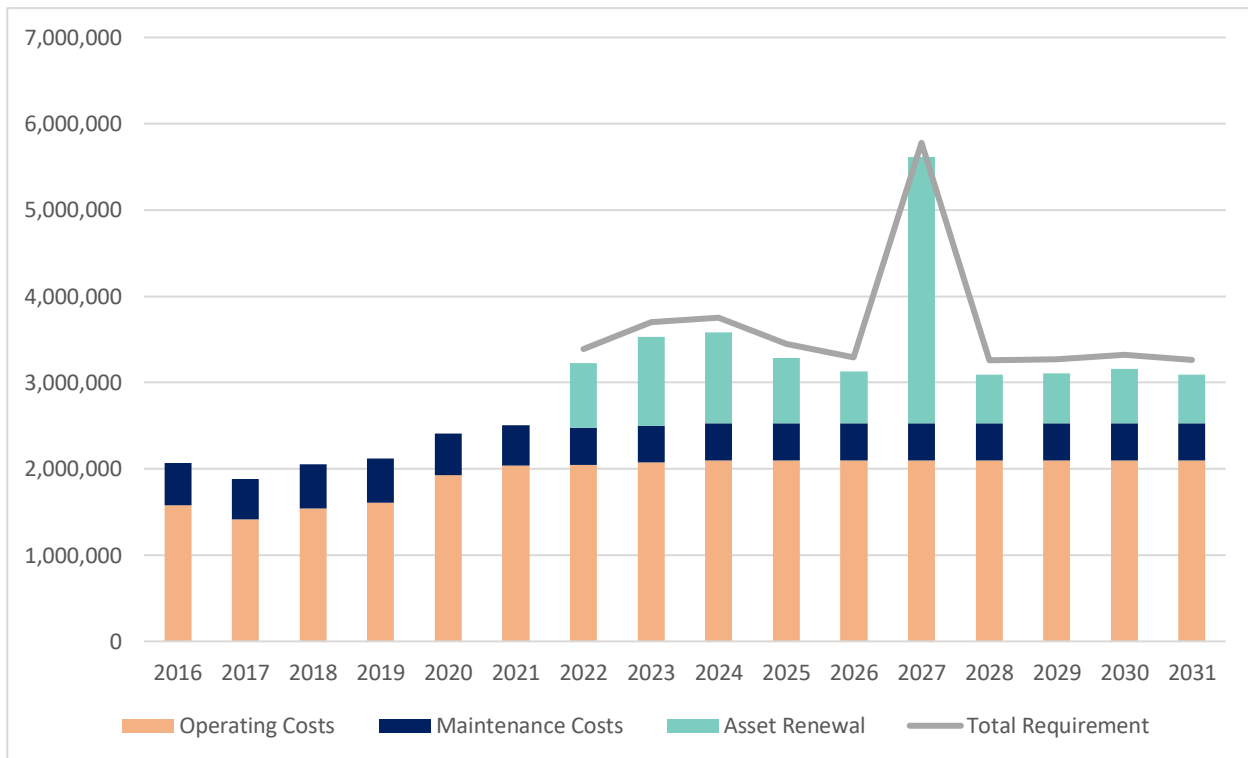


Figure 1-8: Forecast for the operational, maintenance, renewal and upgrade for the Christchurch Art Gallery and Akaroa Museum asset (uninflated)

Table 1-1: Asset related expenditure summary (uninflated)

Executive Summary - What does it cost?	\$
10 year total cost [10 year Operational, Maintenance, Renewal & Upgrade Projected Expenditure]	\$36,460,644
10 year average annual cost	\$3,646,064
10 year total LTP budget [10 year Operational, Maintenance, Renewal & Upgrade LTP Budget]	\$34,810,644
10 year average annual LTP budget	\$3,481,064
10 year AM financial indicator 100%	95%
10 year average annual funding shortfall	\$165,000

The total cost of delivering the Art Gallery and Museums activities is summarised as follows:

Table 1-2: Christchurch Art Gallery Service Plan Table (Inflated)

Christchurch Art Gallery											
000's	Annual Plan										
	2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
<i>Activity Costs before Overheads by Service</i>											
Art Gallery Collections	922	874	889	910	930	953	975	1,000	1,027	1,054	1,082
Exhibitions & Public Programmes	2,212	2,099	2,044	2,094	2,138	2,189	2,242	2,298	2,360	2,424	2,486
Art Gallery Building	3,285	3,177	3,212	3,289	3,364	3,445	3,528	3,616	3,714	3,814	3,913
	6,420	6,151	6,145	6,293	6,432	6,587	6,745	6,913	7,101	7,292	7,481
<i>Activity Costs by Cost type</i>											
Direct Operating Costs	2,433	2,258	2,305	2,359	2,408	2,467	2,526	2,588	2,660	2,731	2,801
Direct Maintenance Costs	464	436	445	454	465	476	488	500	513	527	541
Staff and Contract Personnel Costs	3,213	3,146	3,078	3,155	3,228	3,305	3,384	3,469	3,563	3,659	3,754
Other Activity Costs	310	311	317	325	331	339	347	356	366	376	385
	6,420	6,151	6,145	6,293	6,432	6,587	6,745	6,913	7,101	7,292	7,481
Activity Costs before Overheads	6,420	6,151	6,145	6,293	6,432	6,587	6,745	6,913	7,101	7,292	7,481
Overheads, Indirect and Other Costs	3,189	3,187	3,267	3,313	3,400	3,512	3,573	3,665	3,764	3,808	3,889
Depreciation	2,774	2,718	2,796	2,882	2,973	3,064	3,187	3,354	3,474	3,603	3,730
Debt Servicing and Interest	236	212	211	222	248	271	304	316	336	341	360
Total Activity Cost	12,618	12,268	12,418	12,710	13,053	13,434	13,809	14,247	14,675	15,044	15,460
Funded By:											
Fees and Charges	634	825	843	861	881	902	924	947	972	999	1,025
Grants and Subsidies	106	108	111	113	116	119	121	124	128	131	135
Cost Recoveries	16	16	16	17	17	17	18	18	19	19	20
Total Operational Revenue	756	950	970	991	1,014	1,038	1,063	1,090	1,119	1,149	1,179
Net Cost of Service	11,862	11,318	11,449	11,719	12,039	12,396	12,746	13,158	13,556	13,895	14,281
Funding Percentages:											
Rates	94.0%	92.3%	92.2%	92.2%	92.2%	92.3%	92.3%	92.4%	92.4%	92.4%	92.4%
Fees and Charges	5.0%	6.7%	6.8%	6.8%	6.7%	6.7%	6.7%	6.6%	6.6%	6.6%	6.6%
Grants and Subsidies	0.8%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
Cost Recoveries	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Capital Expenditure											
Replace Existing Assets	459	710	1,050	1,102	799	657	3,454	644	671	756	697
Meet Additional Demand	295	370	379	388	397	407	418	429	441	454	466
Total Activity Capital	754	1,080	1,428	1,490	1,196	1,064	3,872	1,073	1,112	1,210	1,163

Table 1-3: Canterbury & Akaroa Museums Service Plan Table (Inflated)

Canterbury & Akaroa Museums 000's	Annual Plan	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
	2020/21										
<i>Activity Costs before Overheads by Service</i>											
Canterbury Museum	8,305	8,305	8,733	9,132	17,181	17,413	17,643	10,041	10,312	10,591	10,866
Akaroa Museum	276	345	316	322	330	338	346	354	364	374	383
	8,582	8,650	9,048	9,455	17,510	17,751	17,988	10,396	10,676	10,965	11,250
<i>Activity Costs by Cost type</i>											
Direct Operating Costs	8,331	8,369	8,797	9,198	17,248	17,482	17,713	10,113	10,387	10,667	10,944
Direct Maintenance Costs	1	34	35	36	36	37	38	39	40	41	42
Staff and Contract Personnel Costs	244	241	210	215	219	225	230	236	242	249	255
Other Activity Costs	6	6	6	6	7	7	7	7	7	8	8
	8,582	8,650	9,048	9,455	17,510	17,751	17,988	10,396	10,676	10,965	11,250
Activity Costs before Overheads	8,582	8,650	9,048	9,455	17,510	17,751	17,988	10,396	10,676	10,965	11,250
Overheads, Indirect and Other Costs	481	444	462	450	679	726	685	473	503	485	494
Depreciation	3	37	45	46	49	49	46	52	55	58	60
Debt Servicing and Interest	-	-	-	-	-	-	-	-	-	-	-
Total Activity Cost	9,066	9,131	9,556	9,951	18,239	18,526	18,719	10,920	11,234	11,507	11,804
Funded By:											
Fees and Charges	24	24	25	25	26	26	27	28	28	29	30
Grants and Subsidies	11	11	11	11	12	12	12	12	13	13	13
Cost Recoveries	-	-	-	-	-	-	-	-	-	-	-
Total Operational Revenue	34	35	36	37	37	38	39	40	41	42	43
Net Cost of Service	9,032	9,096	9,520	9,914	18,202	18,487	18,679	10,880	11,193	11,465	11,760
Funding Percentages:											
Rates	99.6%	99.6%	99.6%	99.6%	99.8%	99.8%	99.8%	99.6%	99.6%	99.6%	99.6%
Fees and Charges	0.3%	0.3%	0.3%	0.3%	0.1%	0.1%	0.1%	0.3%	0.3%	0.3%	0.3%
Grants and Subsidies	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Cost Recoveries	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Expenditure											
Replace Existing Assets	6	40	7	7	13	7	33	14	18	18	19
Total Activity Capital	6	40	7	7	13	7	33	14	18	18	19

1.1.4 How is it funded?

The funding for the Art Gallery portfolio is a mix of rates and commercial revenue with the funding set-out in more detail in the Gallery and Museums Activity Plans. The AMP describes and defines the service provision inter alia which supports these community-focused Activities.

Table 1-4: Funding sources for the Christchurch Art Gallery LTP 2021/22

Funding Source	Percentage
Rates	92.3%
Fees and Charges	6.7%
Grants and Subsidies	0.9%

Table 1-5: Funding sources for the Canterbury and Akaroa Museums Activity LTP 2021/22

Funding Source	Percentage
Rates	99.6%
Fees and Charges	0.3%
Grants and Subsidies	0.1%

Note that the Canterbury Museum is not in the scope of this AMP

1.1.5 How is it delivered?

The Art Gallery manages everyday aspects of its building and forecourt, the design store, security service and a range of after-hours events on its premises. However, crucial climate control and building maintenance, the car-park, café and other on-site leases are managed by other units of council in a collaborative manner. This is intended to continue unchanged for at least the term of this AMP.

Our priority in all of the facilities contracts is to achieve best value-for-money for Council. This includes regular review as part of our procurement strategy and the re-scoping of work as appropriate, coordinated at a corporate level. This enables the ongoing balancing of service levels with current financial constraints.

1.1.6 What are the functions and services provided?

The Art Gallery:

- develops, maintains and provides access to a collection of nationally-significant art;
- develops and hosts art exhibitions and presents a range of public programmes;
- provides a range of commercial /for hire services including the shop, leases and venue hire;
- administers the Public Art Fund, following decisions of the Public Art Advisory Group.

1.1.7 Overview of assets


The Art Gallery is the custodian of a \$98M art collection. To house and exhibit these artworks Council owns a 16,152m² state-of-the-art, climate controlled building in the central city.

The Art Gallery building has surplus capacity for power, heating and chilled water, supplied from the Civic Offices, which provides redundancy/back-up of the Gallery's own systems in the event of a planned shut-down or failure. We have robust maintenance regimes for all critical plant and equipment using contractors who are suitably experienced and qualified. This includes, all building systems including HVAC, chiller, boilers (both hot water and steam), fire system, access control, security, electrical, lighting, elevators.

In addition to the Art Gallery facility, this portfolio comprises four buildings at Akaroa; namely the Akaroa Museum and three associated heritage buildings.

The AMP includes the Art Gallery building in detail but assets which are specifically out-of-scope for this AMP include:

- the art collection (which is managed via a separate asset register, registration process, insurance management) and;
- the Art Gallery underground carpark facility (which is managed by the Council Parking Unit).




A CHANGING PROGRAMME OF EXHIBITIONS,
TOURING EXHIBITIONS, ARTISTS' PROJECTS AND
SUPPORTING PUBLIC PROGRAMMES.

4,978,078

VISITORS
SINCE OPENING
IN MAY 2003


(numbers to 17 November 2020)



1,634,343


VISITORS SINCE REOPENING
IN DECEMBER 2015

(numbers to 17 November 2020)



**An extensive
award winning
publishing
programme, both
digital and print**


*Elevating the arts and
creativity in
Christchurch and
Banks Peninsula by
harnessing and
building on the
energy, passion and
innovative spirit of the
community.*




6930

WORKS OF ART
CARED FOR IN THE
GALLERY'S
COLLECTION


**ACTIVE
SCHOOL
PROGRAMMES**





**ESTABLISHED
FRIENDS AND
FOUNDATION
SUPPORTER
ORGANISATIONS**

**A REFERENCE LIBRARY
AND ARCHIVE** CONTAINING
THE ARCHIVES OF SIGNIFICANT
**CANTERBURY ARTISTS AND
ARTS ORGANISATIONS**



1.2 Where have we come from and where are we heading

1.2.1 Background

The Robert McDougall Art Gallery was the effective home of the Christchurch Art Gallery from 1932 – 2003, when the Robert McDougall building was gifted to the Parks Unit heritage team. In 1990, the Gorbey Report recommended relocation of the Gallery to the central city but it was not until 1996 that a suitable site was acquired. Further funds were set aside over the following years and the 'new' Christchurch Art Gallery was opened on the current site on 10 May 2003.

Following the 21 February 2011 earthquake, the building was closed to the public to enable it to house the Emergency Operations Centre (EOC) for the earthquake recovery efforts, coordinated initially by Civil Defence and Emergency Management (CDEM) and then by the Canterbury Earthquake Recovery Authority (CERA). Following the EOC role of approximately four months, detailed engineering assessments identified significant damage including differential foundation/slab settlement and structural damage. Following extensive investigation and design work, from 2012 the building was relevelled and then base isolation retrofitted. This latter work has significantly increased the building's seismic resilience to withstand future earthquake events. The current Christchurch Art Gallery reopened to the public in December 2015 and since then has had over 1.3m visitors.

The facility features two floors of exhibition space, offices, storage areas and workshop, two educational activity areas, an auditorium, a café restaurant (reopened in October 2017), a retail outlet, a Sculpture Garden and an underground car park.

1.2.2 Looking Forward

Christchurch's Art (Toi Ōtautahi) Strategy is to elevate the arts and creativity in Christchurch and Banks Peninsula by harnessing and building on the energy, passion and innovative spirit of the community. The Art Gallery is a crucial driver in the Strategy's focus on the role that the arts play in improving people's wellbeing, sense of identity and connectivity, activating and bringing life to the city, attracting visitors and boosting the economy.

The Activity Plan includes a number of responses to specific Strategic Priorities and these are included/summarised in Section 3.1.3 of the AMP.

1.3 Successes, Issues, Opportunities and Risks

1.3.1 Success Factors

Key success factors for this activity include:

- average number of visitors as a proportion of population;
- visitor satisfaction with the Art Gallery experience;
- works of art purchased to enhance the Christchurch Art Gallery collection, in-line with agreed policy;
- number and quality of exhibitions and publications presented;
- number of public and school-specific programmes funded and provided;
- care and conservation of artworks consistent with appropriate Best Practice.

Key opportunities for us to continue to improve are:

- continue to survey our visitors, engage with our communities of interest and continue to build long-term connections and partnerships with local arts, culture, education and tourism partners;
- provide our audiences with a range of meaningful ways to engage with art and creativity. For example during the period of closure following the Canterbury Earthquakes and most recently during the COVID-19 lockdown, our website and social media became the key tools for us to help connect our audiences with our collection and with the work of artists. These initiatives have received widespread praise, and in particular, they illustrate the role that

art can play in supporting good mental health and the wellbeing of communities in troubled times. These virtual 'non-asset' solutions complement the real experience which visitors to the Gallery continue to enjoy.

1.3.2 Strategic Issues and Risks

Table 1-6: Strategic Issues and Responses for Art Gallery Activity

Strategic Issues	Responses
Adapting to and mitigating the impacts of climate change	<p>This is a low risk facility in terms of the impact of climate change at this stage. In particular the impact of water level rises were mitigated as part of the buildings repair and recommissioning after the Canterbury Earthquakes.</p> <p>One key issue for us to consider is climatic temperature increase while still having to meet international standards of internal environmental control to support the care and preservation of works of art</p>
Protecting our environment through reducing greenhouse gas emissions	<p>The Art Gallery has a Resource Efficiency and Green House Gases Emission Plan (REGGE)</p> <p>Landfill gas is piped to the Art Gallery (and the Civic Offices) and comprises the primary fuel source for both facilities. It is unknown when the landfill gas resource will run out but it is expected within the next 5-15 years. A study is underway, due for completion in June 2021, to assess the quantity of the remaining resource and to explore the benefits/costs of alternatives including LPG, ground source heat pumps, solar and batteries. This will likely increase the cost of both capital (in upgrading supporting infrastructure) and potentially operational (in terms of the unit rate of the preferred energy source).</p> <p>The Art Gallery works with other New Zealand institutions to consolidate freight, ensuring trucks run nationwide at full capacity, minimizing vehicle movements. In addition, this safer method of transportation reduces the use of materials such as crates, which are required if using commercial line-haul services</p>
Stewardship of assets through a global recession	<p>The need to closely manage the Art Gallery assets is particularly important in the challenging COVID-19 environment. This will put added pressure on achieving the optimal balance between asset renewal and optimal maintenance/operational intervention, whilst still meeting the required international standards for environment control and security</p>
Managing operational expenditure requirements	<p>A significant tension exists in optimising the balance between planned operational work and reactive maintenance; which is magnified in the current and near future times where Council has a major focus on managing and controlling OPEX spending levels</p>
Managing and meeting the expectations of a growing and changing population	<p>It is not cost-effective to increase the capacity of the Art Gallery facility through physical alterations and/or expansion to meet the increased needs of a growing and changing population. However, there has been recognised success when the Art Gallery has been closed, both during the post-Canterbury Earthquakes and more recently during the COVID-19 lockdown period, that we can increase the online ability to meet increased demand without having a negative impact on the capacity to provide an excellent service to visitors to the Art Gallery.</p>

2 Introduction

This section provides the context, purpose and objectives of the AMP and describes the development and review process.

2.1 Background

This AMP is the basis for Art Gallery activity planning. The purpose of this AMP is to demonstrate responsive management of assets (and services provided from assets), compliance with regulatory requirements, and to communicate funding needed to provide the required levels of service over a 30-year planning period.

The objective of asset management is to:

“Deliver the required level of service to existing and future customers in the most cost-effective way.”

In this context the specific objectives for this AMP are:

- to define the services to be provided, the target service standards that Council aims to achieve, and the measures used to monitor the performance of the Art Gallery activity;
- to translate Council’s Strategic Vision and Goals into activity strategies and action plans. The AMP identifies forward works programmes based on strategic outcomes sought and financial forecasts required to meet agreed service levels and cater for growth;
- to demonstrate responsible management of the Art Gallery activity infrastructure to stakeholders, ensuring that public funds are optimally applied to deliver cost effective services to meet customer expectations;
- to document current asset management practices used by Council based on clear evidence as part of a sustainable and optimised lifecycle management strategy for the Art Gallery infrastructure, and identify actions planned to enhance management performance;
- to comply with the requirements of relevant legislation.

The key outputs of this AMP are input into the LTP process, which will be the subject of a special public consultative procedure. The intention of this AMP is to set out how Council manages Art Gallery assets and services in a way that is appropriate for a readership including elected members of the Council, executive management, interest groups and business partners associated with the management of the Art Gallery activity along with interested members of the community. It also covers the services that are provided from ownership and management of the associated assets.

This AMP covers a period of 30 years commencing 1 July 2021. Operational, maintenance and renewal programmes for the first 3 years are generally well defined with reasonable certainty of being implemented to budget as planned. Beyond this period, work programmes are generally based on projected trends and demands and there is less certainty with respect to scope and timing of the projects. All expenditure forecasts are based on unit costs as at 1 July 2019.

2.2 Scope of the Assets and Services Covered

The following assets and services are covered in this AMP.

Table 2-1: Scope of Assets and Services Covered in this Plan

In Scope	Out of Scope
<ul style="list-style-type: none"> Christchurch Art Gallery building Akaroa Museum and three associated heritage buildings 	<ul style="list-style-type: none"> Art collection (managed via a separate asset register, registration process, insurance management) Art Gallery underground carpark facility (managed by Council Parking Unit)

2.3 Relationship with other plans

Many of the assets planning activities undertaken by Council are applied to all infrastructure assets. For this reason, Council has developed AMPs in two parts. A Strategic Asset Management Plan (SAMP) document which provides an overview of asset management planning at the Council, and an AMP document for each asset group which describes the assets and how the principles contained within the SAMP are applied to the management of the assets.

Figure 2-1 depicts the relationship between the various processes and levels of planning within the Council required to deliver on Council's vision and goals.

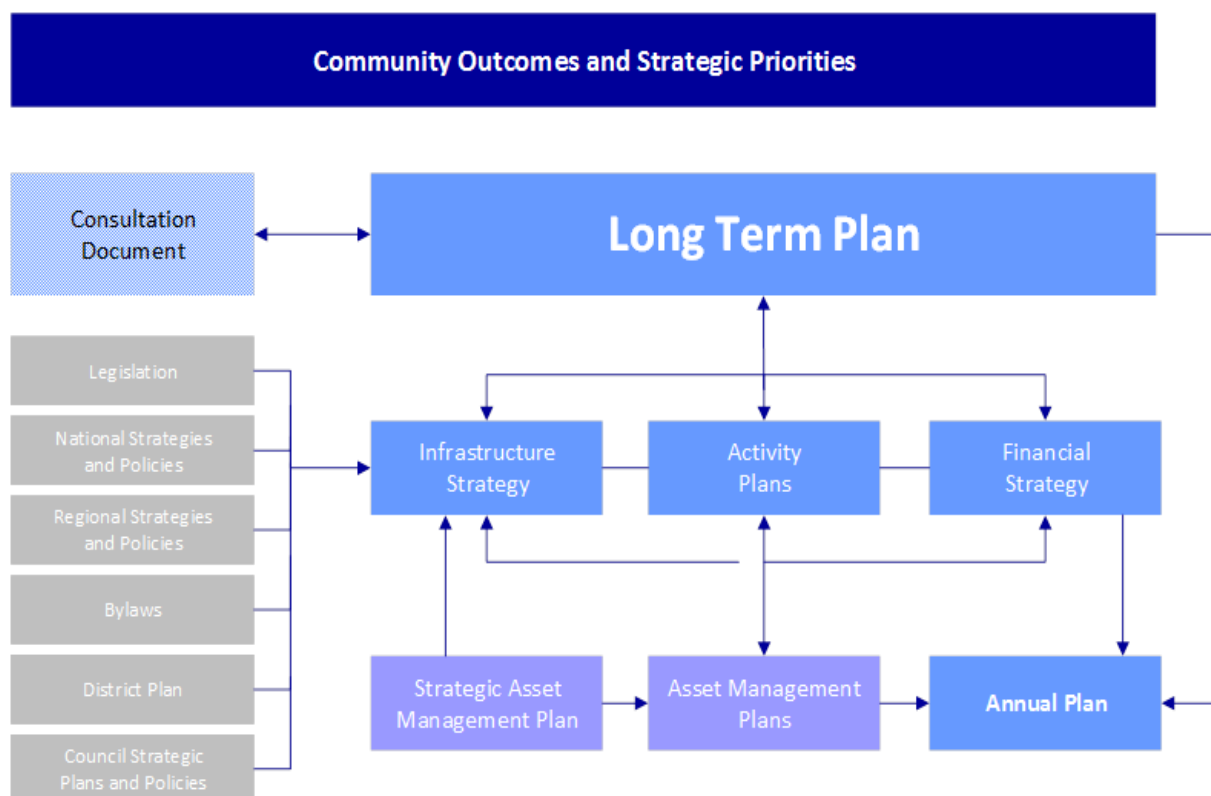


Figure 2-1: Council's Planning Framework

The SAMP provides an overview of the linkages between asset management planning and the other business processes of Council, such as strategic planning, risk management, financial management and compliance. Throughout this AMP references to the SAMP are frequently made.

The SAMP also describes the linkages between AMPs and other corporate plans and documents. In addition to these corporate documents, the following documents are specifically relevant to this AMP:

Table 2-2: Policies and Strategies

Significant/Relevant Policies and Strategies	
1.	Long Term Plan 2021-2031 (Draft)
2.	Christchurch Art Gallery Activity Plan, Long Term Plan 2021-2031 TRIM ref. 19/1145798 (Working File)
3.	Toi Otautahi Public Arts Strategy https://www.ccc.govt.nz/assets/Documents/The-Council/Plans-Strategies-Policies-Bylaws/Strategies/Arts-Strategy.pdf
4.	Canterbury Museum Grant (annual grant, administered by the Art Gallery)
5.	Christchurch 2009: Public Space Public Life (Gehl Architects) https://www.ccc.govt.nz/assets/Documents/The-Rebuild/Strategic-Plans/JanGehlSummaryDocument-web.pdf

2.4 Delivering on Council’s Strategic Framework

2.4.1 Alignment of Outcomes, Priorities and Activity Objectives

Council’s strategic framework and general implications for the activities are presented in Council’s SAMP. The table below summarises key responses by the Art Gallery to contribute to the community outcomes and strategic priorities.

One key purpose of local government is to promote the four (social, economic, environmental and cultural) wellbeings. The [Community Outcomes](#) are the wellbeings the Council aims to achieve for the city so are a key driver for this Activity, alongside external drivers like legislation. Table 2-3 below describes the connection between what we do as part of this Activity, the relevant Community Outcomes and the impact we expect to have. The Primary Community Outcome explains WHY we deliver the Activity – Secondary Outcomes are impacted by the Activity but are not the main reason why it is delivered.

The following table is taken directly from *Draft Long Term Plan 2021-31 – Activity Plan for Christchurch Art Gallery – Section 2 Community Outcomes – Why do we deliver this activity?*

Table 2-3: Community Outcomes

	Relevant Community Outcome(s) for Art Gallery Activity.	How the Art Gallery Activity affects the Community Outcome
Primary Outcome 1	Celebration of our identity through arts, culture, heritage & sport	The Gallery comprises Christchurch’s treasury of art, the city’s pataka of unique images, memories and idea. We celebrate the regions rich artistic heritage through exhibitions, publications and collecting. We work with leading artists and help position the Christchurch as a creative, artistic and contemporary thinking city. As the Gallery and especially the collection is of such significance and value to the wider community, it has enduring value and impact far beyond any single LTP period.
Primary Outcome 2	Strong sense of community	The Gallery offers access to the cultural output and history of our city. It collects and exhibits works that tell the story of people, our creative and artistic development through time. It’s where our arts community, arts lovers, cultural tourists and the curious can feel a sense of connection to this place. In 2017 Creative New Zealand research found 72% of Christchurch residents believe the arts have a vital role to play in rebuilding their city for the future ⁱ . As the Gallery is a community-wide resource, this very positive finding is an important indicator of the importance and value of the Gallery which is expressed by the whole community.

Secondary Outcome 1	Vibrant and thriving central city, suburban and rural centres	The Gallery provides a key hub within the CBD and is one of the Christchurch City Council's key contributors to the support for and enhancement of the community's wellbeing. It is a meeting place, a social space that helps animate the inner city. We are a key visitor attraction within the city's cultural precinct together with the Botanical Gardens, Canterbury Museum and The Arts Centre.
Secondary Outcome 2	Valuing the voices of children and young people	The Gallery provides education and social activities for young people – and regular visits to the Gallery are seen as 'a rite of passage' for primary students in the Greater Christchurch area. The schools programme provides a range of hands-on art activities and opportunities for young people to engage with artists and artworks. Developing creativity, imagination and a sense of curiosity are key drivers for the education programme. The Gallery actively works with young people in the co-creation of programmes, social activities and workshops.
Secondary Outcome 3	Great place for people, business and investment	The Gallery provides commercial spaces for hire for a range of businesses and groups. The Gallery foyer is an active social, business and conference hub after normal opening hours. The Gallery employs a full-time events coordinator to manage inquiries, build our client base, take bookings and manage relationships with hirers, caterers and event organisers.

2.4.2 Activity Responses to Strategic Priorities

Council has confirmed the following strategic priorities requiring specific focus for the next LTP. In response to these priorities, this AMP includes a number of responses as tabulated below in Table 2-4, with reference to the relevant section in the AMP where further detail on responses is provided. Responses to natural hazard risks and building resilience are dealt with in Section 5.

This table is taken from Section 3 of the Art Gallery Activity Plan.

Table 2-4: Contribution of the Activity to the Strategic Priorities

Strategic Priorities	How this activity responds/supports progress of each strategic priority
<p>Enabling active and connected communities to own their future</p>	<p>The Gallery continually surveys visitors utilising the Morris Hargreaves McIntyre (MHM) sector-specific methodology. We also contribute to the CCC Life in Christchurch Arts, Culture and Heritage survey. The MHM survey is our survey tool. Information is collected from visitors and reports provided to the Gallery quarterly.</p> <p>We engage with our communities of interest and actively work with Friends of Christchurch Art Gallery (an incorporated society and membership organisation) and the Christchurch Art Gallery Foundation (a charitable trust that helps support fund-raising and community building initiatives). We also manage an active volunteer programme.</p> <p>We have initiated and continued to build long-term connections and partnerships with local arts, culture, education and tourism partners.</p> <p>We present an expansive exhibition schedule and supporting public programmes that reflect the diverse nature of our communities. We measure the success of these through our MHM surveys.</p>
<p>Meeting the challenge of climate change through every means available</p>	<p>This is a low risk facility to the impacts of climate change at this stage. Water level rises were mitigated as part of the buildings recommissioning after the earthquakes.</p> <p>The Gallery has a <i>Resource Efficiency and Green House Gases Emission Plan (REGGE) CAGTPOW REGGE Plan</i>. The REGGE Programme Management Plan includes an energy management plan, greenhouse gas emissions management plan, solid waste management plan and a water management plan.</p> <p>It is unknown when landfill gas will run out as an energy source for the Gallery but it is estimated to be within the next 4-7 years. This will increase costs; both capital and potentially operational. Therefore additional funding will be required.</p> <p>The Gallery works with other NZ institutions to consolidate freight, ensuring trucks run nationwide at full capacity, minimising vehicle movements. In addition, this safer method of transportation reduces the use of materials such as crates, which are required if using commercial line-haul services.</p> <p>The current bus stop on Gloucester Street does provide useful access for school buses and tour companies. However, the Gallery is disadvantaged by the current bus network as there are no longer regular bus routes and stops within our immediate vicinity.</p> <p>The Gallery provides a car park with access to the battery electric car sharing service (Zilch). The Gallery is also very accessible by foot, bikes and scooters.</p>
<p>Ensuring a high quality drinking water supply that is safe and sustainable</p>	

Strategic Priorities	How this activity responds/supports progress of each strategic priority
Accelerating the momentum the city needs	<p>A central, accessible, world class art gallery, with a diverse and agile exhibition and public programme is central to making the city a great place to live.</p> <p>We will continue to be central to the success of a suite of Christchurch-wide initiatives developed to bring citizens in to the city to live, visit, work and spend their leisure time.</p> <p>We will be the benchmark for the provision of excellent art experiences in the city. We will work as a trailblazer for the visual arts and work alongside key partners to activate the city through the entrepreneurial use of our collection, spaces and expertise.</p> <p>Our spaces and collections are public spaces and collections, and we will continue to improve both the physical and intellectual accessibility to them for all citizens.</p> <p>We will actively work with partners to link public spaces together through the support of and involvement in citywide initiatives and their development, promotion and delivery.</p> <p>We actively coordinate with Christchurch NZ, other council units, our Westend business neighbours, our Cultural Precinct partners (including CoCA, The Canterbury Museum and The Arts Centre) and other galleries and museums in both New Zealand and Internationally.</p>
Ensuring rates are affordable and sustainable	<p>The Gallery activity manages its commercial hire of the foyer and other commercial spaces. The shop profile continues to grow with increasing sales recorded (pre-COVID-19). The development of collection-related merchandise is also proving to be a growing revenue source for us. Our publishing revenue is also growing. We work with a nationwide distribution company to ensure our publications are widely available. The Christchurch Art Gallery Foundation is actively committed to raising funds for collection development and currently employs 1.5FTEs to support this activity and other commercial sponsorship opportunities for the Gallery.</p>

2.5 AMP Development Process

This AMP review was carried out during 2019 by asset managers, led by the Asset Management Unit (AMU) and covering all Council AMPs. The broad timeline is shown below.

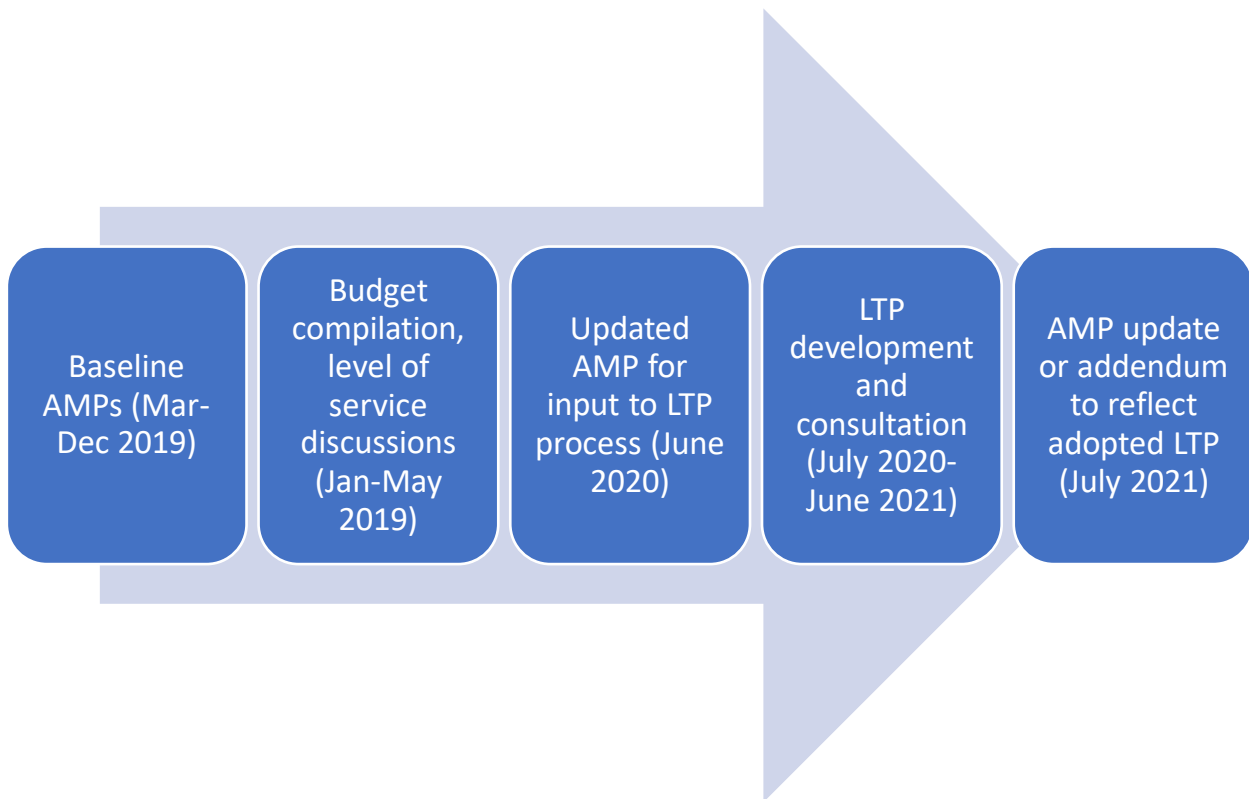


Figure 2-2: AMP Development Timeline

This AMP has been prepared as a team effort by officers dedicated to and trained in AM planning. This team has been supervised and the AMP internally reviewed by professional Council staff having over 10 years' experience in preparing AMPs with guidance from an external asset management specialist.

2.6 Navigating the AMP

The AMP follows the general format for AM Plans recommended in Section 4.2.6 of the International Infrastructure Management Manual. It comprises a series of logical steps that sequentially and collectively build the framework for sustainable asset management for the activity it serves.

Key elements of the AMP are:

- Levels of service – specifies the services and levels of service to be provided by the organisation;
- Future demand – how this will impact on future service delivery and how this is to be met;
- Life cycle management – how Council will manage its existing and future assets to provide defined levels of service;
- Financial summary – what funds are required to provide the defined services;
- Asset management improvement plan – the current and desired state of asset management practices and how the plan will be monitored to ensure it is meeting organisation's objectives.

3 The Services we Provide

This section outlines the drivers for the level of service requirements, sets out the proposed levels of service and performance measures, provides information on how Council has been performing in recent years against those requirements and identifies projects and programmes aimed at addressing any level of service gaps. (Levels of service gaps are where performance results achieved are consistently different from performance targets).

3.1 Level of Service Drivers

3.1.1 Customers and Stakeholders

Christchurch Art Gallery collects, researches and exhibits art from the present and the past. It is a key central city attraction, maximising opportunities to develop vibrancy in the city of Christchurch. Christchurch Art Gallery helps deliver **Toi Ōtautahi**, Christchurch's Art Strategy's aim to; *elevate the arts and creativity in Christchurch and Banks Peninsula by harnessing and building on the energy, passion and innovative spirit of the community*. Christchurch Art Gallery is a crucial driver in the strategy's focus on the role that the arts play in; *improving people's wellbeing, sense of identity and connectivity, activating and bringing life to the city, attracting visitors and boosting the economy*.

As well as being integral to both education and tourism markets, we are part of the local knowledge economy, maintaining the record of visual art from and related to this area. Through our programmes of exhibitions and active collection building, we provide people who live here with unparalleled evidence of their past and present and, like the city's libraries, we are social spaces for information-sharing and wonderment. The bulk of Christchurch's art collections have been entrusted to this Gallery by generations of supporters and donors; we continue to acquire works of art that help add to the city's sense of identity and connectivity. We support and inspire our creative communities and those who are interested in researching our past and considering our future.

Whether on display or in storage, our collections are cared for in optimum conditions; they are accessible in differing formats, including in an accessible on-line catalogue on our innovative and award-winning website – some 90% is available with images copyright cleared for gallery use. We met approved international museum environmental standards for the display and storage of works of art to ensure that the Gallery's collection is available for generations to come.

In order to continue showing our collections to advantage, curators research and present many varied exhibitions, artist's projects and publications of various types. We collaborate with both the Canterbury Museum and a range of other galleries and arts organisations, locally, nationally and internationally.

We are proud of the role we played in offering a range of innovative art exhibitions and creative activities that helped support the wellbeing of our community and promoted Christchurch as a vibrant and resilient city during the period of our extended closure following the Canterbury earthquakes of 2010-11. Since re-opening in December 2015, we've attracted over 1.3 million visitors, including school and other educational groups both of which have quickly returned to pre-earthquake numbers. However, this means we are now at capacity and do need to turn away school groups. (Pre-quake we had two educator positions). There is an intention flagged in the AMP to take steps to expand the education area as resources permit. (See Section 4.4)

A *Gallery Without Walls* initiative following the earthquakes became a way for the Gallery to make connections, provide distractions and moments of wonder during a time of intense crisis. We committed to staying connected with our community, our volunteers, artists, researchers, students and schools. We used exhibitions, pop up art events, public programmes and the collection in many different ways to provide a sense of familiarity and reassurance to citizens. We also provided local artists with exhibition spaces and helped rescue and relocate artist's studios from within the red-zoned CBD. Our experiences have been well documented and shared with arts and cultural organisations all over the world. Following the 2010-2011 earthquakes, the Gallery building operated as the centre for the earthquake recovery efforts and was then subsequently closed during the strengthening and repair project. While closed, the Gallery staff looked at other ways to deliver a programme of activities and exhibitions. Over 100 art projects were created for and with the community and presented in a range of creative and innovative 'post-quake locations'.

More recently working with colleagues across the Christchurch City Council and members of the Muslim community, the Art Gallery played a leading role to coordinate and present *Tributes of Aroha*, a showcase of the outpouring of love, support and solidarity from all around the world in response to the 15 March 2019 Christchurch mosque attacks. The *Tributes of Aroha* exhibition provided an opportunity for reflection six months after the event, as our communities came together to acknowledge grief, love, support and thanks. Many were moved by and grateful for the role taken by the Gallery in fostering and furthering the healing in the community and assisting the city’s recovery following this tragedy.

The success of both the *Gallery Without Walls* programme and *Tributes of Aroha* illustrates the Art Gallery’s role and ability to build social capital, assist with potential disruptions and help enhance the community’s potential for recovery. These types of activities encourage inclusive communities, which help build resilient communities.

We are also very proud of the ongoing achievements of our team in related areas – including the recent (May 2019) success in the prestigious Museums Australasia Multimedia & Publication Design Awards (MAPDAs), which celebrate excellence and creativity in the museums and galleries sector. The Gallery won four awards

- best magazine for *Bulletin*,
- best children’s book for *Art-tastic*
- best book for *Us v Them: Tony de Lautour* which also won Best in Show Award.

As Director Blair Jackson said “The awards are exciting recognition of the high calibre of the Gallery’s publications. The MAPDAs are very competitive so we’re absolutely thrilled to take Best in Show and three other accolades. Our publications are a great way to share our collections and keep in touch with a wider audience and, in the case of *Art-tastic*, to really engage with young people and get them interested in the world of art.”

<https://www.scoop.co.nz/stories/CU1905/S00175/christchurch-art-gallery-scoops-australasian-design-awards.htm>

Extracts of narrative above taken from Draft Long Term Plan 2021-31 – Activity Plan for Christchurch Art Gallery

The key stakeholders of the Christchurch Art Gallery are recognised in Figure 3-1 below (where stakeholders include parties that have an interest in the asset or in the service provided by the asset).

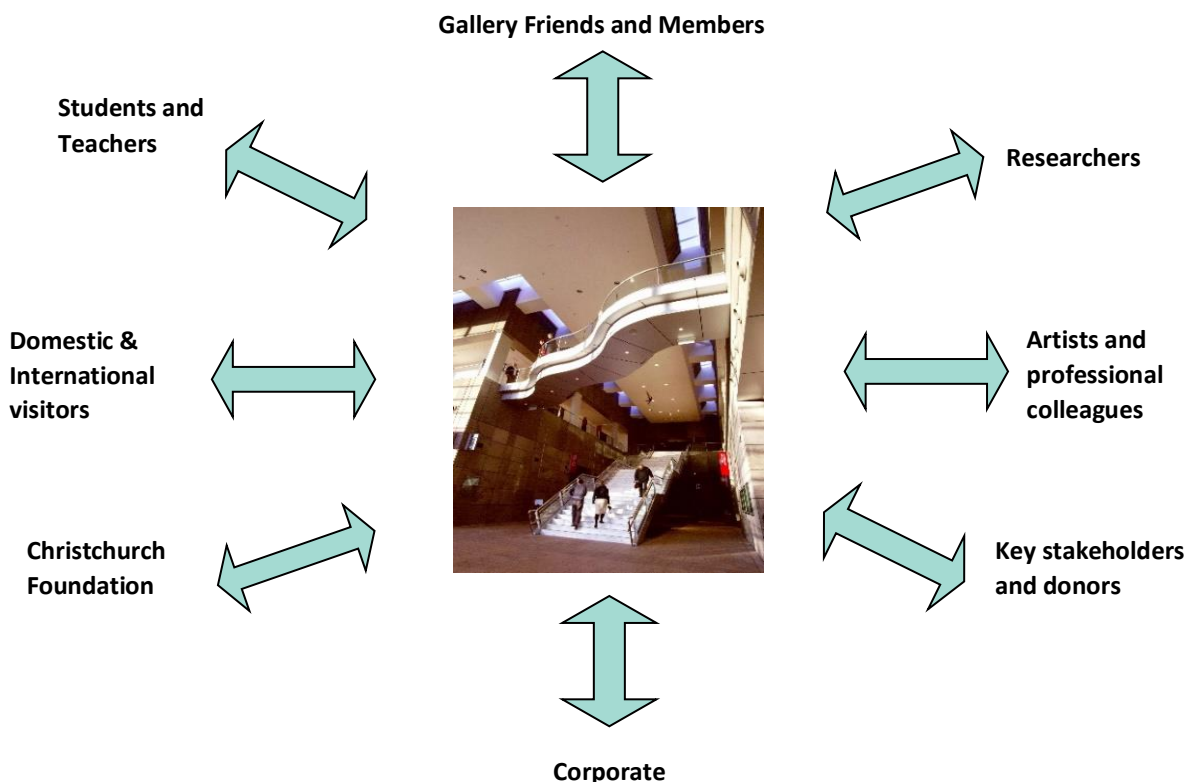


Figure 3-1: Key Stakeholders

Key Stakeholders

The level of reporting, information and consultation required for different stakeholder groups varies considerably. An AMP can support a corporate communication plan by defining and summarising:

- current Levels of Service and costs;
- a range of alternate service levels / delivery options (& their respective costs);
- stakeholder feedback / consultation; and
- stakeholder confidence that funding is being allocated in an equitable and cost-effective manner and that assets are being well managed for both current and future generations.

Table 3-1: Customer Groups

Category	Customer/Stakeholder Groups	Specific Needs/Wants
Governance	Elected Representatives, Councillors & Community Boards	Cooperation, information and compliance
Visitors	Repeat visitors	Committed to and seeking access to the extensive collection - principally through the Art Gallery's refreshment of exhibitions. This customer group has a good awareness of the collection – a significant level of awareness for many. Also actively seek access to touring exhibitions or to one-off exhibitions which are curated specifically for the local community
	Residents of Christchurch and the wider Canterbury community	For 'local' visitors there is a curiosity as to the relevance and significance of the Art Gallery itself, the collection content (historical, location, personal) and also the attraction of promoted exhibitions
	Visitors from elsewhere in New Zealand and from overseas	Seeking an awareness of the Gallery and particularly the collection as representative of our culture and heritage in the New Zealand/Pacific context
Key stakeholders	Includes Donors, Corporate Sponsors, Supporters, Friends and Members	Provide financial support for and seek participation in a positive community resource which provides a unique experience. Members of this group often seek an appropriate level of recognition for their support; which varies depending on their perspective and motivation
	Christchurch Art Gallery Foundation	A charitable trust that has provided and continues to provide key support to fund-raising and community building initiatives
Educational	Primary, secondary and tertiary level teachers and students	For primary level students, visits are typically seen as an important experience provided to all students in the Greater Christchurch area to foster interest and curiosity in art. The teaching space in the Gallery is an essential element of meeting the needs of this group in particular For secondary and tertiary level students, visits are generally in support of specific study or course work at an increasingly higher level of need, including use of the Art Gallery library
	Researchers	Similar to secondary and tertiary level students, with the Art Gallery library being of greater significance. Access to professional Art Gallery staff sought
Artists	Artists and professional colleagues	Seeking inputs ranging from information to inspiration

The Gallery continually surveys visitors utilising the Morris Hargreaves McIntyre (MHM) sector-specific methodology. We also contribute to the CCC Life in Christchurch Arts, Culture and Heritage survey. The MHM survey is our primary survey tool. Information is collected from visitors and reports provided to the Gallery quarterly.

We engage with our communities of interest and actively work with Friends of Christchurch Art Gallery (an incorporated society and membership organisation) and the Christchurch Art Gallery Foundation (a charitable trust that helps support fund-raising and community building initiatives). We also manage an active volunteer programme.

We have initiated and continued to build long-term connections and partnerships with local arts, culture, education and tourism partners.

We present an expansive exhibition schedule and supporting public programmes that reflect the diverse nature of our communities. We measure the success of this through our MHM surveys.

Key findings from our engagement with visitors is analysed and reported in the MHM report, the most recent Annual Report for the 2018/19 Year can be found at TRIM ref. 19/1378090.

Significant findings taken directly from this report include

- *visits fell by 13% on the previous year, as the external environment became more challenging*
- *the Gallery was closed over three days in 2018/19 due to the mosque terror attacks and this, as well as the growth in leisure activities post-quake, may have impacted on the dip*
- *perceptions of the Gallery increasing including higher brand affinity ... more likely to agree that the Gallery was an important institution and that the Gallery strengthened the local community*

3.1.2 Legislation/Regulation

Table 3-2: Legislative and Regulatory Level of Service Drivers

Legislation / Regulation	Impacts on Levels of Service
Local Government Act	Sets in place Level of Service (LOS) framework.
Building Act	Outlines basic requirements for the management and operation of public use buildings.
International Museum/Gallery standards	Provides operational targets for environment (temperature and humidity) and security in particular to allow loan/borrowing, maintain insurance cover.

Alongside customer expectations, we consider legislation, regulation and standards that impose level of service standards for the Art Gallery Activity.

The Local Government Act 2002 (LGA) requires Council has to produce statements of the intended LOS provisions, including the performance targets and other measures by which actual LOS provision may be meaningfully assessed. This is required in detail for each of the first three years and in outline for the subsequent years of the LTP.

The LGA is also an important piece of legislation relevant to the provision of an Art Gallery by a Council in that there is no law that stipulates councils are required to provide an art gallery service and it is up to each Council to develop and adopt funding approaches, charging policies etc.

The Christchurch Art Gallery has free admission, although notable touring exhibitions can command an admission charge - such as the 'Ron Mueck' exhibition of 2 October 2010 – 23 January 2011, (the last exhibition before the Gallery closed following the Canterbury Earthquakes), and the most recent William Wegman 'Being Human' exhibition which ran from 6 April – 20 July 2019.

There is a range of other legislation covering building performance, health and safety etc. that is too vast to mention in the AMP. Arguably, the most important legislation are the Building Act (2004) and the Building Code; which are both very important legislation for the provision and operation of a public building.

In terms of the specific requirements associated with the AMP, we must satisfy the expectations of Audit New Zealand and the Office of the Auditor General.

3.1.3 Strategic Framework

Table 3-3: Strategic Issues and Responses

Strategic Issues	Responses
Adapting to and mitigating the impacts of climate change	<p>This is a low risk facility in terms of the impact of climate change, at this time. It is relevant to note that the impact of the potential for any elevation in groundwater level was mitigated as part of the building repair and recommissioning after the Canterbury Earthquakes</p> <p>One key issue for us to consider is climatic temperature increase while still having to meet international standards of internal environmental control to support the care and preservation of works of art</p>
Protecting our environment through reducing greenhouse gas emissions	<p>The Gallery has a Resource Efficiency and Green House Gases Emission Plan (REGGE)</p> <p>Landfill gas is piped to the Art Gallery (and the Civic Offices) and comprises the primary fuel source for both facilities. It is unknown when the landfill gas resource will run out but it is expected within the next 5-15 years. A study is about to be commissioned to assess the quantity of the remaining resource and to explore the benefits/costs of alternatives including LPG, ground source heat pumps, solar and batteries. This will likely increase the cost of both capital (in upgrading supporting infrastructure) and potentially operational (in terms of the unit rate of the preferred energy source)</p> <p>The Art Gallery works with other New Zealand institutions to consolidate freight, ensuring trucks run nationwide at full capacity, minimizing vehicle movements. In addition, this safer method of transportation reduces the use of materials such as crates, which are required if using commercial line-haul services</p>
Stewardship of assets through a global recession	<p>The need to closely manage the Art Gallery assets is particularly important in the challenging COVID-19 environment. This will put added pressure on achieving the optimal balance between asset renewal and optimal maintenance/operational intervention, whilst still meeting the required international standards for environment control and security</p>
Managing operational expenditure requirements	<p>A significant tension exists in optimising the balance between planned operational work and reactive maintenance; which is magnified in the current and near future times where Council has a major focus on managing and controlling Opex spending levels</p>
Managing and meeting the expectations of a growing and changing population	<p>It is neither cost-effective nor practically feasible to increase the capacity of the Art Gallery facility through physical alterations and/or expansion to meet the increased needs of a growing and changing population. However, there has been recognised success when the Art Gallery has been closed; both during the post-Canterbury Earthquake period and more recently, during the COVID-19 lockdown period. These challenging times have shown that we can increase the ability of the Art Gallery to meet increased demand, especially through online initiatives, without having a negative impact on the capacity of the Art Gallery to provide an excellent service to visitors</p>

Key Level of Service areas for the Art Gallery identified through the analysis of this strategic framework include:

- monitor and increase the average number of visitors as a proportion of population;
- improve visitor satisfaction with the Art Gallery experience;
- maintain the level of artworks purchased to enhance the Art Gallery collection in-line with agreed policy;
- maintain the number and quality of exhibitions and publications;
- increase the number of public and school-specific programmes which are funded and provided;
- maintain the care and conservation of artworks consistent with appropriate Best Practice.

Internal Services may be providing business advice to the business – rather than delivering on a specific priority (e.g. HR, Legal)

Measures to monitor progress towards those priorities are included in Section 10 Continuous Improvement and elsewhere in the AMP. A 30-year capital expenditure plan/programme has been prepared and it is regularly reviewed, monitored and updated. Many items included in the capital plan are focused on bridging gaps between current and target performance or ensuring that we avoid not meeting our target LOS.

3.2 Defining and Measuring Levels of Service

3.2.1 Measuring our Levels of Service

Based on the Activity objectives defined in Section 2 of the AMP, there are Levels of Service tables taken from the [Draft LTP 2021-2031 Activity Plan for Christchurch Art Gallery](#). These tables in Section 5 of the Activity Plan describe the performance measures, compare historic performance achievement and targeted future performance over the ten years of the LTP.

3.2.2 How we are / should we be performing?

Historic performance result information for important and relevant key technical performance and other LOS measures (for example internal environment, relative humidity, temperature) are included in the Art Gallery Activity Plan.

3.2.3 Performance Framework, 2021-2031

Whether on display or in storage, our collections are cared for in optimum conditions; they are accessible in differing formats, including in an accessible on-line catalogue on our innovative and award-winning website. Some 90% of the collection is available with images copyright-cleared for Gallery use. We meet approved international museum environmental standards for the display and storage of works of art to ensure that the Art Gallery's collection is available for generations to come.

Christchurch Art Gallery Visitor 360 was commissioned by the Art Gallery to the arts management consultancy Morris Hargreaves McIntyre (MHM) to undertake a programme of research to measure the impact of the venue on its visitors. The key findings are summarised below in 4.2.1. The most recent annual report, as a full report (for 2019/20) is available as a separate document at TRIM ref 19/1241746.

Christchurch Arts Audience Development Project (CAAD) 2013 is a steering group made up of representatives from the Christchurch Art Gallery, Canterbury Museum, Christchurch Arts Festival, Christchurch Arts Centre, CoCA, Christchurch & Canterbury Tourism, Christchurch Symphony Orchestra, SCAPE Public Art and Word Christchurch. The group commissioned international strategist Morris Hargreaves McIntyre (MHM) to understand how arts organisations in Christchurch can create an arts environment that local people are proud of and enjoy, and one that sets Christchurch apart from other destinations for visitors, and to create a platform for all of the city's arts organisations to better engage with their audiences.

3.3 Level of Service Projects and Programmes

A number of LTP bid projects and programmes are developed to maintain and/or close the gap between the current and target levels of service. An evidence-based approach is used, with asset knowledge and data from condition assessments as well as a risk assessment, all contributing to prioritised programme development.

4 Demand for our Services

This section provides details of growth and demand forecasts that affect the management, provision and utilisation of services and assets. New works will be based on the information outlined in this section.

4.1 Demand Drivers

As demand impacts the Art Gallery directly, determining the demand for the services which are provided, for the current situation and projected into the future, is an important task.

The Art Gallery is not just about exhibitions of art and art-related education (school student visits and academic research). It is also a venue for commercial operations (out-of-hours), for hire (foyer and auditorium), and the retail shop which sustains income. In addition, there are two tenancies; currently Universo café/bar and the area formerly occupied by Form Gallery, currently under negotiation with a new prospective tenant.

As well as being integral to both education and tourism markets, the Art Gallery is an integral part of the local knowledge economy, maintaining the record of visual art from and related to this area. Through our programmes of exhibitions and active collection building, we provide people who live here with unparalleled evidence of their past and present and, like the city's libraries, we are social spaces for information-sharing and wonderment.

We also host events, facilitate the use of our foyer by others and manage a gallery shop. The Art Gallery is a remarkable social space which helps our communities connect and which will be increasingly used as the city continues to redevelop. We remain primarily a city institution, visited and loved by locals, recognised as an integral part of this city's identity and key to its brand. We pride ourselves on being an important part of the cultural life of Christchurch and at the heart of this city of opportunity – a place to which local and national visitors return again and again, and a place in which there is increasing international interest. (Recognising that it may be some time before we can physically rekindle '*...international interest...*' due to the New Zealand's borders being closed for an extended period due to the COVID-19 pandemic).

Narrative taken from Draft Long Term Plan 2021-31 – Activity Plan for Christchurch Art Gallery



Figure 4-1: Gallery foyer hosting an out-of-hours event

4.1.1 Demographic Drivers

Population changes

In the two years following the 2010/2011 Canterbury Earthquake Sequence, the overall population of Christchurch City decreased by 6% (21,200) to 355,100.

By 2017, the population had stabilised and surpassed the pre-earthquake population figure for the first time, and as at June 2018 Christchurch City's population was estimated to be 388,000.

By 2028, Christchurch City's population is projected to reach 424,000 (medium projection scenario). This is a population increase for the city of 36,000 (9%) over the decade 2018-2028.

By 2043, medium projections suggest the population of Greater Christchurch will be around 459,000. As a result, Greater Christchurch is set to overtake Greater Wellington and become New Zealand's second largest urban region.

By 2051, the medium population projections for Greater Christchurch indicate that the population is forecast to grow rapidly to around 672,000, as outlined in the recent Settlement Pattern Update. This sees significant growth in the

immediate neighbouring local authorities of Waimakariri District Council and Selwyn District Council which will result in an increase in the number of overall regional residents who might visit the Art Gallery. Of particular relevance to this projected growth is that the proportion of residents in these local authorities who travel to Christchurch to work is currently 41% from Waimakariri DC and 45% from Selwyn DC – and these proportions are forecast to be essentially unchanged. This means that a significant proportion of the total regional resident growth population will see a city resource and attraction such as the Christchurch Art Gallery as ‘theirs’.

See population growth data TRIM reference 19/470774 and <https://www.greaterchristchurch.org.nz/assets/Documents/greaterchristchurch/Our-Space-final/Our-Space-2018-2048-WEB.pdf>

Population movements

Following the Canterbury Earthquake sequence, the changes in residential population (including depopulation of significant areas), have had a moderate impact on the Gallery. For example, the growth of the towns of Rolleston and Rangiora as a result of the Red Zoning of significant areas of eastern Christchurch have reduced the effective catchment for the Gallery in the city. This has been offset to an extent by the growth which has occurred in suburbs in the city such as Halswell, Wigram and Burwood.

Of arguably far greater significance has been the impact on the CBD of initially the cordoned-off area (due to dangerous buildings), and then subsequently the high level of demolition which forced commercial and residential building owners and tenants to relocate to fringe CBD or suburban locations. In particular, this explains the decrease in the number of workers, residents and visitors to the CBD, which is still in recovery mode ten years on from the first earthquake in the Canterbury Earthquake Sequence. It is these significant changes which have impacted adversely on Gallery visitor numbers, which have still not returned to pre-earthquake levels.

Changes in age, ethnicity profiles

The change in age profile related to projected growth is very interesting. In Christchurch City, 52% of the population growth over this 30 year period is estimated to be in people over 75 years of age and 48% of the growth is between 40 and 74 years of age. This contrasts with the age profile in Waimakariri and Selwyn Districts where one third of the population growth in Waimakariri and one half of the population growth in Selwyn is assessed to be working age. This will require further investigation but clearly it will influence which specific groups are targeted, the nature of programmes which are offered etc.

In Christchurch City there is forecast to be significant increased demand for smaller housing with 82% of household growth in the 30 years to 2051 forecast to be in 1 or 2 person households as the proportion of older residents in the community increases significantly. This raises a number of interesting questions as to the potential for a facility such as the Art Gallery to meet the social, spiritual and wellbeing needs of our community that will be ageing, many of whom may potentially be subject to a higher level of social isolation or loneliness. Also, the predictions suggest that we will see a greater proportion of people living in smaller dwellings with more time for cultural and recreational pursuits. This provides both challenges and opportunities for the Gallery.

In terms of ethnicity, the city is projected to be more ethnically diverse over the 20 year period 2018-2038 with the proportions of Asian, Maori and Pacific communities all increasing (the Asian proportion increasing from 13% of the total population to 19%) while the proportion of European or Other decreasing from 82% to 76%. This is an interesting change which may provide a useful indicator for future exhibitions, collection acquisitions etc.

4.1.2 The New Zealand Economy

The New Zealand economy remains steady with previous growth drivers including construction, migration, housing and tourism either peaking or beginning to wane from peaks.

The COVID-19 pandemic is expected to place significant pressure on the New Zealand economy. Associated fiscal challenges to Council budgets will place constraint on operational and capital allocations and spend.

The table below indicates the performance of the New Zealand economy over the previous 12 to 18 months:

Table 4-1: New Zealand economy performance measures

Economic Indicator	Period	Rate	Forecast Trend
GDP	June 2020	-2%	↓
CPI	October 2020	1.4%	↔
Official Cash Rate (OCR)	October 2020	0.25%	↔↓
Unemployment Rate	July 2020	4%	↑
10 Year Bond Rate	October 2020	Circa 0.53%	↔
Net Migration	August 2020	71500	↓

4.1.3 Visitor and Customer Needs

The Gallery continually surveys visitors utilising the Morris Hargreaves McIntyre (MHM) sector specific methodology. The MHM survey, which is the primary survey tool used, is an internationally recognised survey technique which is described as ‘... a powerful psychographic segmentation tool to help you to better understand and engage with your attenders and non-attenders. ...’

Responses and information is collected from visitors by Gallery staff, to a prescribed survey format, with analysis and reports provided to the Gallery management quarterly by MHM. The most recent Annual Report for the 2019/20 Year can be found at TRIM ref. 20/905835. (The 2019/20 Year runs from 1 July 2019 to 30 June 2020)

Significant findings taken directly from this report include

- *The Gallery welcomed 271,718 visitors, 92.5% of the COVID-19 pro-rata target in 2019/20. Pre-lockdown, visitation was at 102% and on track to exceed its annual target of 345,474. However, with reduced public movements at alert Level 2, and New Zealand’s borders remaining closed, audiences have been lighter than usual following the Gallery’s reopening on 15 May 2020*

For more information on the MHM survey technique see the following link

<https://mhminsight.com/culture-segments>

Although we survey visitor experience/satisfaction/likelihood of referral, this does not drive exhibition content. Exhibitions are ‘themed’ over a rolling 3-4 year period with a mix including Ngai Tahu artists, women artists, Maori artists. This mix is driven by Good Practice and by the professional judgement of a range of key staff, including our curators, with a desire to delight, to enlighten and also to challenge the community. We also contribute to the CCC Life in Christchurch Arts, Culture and Heritage survey.

4.1.4 Technology

The development and adoption of new technologies will continue to provide both opportunities and challenges. This is a mix of push by artists in terms of technology requirements as part of their artworks and/or installations, as well as pull by visitors in terms of their expectations as to the experience they gain from a visit to the Gallery.

This is impacting increasingly on capital spend on infrastructure which supports the increasing use of new technology in supporting exhibitions and artworks. A specific example includes

- greater use of visual projectors, light and sound equipment.

In addition, visitors to and users of the Gallery expect appropriate technology provision in the auditorium and the education rooms. In the case of the former, this is driving our desire to refurbish the auditorium in the future (especially the supporting audio/visual equipment) and in the case of the latter, this influences more frequent investment in the renewal and acquisition of equipment such as projectors.

4.1.5 Economic

Changes in household wealth

The increasing age profile of projected population growth, certainly within the community living in Christchurch City, is likely to give rise to a drop in average household wealth – which may impact areas such as attendance at pay exhibitions. This will be offset to an extent by the growth in working age and younger people in Waimakariri and Selwyn Districts but the actual numbers in these neighbouring districts are substantially less.

Competing and/or alternate services

Whilst the current COVID-19 pandemic and New Zealand’s Level 4 lockdown response forced closure of the Gallery, which continued even when we moved into Level 3, it gave rise to a number of creative and innovative online/digital initiatives that provided ongoing opportunity for the community to continue to access and enjoy art from the Gallery. Given the significant impact of COVID-19 in the short to medium term on international travel and on freedom of movement for the elderly and immune compromised communities in particular, these initiatives may continue in some form and become a vital complement to the visitor experience in the Gallery.

In a time of change there are opportunities as well as threats. From a recent Gallery Bulletin Newsletter B.199, ‘Update from Director Blair Jackson’ dated 1 April 2020, he summarises the initiatives adopted for the lockdown period:

Here at the Gallery, we’re just settling into this new and hopefully temporary way of life. The team is adapting to working in a different way to bring you the access to art that we all need – be that for academic insight, entertaining children, the sparking of curiosity or having a bit of a giggle at our expense. We want you to come on that journey with us. The format for now will be digital. We will, as the weeks tick by, be bringing you new daily insights, education, fun, opinion and chances to explore your collection and your minds.

Employment

In Christchurch City 48% of the projected growth is in the 40-74 years of age proportion, (some of which is clearly defined as 'Working Age'). The proportion of the population 25-34 years of age will decline by 5% with a 6% increase for those aged under 25.

As mentioned elsewhere, the proportion of residents in the neighbouring local authorities who travel to Christchurch to work is currently 41% from Waimakariri DC and 45% from Selwyn DC – and these proportions are forecast to be unchanged; which is significant given the levels of population growth forecast for these two areas. It is not unreasonable to see residents of these outlying areas regarding the Gallery as 'their' Gallery but unfortunately no funding is received by the Gallery from other local authorities.

4.1.6 Impact of Demand Drivers

Table 4-2: Impact of demand

Demand Driver	Impact on services
The education resource is now effectively at capacity. A visit to the Gallery is seen as a 'rite of passage' for Christchurch children but 1000's of school students are not able to access it due to the constraint on the number of school students who can be hosted	Examine a space planning investigation around the education resource area. May be able to expand area if relocate nearby offices. This would have a consequential impact on resources (extra educator and extra CAPEX spend) but worth further investigation and potential inclusion in LTP process
With the one city location, we are unable to offer exhibitions, education or public programmes outside of our central city site. The ability to offer community-focused art programmes in other parts of our city would provide meaningful and long-lasting outcomes for citizens with limited ability to access the inner city location.	The ability to take artists beyond the Gallery to co-create new contemporary art projects with different Christchurch communities, incorporating social investment with community development through art and art making. A programme like this could address social issues in the suburbs it serves and open up new conversations and expressions. There may be some asset need and CAPEX implications but it will be investigated and may be included in LTP process

4.2 Demand Forecasts

4.2.1 Historic Demand Changes

It is clear that the central city is still in a somewhat fragile position, taking a much longer period of time than anticipated to return to the pre-earthquake steady state in terms of:

- CBD business activity – and hence employee and shopper numbers;
- inner city residents;
- tourists/visitors to the city; and
- events/attractions held in the city, especially in the CBD. This impact was magnified with no convention centre, with the Town Hall only reopened in early 2020 and with fewer hotel beds. Even before the global impact of COVID-19 was felt, the city centre as an 'attraction' was significantly impaired.

There is a cumulative impact from all of these factors as far as visitor numbers to the Gallery are concerned meaning that it will be some time until we return to near to pre-earthquake visitor levels. It is also clear that the far reaching negative impact on business/economic levels and international travel implications of the COVID-19 pandemic, will all have a significant impact on the Gallery visitor numbers over the term of this AMP (and possibly beyond).

To summarise the specific impact of closure/restrictions due to COVID-19 in 2020 included the Alert Level 4 'lockdown' period of 33 days, which commenced at 11:59pm on Wednesday 25 March, followed by the subsequent Alert Level 3 period

of 16 days which commenced at 11:59pm on Monday 27 April and ended at 11:59pm on Wednesday 13 May when the country moved to Alert Level 2

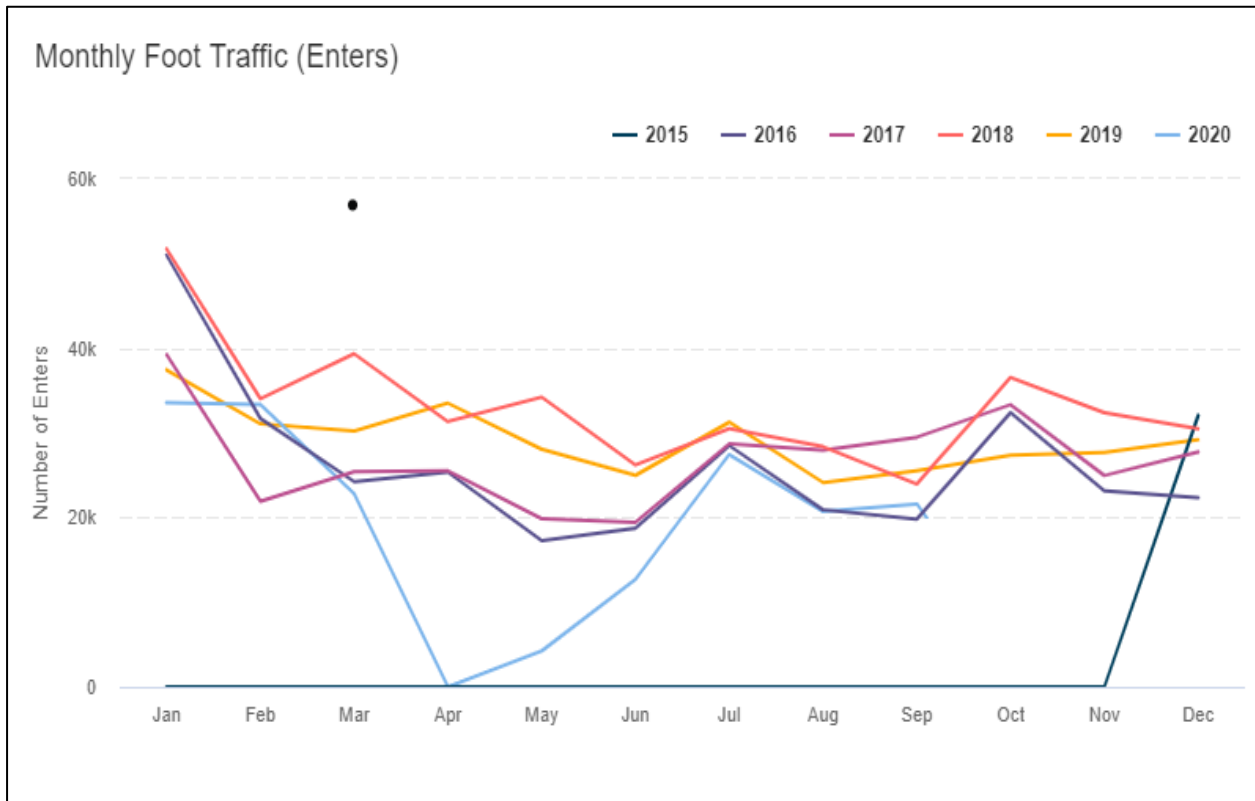


Figure 4-2: Graph of visitor numbers by year – generated October 2020

We are certain that a significant influence on visitor numbers during the 2018/19 Year has been the opening and high profile of Turanga, which attracted more than 1 million visitors during the first year, having opened on 12 October 2018. It is clear that leisure time is a finite commodity for most people and so if they have other options, for example they are attracted to visit the new Turanga or attend events there, this will be at the expense of visiting other venues or attractions such as the Gallery. Once Turanga as an attraction settles, we can assess the long-term impact on Gallery visitor numbers. Other new attractions in the central city, such as the Riverside market, have also drawn more visitors into the western part of the CBD.

The changes to the format of the Buskers Festival, in terms of fewer street performances and pitch locations relocated away from the Gallery, impacted negatively on visitor numbers in January/February 2020. However on the positive side, we maintain a regular and strong repeat audience attendance and visitors to the Gallery shop continue to increase.

Adapting in light of external challenges

Visits to Christchurch Art Gallery Te Puna o Waiwhetū (CAGTPoW) **plateaued** in 2019/20 (Quarters 1-3) at **209k**, with no major change from the comparable period in 2018/19.

The longest period of closure since reopening in December 2015 after the earthquakes of 2011, the Gallery **closed to the public** on 21 March 2020 due to the **COVID-19 pandemic**, and **reopened** 14 May 2020.

While the Gallery was closed to the public, CAGTPoW **continued to provide access** via online engagement, including *Spheres*, an online exhibition of video work.

We can **assume** without the absence of Quarter 4 2019/20, total visits would **likely have surpassed** visitation seen in 2018/19.

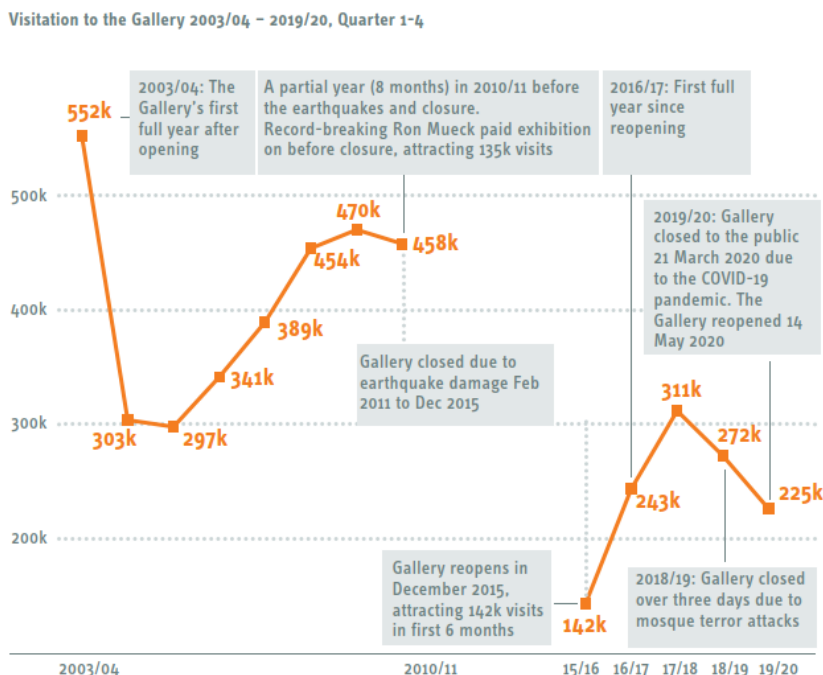


Figure 4-3: Extract from most recent MHM Annual Report for 2019/20 Year

4.2.2 Forecast Future Demand

A significant driver of future demand will be the opening of the new Convention Centre – due to open in March 2021. The opening of the new Convention Centre will deliver more visitors to the city, and in particular to the central city in the vicinity of the Gallery. They are effectively ‘tourists’ when they are not involved in conference activities and so will contribute to greater visitor numbers. In terms of securing events, the new Convention Centre could well have both negative and positive impacts. That is, the new Convention Centre is likely to secure some events which could have been hosted by the Gallery but it could also increase the opportunity for the Art Gallery to host complementary events eg cocktail functions in support of conferences hosted by the Convention Centre. This reinforces the need for the Art Gallery to forge a close relationship with the Convention Centre operators to ensure continuity of events. Notwithstanding the positive impact of the Convention Centre opening, as mentioned in 4.2.1 above, due to a range of factors, visitor numbers will take a further significant period of time before they recover. It is very difficult to forecast visitor growth rates as cannot predict the pace of recovery of the other factors outlined above.

4.3 Impact of Changing Demand on Existing Assets

Any change in demand can have an impact on the level of service and the condition of the Art Gallery, potentially leading to differing maintenance requirements and/or the need for non-asset solutions. Two recent examples illustrate this well.

As mentioned in Section 4.1.5 and elsewhere, we are intending to investigate the feasibility of expanding the education area as a specific means of meeting increasing demand. This will impact on existing assets in that there would need to be fitout work, both in the neighbouring Ground Floor area to accommodate any expansion and on Level 1 to create office space for displaced staff, as well as potentially additional CAPEX and OPEX spend. Depending on the outcome of our feasibility study this could be included in future planning processes.

An unexpected development as a result of the earthquakes illustrates the pressure that changes in demand can place on our assets. Following the Canterbury Earthquake sequence and the significant damage to the berths and facilities at the

Port of Lyttelton, cruise ships have been redirected to Akaroa since 2013. The buses which bring passengers to the city stop outside the Gallery and the first destination for many passengers after a 1.5 hour bus journey are the ground floor toilets! Although a proportion of these visitors carry-on and spend time in the Gallery, which is clearly a benefit, this significant increase in toilet usage is disproportionate to total Gallery visitor numbers. This has meant that we needed to bring forward a full refurbishment of the ground floor toilets at the Gallery at a cost of \$120k. Although we have learnt from this experience in terms of monitoring demand and reflecting this on our planning for future asset refurbishment / replacement, it does illustrate the sensitivity of asset performance and lifecycle expectations to changes in demand.

4.4 Demand Management Plan

We are committed to increase the online ability of the Art Gallery to meet increased demand without having a negative impact of our capacity to provide a service to visitors to the Art Gallery

Demand for new services will be managed through a combination of managing existing assets, upgrading of assets, providing new assets to meet demand management. Demand management practices include non-asset solutions, insuring against risks and managing failures.

Demand management initiatives may increase or decrease the demand for a Council service. This could have an impact on the need for assets and their management. Demand management are activities that are undertaken by the activity provider (Council) to alter demand. It is not related to external factors that influence demand – these are the demand drivers, discussed earlier in Section 4.1.

In many instances demand management is understood as trying to limit the need for a service. However, demand for a service can also be increased by initiatives undertaken.

Non-asset solutions focus on providing the required service without the need for the organisation to own the assets and management actions including altering demand for the service, altering the level of service (allowing some assets to deteriorate beyond current service levels) or educating customers to accept appropriate asset failures.

Opportunities identified to date for demand management are shown in Table 4-2 below. Further opportunities will be developed in future revisions of this AMP.



Figure 4-4: Launch by Prime Minister of Yoogo shared fleet electric car initiative, held on Art Gallery forecourt - February 2018

Table 4-3: Demand Management Initiatives and Impacts

Current initiatives			
Initiative that influences demand	Effect of initiative on demand (↑, ↓, ↔)	Can this effect be quantified – what assumptions have we made about the effect of the initiative	Potential impact on asset planning (operation / maintenance / revenue / renewal / capex) etc.
Creation of suburban bus stop outside Gallery eg on Gloucester Street to meet demand from visitors	Increase	Difficult to quantify directly. However survey responses have given feedback that the Gallery is currently difficult to access for public transport users	The Gallery currently has capacity to accommodate an increase in demand
Future planned initiatives			
Initiative that influences demand	Effect of initiative on demand (↑, ↓, ↔)	Can this effect be quantified – what assumptions have we made about the effect of the initiative	Potential impact on asset planning (operation / maintenance / revenue / renewal / CAPEX) etc.
To assess feasibility of expanding the existing education area	Meeting increased demand	Yes through count of school student visitor numbers	CAPEX (fitout, extra furniture) and OPEX (potential extra salary cost of 0.5 FTE) Assess benefit/cost against non-asset solutions
Community based programme (see Section 4.1.5)	Increase in effectively unsatisfied 'new' demand	Yes through count of participants	Potential for some CAPEX input - e.g. fitout of leased accommodation if Gallery does not 'own' a host facility in the community
Promotion of the external forecourt as a venue for appropriate open-air events and use as an accessible public space (Have hosted events on the forecourt in the past e.g. launch of Yoogo car initiative, welcome to victorious Crusaders rugby team, performing pitch for Buskers Festival)	Increase	Difficult to count users but a proportion of people attracted to an event will translate to additional visitors entering the Gallery	Potential small additional CAPEX (to improve utility or functionality of forecourt) and small additional OPEX (higher maintenance spend due to greater wear and tear on surfacing, furniture, landscaping, increased cleaning)
Growing online access opportunities and effectively changing method of delivery – which may impact on actual visitor numbers and which may reduce the pressure to grow the education space for example	Increase	Initiatives taken during COVID-19 have been very successful. Difficult to quantify but a proportion of people drawn to online access will translate to additional visitors entering the Gallery over time	May allow wider access and therefore meet growth in demand through an effective 'non-asset' solution. Likely to limit increases in both CAPEX and OPEX in the longer term, while still meeting increased demand

4.5 Growth Related Projects and Programmes

New assets constructed/acquired by the Council are discussed in Section 5. The cumulative value of new contributed and constructed assets are summarised in Table 4-3 below.

Table 4-4: Growth-Related Projects and Programmes

Major Initiatives to meet growth	Project Driver	CAPEX (\$)	OPEX (\$)
Education area expansion feasibility study	To meet/provide increased school student capacity – as currently at capacity	Yet to be quantified - Fitout cost and additional resources	Extra salary cost

Acquiring these new assets will commit the Council to fund ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs in Section 6 and 7.

5 Managing Risk and Investing in Resilience

This section outlines Council’s approach to managing risk and investing in resilience. It includes responses by the activity to build resilience across a number of identified ‘disruptors’. A risk register and schedule of proposed risk mitigation actions are also included.

5.1 Council’s Approach

Investing in Resilience

The Resilience Greater Christchurch Plan (RGCP) provides a framework and multi-agency actions towards a more resilience City. All Council’s activities play a role in contributing to this Plan by becoming more resilient to ‘disruptors’.

To build resilience in our asset networks, we need to firstly understand the potential disruptors and the impacts on our assets and services. These are outlined in Section 5.2.1.

Key projects or activities to improve resilience, that we have identified and defined sufficiently to be included in this AMP programme, are included in Section 5.2.2.

Where further investigation is required to understand the impacts of disruptors and ways to be more resilient, opportunities are identified in Section 5.2.3.

Risk Management

Council’s corporate approach to managing risk is defined in its Risk Policy and assessment framework. The framework provides a means for consistently identifying, recording and assessing risks such that risk mitigations can be prioritised across Council. The risk management framework and application to AMPs is summarised in Section 4.3.3 of the SAMP.

Whilst the resilience programme focusses on the big, strategic challenges such as natural hazards and globalisation, Council’s risk register (recorded in ProMapp) is also intended to be used to manage higher frequency, lower probability events. For example, while another major earthquake would have very high consequences for many of Council assets, lower consequence risks such as third-party damage may be so frequent as to also warrant attention.

In Section 5.3.1 we provide a snapshot of the highest risks recorded for this activity and in 5.3.2 summarise the major mitigation actions that have been included in this AMP.

Resilience Definitions

Acute Shocks: Sudden, sharp events that threaten us e.g. the Canterbury earthquakes represent one of the most significant types of shock any place can endure.

Chronic stresses: Activity that weakens the fabric and functioning of a city on a day-to-day or cyclical basis.

Resilience is the capacity of individuals, communities, businesses, and systems to survive, adapt and grow, no matter what chronic stresses and acute shocks they experience. (100 Resilient Cities)

The Resilience Dividend: The practice of designing projects and policies to address multiple challenges at one time, improving services and/or saving resources i.e. the net social, economic and physical benefits achieved when designing initiatives and projects. (100 Resilient Cities).

Multiple Dividends accrue from investment in disaster risk reduction and can: (1) Avoid or minimise losses when disasters strike. (2) Stimulate economic activity in a zone as a result of reduced disaster risk; and (3) develop co-benefits, or uses, of a specific investment.

Absorption is the ability to absorb shocks or stresses without triggering non-linear, abrupt environmental change (in the wider sense of ‘environment’ not just the natural environment). *New Zealand Treasury Resilience and Future Wellbeing 2018.*

Adaptation changing something in order to make it suitable for a new use or situation. In a climate change context, the UN Development Program calls it a process by which strategies to moderate, cope with and take advantage of the consequences of climatic events are enhanced, developed, and implemented. (*Oxford Dictionary*).

Mitigation is the action of reducing or minimising the severity and seriousness of any harmful impact (*Oxford Dictionary*).

Resilient Qualities are the characteristics of resilient projects and systems. The 100 Resilient Cities define these characteristics as reflective, resourceful, robust, redundant, flexible, inclusive, and integrated.

5.2 Investing in Resilience

5.2.1 Understanding our Resilience Challenges

Section 4.3 of the SAMP detailed the ‘shocks and stresses’ (disruptors) that provide resilience challenges for Christchurch.

Table 5-1 following summarises how each of these has the potential to negatively impact our assets and services:

Table 5-1: Potential Disruptors and Impact

	Disruptors	Potential Impacts on our Assets and Services
Chronic Stressors	Climate Change	A specific impact on the operation and, by association, service delivery provided by the Gallery from long term climate change is the real potential for a rise in average temperature and/or humidity in Christchurch. The Gallery has specific internal climate control targets (temperature and relative humidity in the Gallery) as set by agreed international standards – which ensures both the well-being of our collection and our ability to borrow from other institutions – and the requirement to continue to meet these standards with the current plant and infrastructure will pose a significant challenge. However, these international standards and approaches are being reviewed in the light of climate change and we are currently in discussions with industry peers and organisations. This issue will affect all cultural collecting institutions. Other impacts from climate change (such as potential sea level rise, possible increase in flood events) could affect the wider community but are unlikely in themselves to have a direct impact on the service delivery provided by the Gallery.
	Globalisation	Specific impacts may involve less tangible but still significant issues such as ideas and attitudes. These may be driven by a greater level of expectation that the Gallery will host more touring international exhibitions as well as the expectation that we will participate in the exchange of ideas and follow ‘trends’
	Demographic Changes	The projected demographic changes which are forecast for Greater Christchurch over the next 30 plus years will provide both opportunities and challenges for the Gallery. The implications of the forecasts is being worked-through currently to ensure that we position our programmes and offerings in the light of future change. These forecasts include growing population (especially the significant growth in an ageing population), a greater proportion of single person households, fewer young people as a proportion of the overall population, the high rate of growth in Selwyn and Waimakariri Districts. The latter is significant in that this population growth will continue to access the unique service provided by the Gallery but without contributing to the funding of the Gallery.
	Population Health	Linked to Demographic Changes above, the growth in single person households coupled with an increasingly ageing population will see a steadily growing number of residents seeking to use the Gallery to complement their own recreational/educational needs as well as mitigate the negative aspects of loneliness and/or seclusion
	Housing and Social Inequity	Not seen as having a specific direct impact on the Gallery
Acute Shocks	Seismicity	Can still impact adversely on the operation of the Gallery but the Base Isolation project which was completed in 2015 has provided significant protection against the impact of significant earthquake events in the future. This has provided the dual benefit of providing greater protection of our own collection as well as providing assurance and comfort to lenders of artworks, travelling exhibitions, and our insurers See https://christchurchartgallery.org.nz/multimedia/documentary/a-safe-place-to-be
	Tsunami	Not seen as having a specific direct impact on the Gallery – although the impact on the wider community could be significant
	Flooding	Not seen as having a specific direct impact on Gallery – although the impact on the wider community could be significant

5.2.2 Resilient Projects or Activities in this Plan

The following projects and programmes to build the resilience of our assets are already underway and/or are included in this AMP programme. These projects will position Christchurch to be better prepared for, and more resilient to, the disruptions identified in the Resilient Greater Christchurch Plan as most likely to impact community wellbeing.

Table 5-2: Project 1: Enhance community wellbeing

Project Description	The Gallery has a critical role in supporting and enhancing the wellbeing of the community as the key provider of art experiences and access to culture in the region. It is critical therefore that the management of the Gallery's assets underpins and supports this role through ensuring that the community has ongoing physical access to the Gallery and to the activities and programmes provided.
Scope and Expected Impact	During the COVID-19 Alert Levels, when access and movement for the entire population were significantly restricted and the Gallery was closed, the Gallery provided innovative and creative opportunities online. These were recognised and acknowledged by many as the best achieved by New Zealand galleries and museums. However we remain committed to maintaining the important real experience for visitors, providing genuine and authentic experiences.
The Case for Change	Providing uplifting and stimulating experiences is proven to benefit the wellbeing and mental health needs of our community.
The Resilience Dividend	There are a number of co-benefits to any and all initiatives taken to promote the positive impact which the experience of art and culture brings to participants. Focusing on one of these which is the enhancement of wellbeing for our community also builds resilience. So in effect, the 'resilience dividend' is greater resilience.
Further Opportunities	During the COVID-19 Alert Levels, when the Gallery was closed, the scope of online activities and offerings which were achieved was far greater than expected; reaching a large national and even international audience. Although we are proud of this success, we are focused on strengthening and expanding our support for the enhancement of wellbeing and mental health in the community. See link to review of our initiatives during lockdown https://www.rnz.co.nz/national/programmes/ninetoon/audio/2018746283/art-gets-new-lease-of-life-at-level-2

Table 5-3: Project 2: Focus on CAG Critical Assets

Project Description	The Gallery has a critical need to maintain the environment (temperature and relative humidity) to protect the art collection This has given rise to a greater focus on defining and identifying our 'critical assets' and a sustained investment in enhancing the resilience of these specific assets. This has included a comprehensive condition assessment project across the entire Gallery facility, to better understand areas of need and the quantification of estimated cost to refurbish/improve asset management practices
Scope and Expected Impact	Focused on critical assets initially but broadening to more assets over time
The Case for Change	Meeting the imperatives of maintaining the internal environment within internationally recognised parameters for art galleries/museums is an absolute 'no brainer'. This is to both protect the condition and value of our own collection as well as satisfying lending galleries (both within NZ and internationally) that the Gallery is a reputable institution worthy of hosting significant loans and/or touring exhibitions
The Resilience Dividend	There are a number of co-benefits to this initiative including better value-for-money spend, a better understanding of the relative importance of the different asset elements in the facility
Further Opportunities	We have an ongoing commitment to reviewing the criticality of assets and ensuring that we get maximum value-for-money from our asset spend

5.2.3 Building the case for Resilience Investment - 2021 LTP and beyond

Often, we will need to do further work to build a case for future investment in resilience e.g. information/data, policy directions, guidelines, modelling, etc. These opportunities are the basis for a potential investigatory programme of work to inform the 2024 and 2027 LTP's and are summarised in Table 5-4.

Table 5-4: Opportunities to Improve Resilience

Disruptor	Opportunities	Timeframe	Resources
Further risk exposure items – in the future	Carry-out a specific review of the 30 year Capital Works Plan to identify the robustness of the plan in terms of risk and resilience	By end of FY21	Will involve existing internal resources to carry-out the review – so no specific cost for the review. Until completed cannot quantify CAPEX or OPEX implications

5.3 Managing Risks

Council's approach to managing risk is detailed in its Risk Management Policy (including a risk assessment framework) which is summarised in Section 4.3 of the SAMP as a background to the content in this Section.

5.3.1 Strategic Risks

Business unit leads have the responsibility for identifying, recording and monitoring business risks using ProMapp (an internal risk management tool) that are rated as high or very high. The reporting within ProMapp ensures that there is visibility of the risks Council is managing. The Council's risk framework sets out the levels at which residual risks are escalated, reported and governed.

The strategic risks identified in relation to this activity include:

Table 5-5: Strategic Risks for the Art Gallery Activity

Description of Risk	Risk Rating
Failure to meet International Museum Standards for climate control (including temperature and relative humidity)	High
Failure or non-performance of critical plant or equipment which results in business interruption such as site closure	High
Reduced budgets resulting in deferred Capital and maintenance works which increases in reactive requests	Medium
Compromise of insurance obligations through non-performance of Gallery environment	Medium

The Gallery has recently prepared a comprehensive Emergency Response and Recovery Plan (ERRP) which has been published and which is in use. This contains a range of relevant material including

- Information for all staff
- Director: roles and responsibilities
- Emergency Response Manager: roles and responsibilities
- Building Team Leader: roles and responsibilities
- Collections Response Team Leader: roles and responsibilities
- Emergency management policy

To illustrate, a sample extract from the ERRP describing the Building Team Leader: roles and responsibilities follows as Figure 5-1: Building Team Leader: roles and responsibilities

Building Team Leader: roles and responsibilities

What is the first thing the Building Response Team Leader needs to do?

Complete an assessment of the building to determine if the Gallery building is secure and safe to occupy. In the absence of Gallery staff, after-hours Security will respond.

Is the building secure?

Check the Gallery security system is operational:

- Are all exterior exits closed and locked?
- Are all Gallery and store doors closed and locked?
- Is the Gallery CCTV camera system working?
- Are all sensors and alarms working?
- Has weather tightness of the building been affected?

Have building essential services been affected?

An immediate check should be made to ensure the following building services are operational:

- Electricity
- Water supply
- Landfill gas
- Diesel supply
- Sewerage
- Climate control

If the emergency is earthquake related, does the IESE seismic monitoring tool indicate the building is safe to occupy?

The IESE Seismic Monitoring Asset Reporting Tool (SMART) is accessible via computer from within the Gallery security control room or remotely (for those with access to this system).

- **A green status report:** the building is safe to occupy/re-enter.
- **An amber status report:** as above.
- **A red status report:** an inspection by a structural engineer is required. Evacuate/do not re-enter.

Have the plant rooms been checked?

A check should be made of the Gallery plant rooms on the roof and in the basement to ensure all equipment and plant is fully operational. Any malfunctioning plant or building management systems should be stabilised and/or reinstated.

Once the building status has been confirmed this should be reported to the Emergency Response Manager.

When this assessment is complete, what happens next?

Refer to the **Building Response Team Leader Kit** for more information relating to facility management and essential services, including information that emergency services or contractors may need to reference in an emergency.

Figure 5-1: Building Team Leader: roles and responsibilities

5.3.2 Asset Risks

Will check to establish if the Art Gallery also identifies and records risks at a more detailed level – in addition to the risks which are recorded In ProMapp. Once identified, these will be included in the Table below.

It is intended to discuss and agree these risks with the Art Gallery Management – and to check whether different or additional risks could be included in ProMapp. This is still to be completed.

5.3.3 Risk Mitigation Strategies

Risk management is inherent in all of Council's asset management processes. Significant risk management strategies for this activity include:

Asset Design

The base isolation which was retrofitted in a major project from 2012-2015 represents a significant investment in making our facility more resilient against major seismic events in the future.

We have full compliance with fire regulations. Included in this area, we are well progressed in surveying and upgrading fire dampers (which prevent fire spread through HVAC ducts and other ductwork). We have completed this work for 'life' protection and we are continuing to ensure 'asset' protection risks are identified and mitigated. Work is staged to spread cost over several FYs.

Insurance

All assets are insured to full replacement value

Business Continuity and Emergency Response Planning

The Gallery has a robust Emergency Management Policy, supported by an Emergency Response and Recovery Plan. These policy and procedural documents align with the National Civil Defence Emergency Management Strategy, in particular the '4 Rs' (reduction, readiness, response and recovery).

The Gallery assesses risks on a probability and impact scale, seeking the advice of experts such as the New Zealand Police, Fire and Emergency New Zealand (FENZ) and regional Civil Defence and Emergency Management (CDEM). In addition, the Gallery collaborates with these external agencies (including colleagues at CCC) to ensure the collection is considered in the context of emergency response.

Wellbeing and resilience are fundamental to our 'operation'. The Gallery is experienced in delivering programmes during challenging times for the community.

Taken from Draft Long Term Plan 2021-31 – Activity Plan for Christchurch Art Gallery (Section 3 Strategic Priorities)

Other specific initiatives:

The Gallery building has surplus capacity for power, heating and chilled water, supplied from the Civic Offices, which provides redundancy/back-up of the Gallery's own systems in the event of a planned shut-down or failure.

We have robust maintenance regimes for all critical plant and equipment using contractors who are suitably experienced and qualified.

This includes, all building systems (HVAC, chiller, boilers (both hot water and steam, fire system, access control, security, electrical, lighting, elevators

We continue to have a 24/7, 365 on-site security presence. Also 24/7, 365 days maintenance support is provided through the Council's Customer Services Call Centre

Taken from Draft Long Term Plan 2021-31 – Activity Plan for Christchurch Art Gallery (Section 4 Increasing Resilience)

5.4 Summary of Risk and Resilience Projects

The following risk and resilience improvement projects or activities are included in the AMP programme and budgets.

Table 5-6: High and very high inherent risk items

Improvement or Mitigation	Where is this recorded (e.g.: a CAPEX project or AMP improvement project).	Cost
One key issue for us to consider is climatic temperature increase, while still having to meet international standards for the care and preservation of works of art. We are currently in discussions with industry peers and organisations. This issue will affect all cultural collecting institutions. <i>Taken from Draft Long Term Plan 2021-31 – Activity Plan CAG</i>	This is Work in Progress so not recorded yet as a CAPEX project or in an AMP	This is Work in Progress so no cost implication information available
Explore alternative energy sources from the current landfill gas, for heating/cooling of the Gallery environment, as supply and quality may be unacceptable within 3-5 years. We will make a key input to project to explore options which is about to proceed – initiated through the Corporate Accommodation AMP as both Civic Offices and the Gallery currently use the landfill gas	CAPEX project in the Corporate Accommodation AMP (and a provisional sum submitted in the 2021-2031 LTP process for both the Art Gallery and Corporate Accommodation portfolios)	Project includes an options study which could find that both CAPEX (as may need new supporting infrastructure) and OPEX (as unit price of new fuel may be at increased cost). Timing of study such that report will be completed in April 2021

Improvement or Mitigation	Where is this recorded (e.g.: a CAPEX project or AMP improvement project).	Cost
See Section 5.2.2 Project 2 above and Table 5-6 below for more details		
Scope and plan a study to explore the possibility of remodelling office areas within the Gallery to potentially expand the area available for collection storage	AMP Improvement Plan project	Cannot be determined until study is completed

The table above sets-out a summary of three important projects/initiatives. In the following Table 5-7, one of these projects is highlighted in more detail. This illustrates the current important initiative to identify alternative fuel sources for the Art Gallery (and Civic Offices), and develop new supporting infrastructure when a fuel source change is made.

Project Driver: Infrastructure Strategy – Protecting our environment through reducing greenhouse gas emissions

Indicative cost: Capex for Art Gallery \$2.7m (plus Corporate Accommodation costs) to fall in FY27. This has been included in the most recent LTP submission. OPEX requirements to be managed

Comments: Feasibility (benefit/cost) study to be completed

Table 5-7: Substitution of landfill gas as fuel source

Project Name	Substitution of landfill gas as fuel source
Project Description	Explore alternative energy sources from the current landfill gas for heating/cooling of the Art Gallery environment (and also for Civic Offices). Report available in June 2021
Project Drivers	Creating a sustainable energy source for two significant Council facilities Protecting our environment through reducing greenhouse gas emissions
Scope and Expected Impact	The development of an options report in conjunction with a full benefit/cost analysis to investigate the best future fuel source for the Gallery – for the medium to long term. Note that this project will be initiated through the Corporate Accommodation AMP as it covers both the Civic Offices and the Gallery, as both facilities currently use the landfill gas as fuel
The Case for Change	The current fuel supply is sourced from landfill gas in the east of the city which is extracted and piped to the central city to feed the Civic Offices and the Gallery. It is estimated that the flow of gas extracted will fall to an unacceptably low level of volume, with an associated reduced level of quality, within 5 - 10 years from now (or earlier) and this project is getting underway at the time of writing.
The Resilience Dividend	While the current fuel supply is environmentally sound, it is clearly unsustainable. Alternatives will be investigated and it is hoped that an alternative may be found (for example, biogas from the Council’s Wastewater Treatment Plant) which is financially viable and which also supports Council’s drive for carbon neutrality in the medium term and which aligns with our Strategic Objectives
Further Opportunities	There are clearly challenges to the efficacy of the current plant and supporting infrastructure at the Gallery depending on the type of fuel which is selected. The converse is also true; that is, there may be opportunities which may present themselves as the project is progressed.

The study to estimate the remaining quantity of landfill gas and to assess the benefits/costs of alternative fuels is being progressed. We received a proposal from a specialist consultant, Lumen, to carry-out a study - noting that Lumen have carried-out previous energy and efficiency work for Council in the past. Due to the timing of this study in relation to the 2021-2031 LTP Submission process and the uncertainty of both the timing and choice of substitute fuel, we are unable to quantify the costs of likely conversion of supporting infrastructure in the Gallery and include them in the LTP submission. However, we have made a provision of \$2.25m in FY27 in the Gallery’s LTP submission – the same year as a similar provision has been made in the Facilities, Property and Planning LTP submission, for the cost of similar work at the Civic Offices.

6 How we Deliver our Services

This section explains how Council delivers the activity through its organisational structure, contracting partners and other agencies involved in service delivery.

6.1 Historical Context



Figure 6-1: Robert McDougall Art Gallery

The previous home of the Christchurch Art Gallery collection, the Robert McDougall Art Gallery, dates back to 1932. This building was purpose designed as an art gallery but for many decades failed to provide sufficient storage, conservation or public spaces to display art work. From a functional perspective historic reports show the Robert McDougall Art Gallery had reached its capacity and useful life as the city's art gallery by the 1960's. Numerous reports and proposals were presented over the following 30 years; however none resolved the fundamental problem of the gallery being far too small. Excavation under the gallery for additional storage space and some small additions occurred in the early 1980's. The Art Annex was leased in 1988 for displaying exhibitions with storage facilities being developed at a Council depot in Pages Road as an interim measure.

As a result Christchurch residents were deprived the opportunity to enjoy much of the wonderful collection that was available, to expand on that collection with contemporary works or to operate a significant programme of national or international exhibitions.

There are many reasons why Council failed to respond in a more timely way to the physical constraints which the building presented. It is however a very common experience for building users, operators and owners to be frustrated by design constraints and the poor performance of the asset. The physical structure and remaining life of the Robert McDougall Art Gallery, and most buildings, is substantially longer than the 30 to 40 years it experienced in use as an art gallery. The property has remained largely under-utilised since it was vacated. Past experience across Council and other organisations supports the premise that the economic life span of a building is influenced more by the needs of the activity than the physical life of the structure.

The 1990 Gorbey Report recommended relocation of the gallery to the central city but it was not until 1995 when a financial commitment of \$5 million was made in the Annual Plan to enable the acquisition of a prominent, well located site that was easy to access. The vacant Sheraton Hotel site was purchased in 1996. Further funds were set aside for the early years of the new millennium and the 'new' Christchurch Art Gallery was opened on 10 May 2003.



Figure 6-2: Christchurch Art Gallery Te Puna o Waiwhetu

Since the Christchurch Art Gallery opened on 10 May 2003, on its new site bounded by Worcester Boulevard, Gloucester and Montreal Streets, it has been recognised as a key public facility in the cultural heart of Christchurch; an integral part of our city's identity and a key to its brand.

As the largest art institution in the South Island, the Christchurch Art Gallery is now home to one of New Zealand's most important public art collections with some 6,930 works of art having been acquired since its foundation in 1932. In terms of value it rates as the Council's single most valuable asset – with the building valued at \$78.8 million and the housed art collection valued at \$97.6 million – 'book values' as at 30 June 2019.

The facility features two floors of exhibition space, offices, storage areas and workshop, two educational activity areas, an auditorium, a café restaurant (reopened in October 2017), a retail outlet, a Sculpture Garden and underground car parking.

A snapshot as follows taken from the LTP Draft Activity Plan:

- 6930 works of art cared for in the Gallery's collection;
- a reference library and archive contain the archives of significant Canterbury artists and arts organisations;
- an active hands-on schools programme;
- 4,978,078 visitors since opening in May 2003 (numbers to 17 November 2020);
- 1,634,343 visitors since reopening in December 2015 (numbers to 17 November 2020);
- a changing programme of exhibitions, touring exhibition, artist's projects, and supporting public programmes;
- an extensive award winning, publishing programme both digital and print;
- established Friends and Foundation supporters organisations;
- a well-developed volunteer programme.

Following the opening in 2003, the Art Gallery management responded to a number of shortcomings with the original design and construction of the building. As mentioned briefly elsewhere, a review of the Art Gallery direction took place in 2005 when the Council endorsed the 'Paradigm Shift or the Five Year Strategic Plan 2005-2010'. A more proactive approach to its asset planning was applied by staff as a result of the new organisational structure, processes and procedures.

However, the recent history of seismic activity from the Canterbury Earthquake Sequence has resulted in a period where normal planned Asset Management practices gave way to a highly reactive response to a significant natural disaster. In this context, the AMP also reflects that response but also sets-out the more recent progressive move from a reactive environment back to a more considered and planned environment.

The Art Gallery as an activity also has responsibility for the 'Akaroa Museum Complex' which comprises:

- Akaroa Museum
- Langlois - Eteveneaux Cottage
- Akaroa Customs House
- Akaroa Court House and outbuildings.

It should be noted that although this AMP is focused on the Christchurch Art Gallery facility, the AMP includes coverage of the 'Akaroa Museum Complex' buildings. The Improvement Plan includes a specific task to gather extensive asset condition and lifecycle information for the Akaroa Museum building and the additional three heritage buildings in the 'Akaroa Museum Complex' over the term of the AMP.

6.2 Internal Business Structure

The main teams within Council with a role in managing the assets and delivering services are shown in the table below.

Table 6-1: Council teams involved in the CAG Activity

Team	Role
Christchurch Art Gallery team	Vision, strategy and overall operations
Planning & Asset Management	Asset Management
Facilities	Facilities Maintenance/contract management
Asset Management Unit (AMU)	Systems/Data/AM process development
Business Partnership	Finance
Information Technology	IT & computing
Legal Services	Legal services
Procurement	Procurement service contracts
Citizen & Customer Services	Customer contact management

All assets described in this Plan are the responsibility of the Gallery Team which currently forms part of the Citizens & Community Unit. The Gallery management team is responsible for the management of the building and forecourt, the design store, security service and a range of after-hours events held in the Gallery. The Christchurch Art Gallery activity team also interfaces with departments across Council which support the asset management and service delivery functions including crucial climate control and building maintenance, the car park, café and other on-site leases which are managed by other units of Council. These are illustrated visually in the figure below.

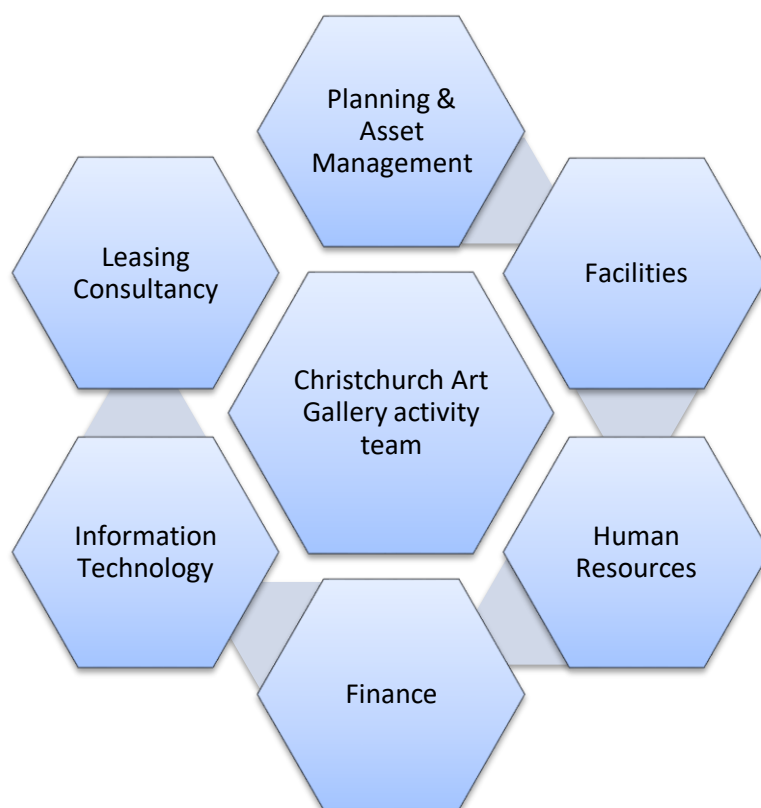


Figure 6-3: Internal Council support

6.3 External Contracts and Partners

The Christchurch Art Gallery has developed a comprehensive group of external service providers who bring a blend of experience with the facility and proven skills servicing other specialist facilities which require a similar mix of service requirements. A schedule of service providers for the Christchurch Art Gallery can be accessed at TRIM 18/421250.

The management of external service providers is effected by skilled in-house staff, with the specific input of contractor representatives who are also familiar with the facility, for specialist roles including project management and specialist technical inputs where appropriate.

The rationale for this approach is a combination of the requirement to channel work through Council’s B2B contract currently with Citycare (which aims to provide economy-of-scale benefits and an enhanced level of progress reporting, cost control) as well as seeking best overall value-for-money through seeking to engage the best service providers in terms of breadth of experience and technical expertise.

The main contracts are summarised in Table 6-2 below

Table 6-2: Major Contracts for Service Delivery

Contract	Contractor	Term / Type	Contract Management Approach	Contract Expiry
Facilities Management	Citycare	Fixed term Comprehensive Maintenance Agreement (CMA)	Contract contains a lump sum per annum, a schedule of rates for reactive work and a mechanism for providing quotes for planned work	30.06.21
Security services CCTV, Access control, & intrusion	Vision Systems	Fixed term	CCTV and alarm monitoring, access card management Security guards, lockup	01.07.25 30.06.21
Security guards	Armourguard	Fixed term		

Contract	Contractor	Term / Type	Contract Management Approach	Contract Expiry
Cleaning, hygiene and consumables	OCS	Fixed term		01.11.21
Building IQP, BWOFF, Plant certification	Plant & Building Safety	Fixed term	Independent inspection services for all systems under the Building Act for all sites	30.06.21
Building Management System (BMS)	Setpoint	Fixed term	Building automation and energy management solutions	01.12.23

Note that the approximate annual contract values in Table 6-2 are for the provision of services across all of Council.

6.4 Other Service Delivery Partners

Council is effectively the key collector, researcher, educator and exhibitor of art from the present and the past, showcasing to the local community. That is not to say that other bodies do not play an important part – such as COCA, Canterbury Museum (including the Museum’s Ravenscar House facility currently under construction), the University of Canterbury and private galleries – just that the Christchurch Art Gallery is the key player.

As the Art Gallery Director Blair Jackson says in his Director’s Welcome in a recent Bulletin publication

“Christchurch Art Gallery Te Puna o Waiwhetu is a catalyst for ambitious creativity in Otautahi Christchurch, collaborating with artists, and extending the Gallery’s influence beyond its walls.”

6.5 Business Reviews Undertaken

As discussed elsewhere in the AMP, the previous home of the Christchurch Art Gallery was the Robert McDougall Art Gallery. In 1990 the Gorbey Report recommended relocation to the central city but time spent in land acquisition, planning, design and construction meant that the ‘new’ Christchurch Art Gallery did not open on the current site until 2003.

Changes to the Council’s structure and in particular, ‘The Paradigm Shift’ change management project in 2006, affected the service delivery of the Art Gallery.

Also in 2006, the Akaroa Museum and three nearby heritage buildings plus stable building, (listed in Section 6.1), were added to the portfolio.

Currently (in late 2020) there is a Section 17A Review in progress of the Facilities function within the Facilities Property and Planning Unit of Corporate Services – which provides contract management services for the Art Gallery across much of the supporting infrastructure

6.6 Significant changes planned for the activity

There are a number of possible changes which will be investigated in the period covered by this AMP – all of which have the potential to impact on asset provision and CAPEX. These are as follows:

- a) With the one city location, we are unable to offer exhibitions, education or public programmes outside of our central city site. The ability to offer community-focused art programmes in other parts of our city would provide meaningful and long-lasting outcomes for citizens with limited ability to access the inner city location.

The ability to take artists beyond the gallery to co-create new contemporary art projects with different Christchurch communities, incorporating social investment with community development through art and art making. A programme like this could address social issues in the suburbs it serves and open up new conversations and expressions. The C3West programme in Western Sydney is a very good example. Their curator works in and with a community, developing specific programmes providing opportunities for youth development and community cohesion;

(Taken from Section 1 of the Draft Long Term Plan 2021-31 – Activity Plan for the Christchurch Art Gallery)

- b) Online growth will delay/remove Education area changes – the education resource is now effectively at capacity. A visit to the Gallery is seen as a ‘rite of passage’ for Christchurch children but 1000’s of school students are not able to access it due to the constraint on the number of school students who can be hosted.

It is proposed to carry-out a space planning investigation around the education resource area. It may be possible to expand the education area if nearby offices are relocated (possibly to Level 1). This would have a consequential impact on fitout – both in expanding/remodelling the education area and creating additional offices elsewhere. It would also have a potential impact on resources through necessitating an extra educator and a potential of increased Capex spend through fitout and other relevant costs - but it is considered to be worthy of further investigation and potential inclusion in the LTP process with costs;

- c) Meeting storage needs – the Gallery’s current collection storage capacity is under increasing pressure therefore we need to seek to move towards further future-proofing of storage capability. In this AMP, we are flagging that the Gallery intends to scope and plan a study to investigate options for remodelling the office space on Level 1 of the Gallery to create additional storage space, whilst seeking to minimise the capital cost of any additional environment, fire protection measures that such alteration work might prompt. A project which is included in the Corporate Accommodation AMP to identify additional storage capacity at Council-owned sites, may provide some off-site space for storage/shipping crates which do not require the same provision of environmental protection as collection items ;
- d) Replacement of landfill gas as fuel source –a project is underway as at late 2020 to explore alternative energy sources from the current landfill gas, for heating/cooling of the Gallery environment, as supply and quality may be unacceptable within 3-5 years. This project has been initiated through the Corporate Accommodation AMP as both Civic Offices and the Art Gallery currently use the landfill gas, but the Gallery will make a key input to the options project. See Section 5.2.2 and Table 5-6 for more details.

7 Portfolio Lifecycle Management Plan

The lifecycle management plans detail how the Council plans to manage the network of assets at the agreed levels of service (defined in Section 3) while optimising life cycle costs.

Section 7 provides the lifecycle management information and strategies at a portfolio level. Section 8 provides this information at an asset class level. As covered elsewhere, as this AMP is focused on the Christchurch Art Gallery building, Sections 7 and 8 have been combined.

7.1 Asset Lifecycle Approach

Council has established a lifecycle management framework, aligned to the *International Infrastructure Management Manual* as illustrated in Figure 7-1. Section 7 and 8 are structured to align to the lifecycle stages.

Asset Lifecycle Management

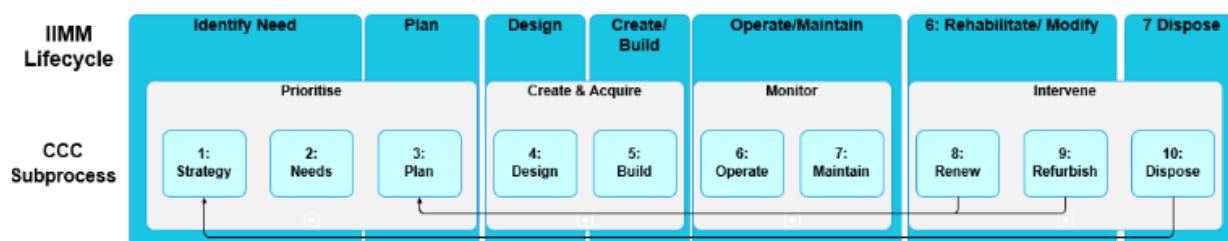


Figure 7-1: Asset Lifecycle Categories

7.2 Our Asset Portfolio

7.2.1 Key Issues and Priorities

As this AMP brings Sections 7 and 8 together as agreed, the following table is copied across from Section 8.1.1

Table 7-1: Key Issues and Priorities

Key Issue	Priority for this Plan
Ensuring the continuing focus on robust Capital Asset Planning	Appropriate budget provision identified through looking to always apply sound analysis and decision-making, with sufficient budget secured in LTP process
Need to identify new, sustainable fuel source as approach end-of-life for landfill gas resource	Input to future options study - being progressed under banner of Corporate Accommodation AMP
Current collection storage space is under pressure therefore need to seek to future-proof storage capability	Proposing an options/feasibility study of the possibility of remodelling existing office area within the Gallery to create additional storage capacity
Education resource area/capability at CAG is at capacity which constrains ability to meet demand	Progress investigation of study for potential to expand education resource area/capability

All of the issues listed above are covered in detail in relevant sections of this AMP.

7.2.2 Location and Value

In June 2019, Assets under direct Council control carried a book value (original asset cost less depreciation) of \$10 billion.

The principal asset in the 'Christchurch Art Gallery portfolio' is the Christchurch Art Gallery facility.

The portfolio also includes the Akaroa Museum and three neighbouring heritage buildings – Langlois-Eteveneaux Cottage, Akaroa Customs House and Akaroa Courthouse plus minor outbuildings. Note that while this AMP covers the Christchurch Art Gallery in detail, additional information will be gathered for the four Akaroa buildings over the next three years. This includes updating Conservation Plans for the three Akaroa heritage buildings as funding permits.

The split by building component of the total portfolio is represented in the following figure. Note that the actual \$ figures and percentage of the total can be read by holding the cursor over the relevant area. (The figure for 'Fire' is \$348,833 which is rounded to 0% due to the relative scale of the sums in the figure).

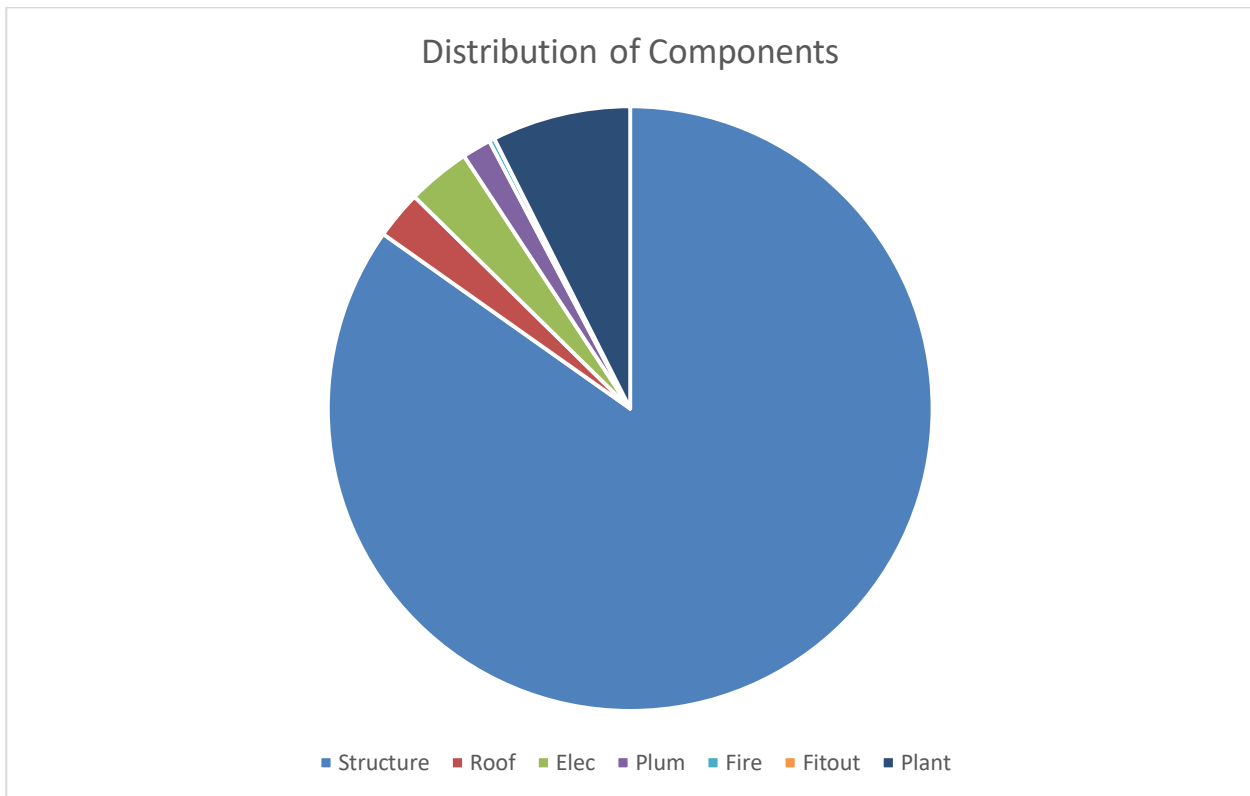


Figure 7-2 Asset valuation breakdown by Asset Component

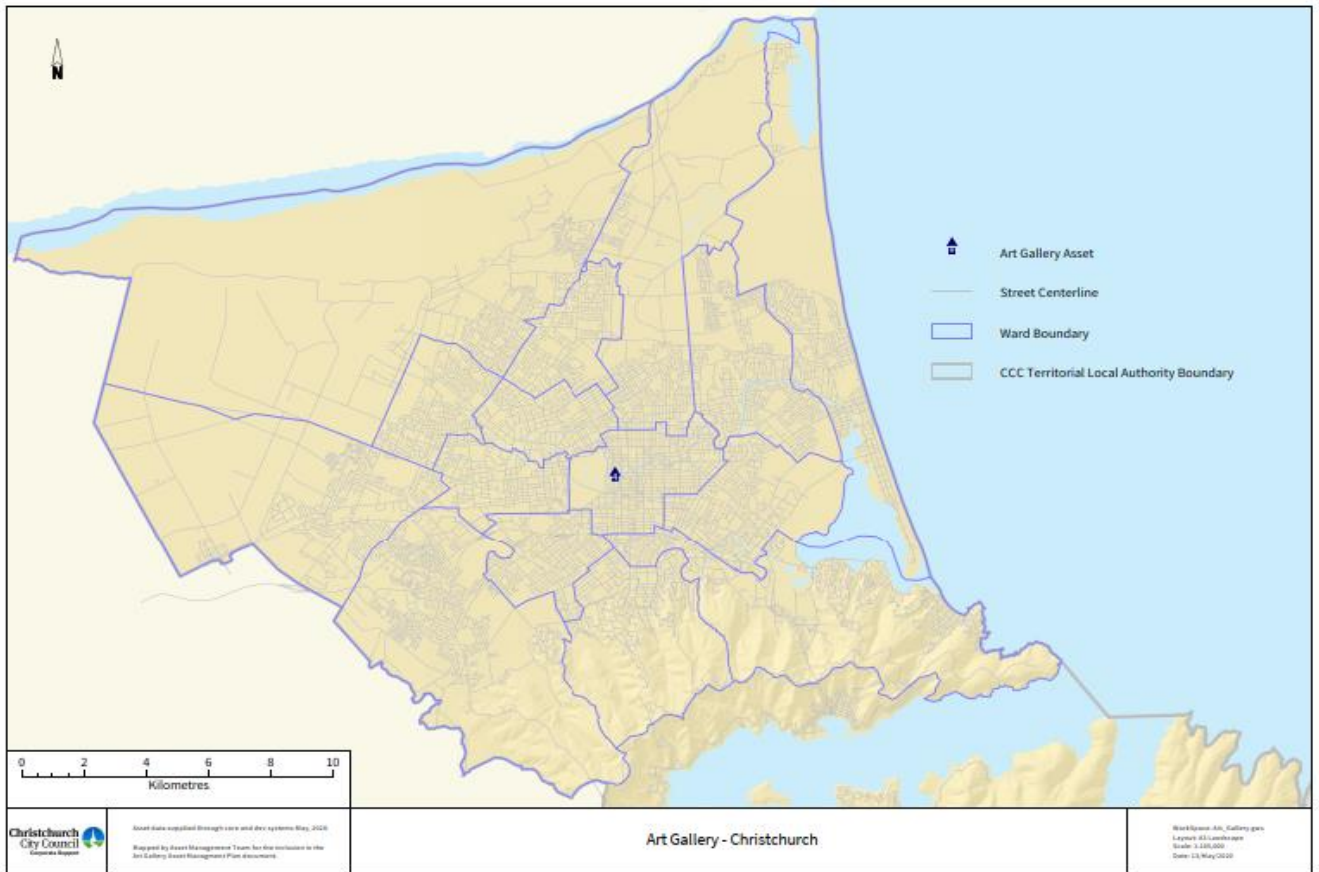


Figure 7-3: Maps of the CAG portfolio assets –Akaroa

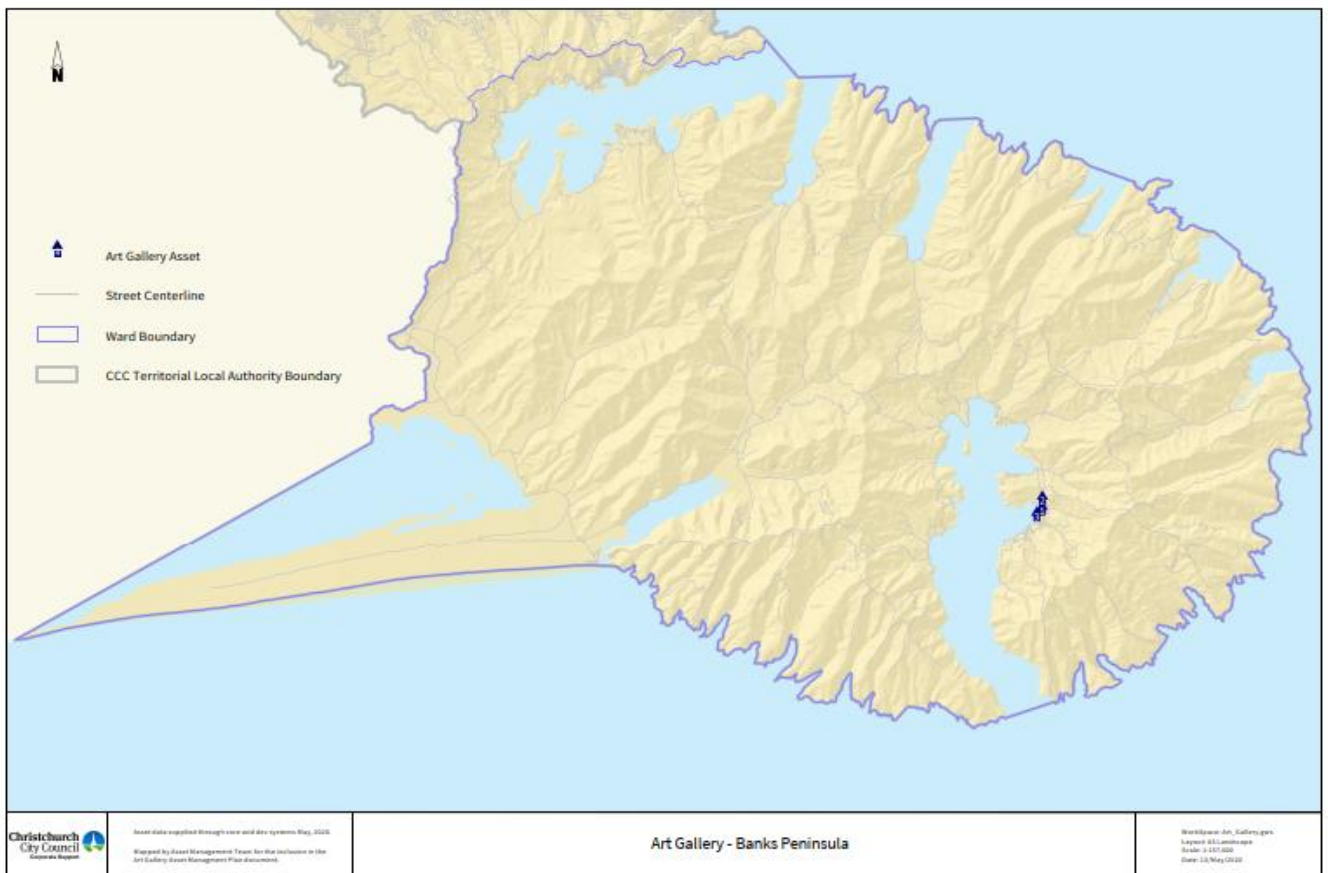


Figure 7-4: Map of the CAG portfolio assets –Akaroa

7.2.3 Critical Assets

Critical assets are defined as those whose failure would likely result in a significant disruption in service and financial, environment and/or social cost, and therefore warrant a higher level of asset management. For the Christchurch Art Gallery, we define critical assets as

- any asset or element that would impact on meeting our KPI obligations. For example - the failure or non-performance of any asset that would materially affect climate control or security, which are both key Technical LOS in the Activity Plan and which must be achieved;
- any asset or element that will interrupt our 'normal' operations as a result of failure which includes
 - if Gallery can't open within agreed opening hours;
 - if Gallery can't hold scheduled events;
 - if Gallery café (Universo) can't open in agreed, designated hours.

We have carried-out a review and assessment of the critical assets at the Christchurch Art Gallery and risk mitigation options were explored and identified. The outcome of the review can be found at TRIM ref. 18/461225. We are committed to progressing several initiatives to mitigate and/or manage risk – especially as this impacts on the critical assets and operations – and these are covered in Section 5 Managing Risk and Investing in Resilience.

Using the above framework, the key risk mitigation measures to the identified critical assets/activities for the Christchurch Art Gallery facility are as follows:

- redundancy in service provision;
- close management of work operations processes – progressing towards a Permit to Work system;
- strong, positive relationships with experienced contractors to carry-out work.

A key issue which will impact the Gallery is the decline in the fuel source stock, currently landfill gas, which is utilised at Civic (for the Tri-Gen and 2 boilers) and the Gallery (for 2 hot water boilers and a steam boiler). The responsibility and the required actions for resolving this issue is contained within the Corporate Accommodation AMP – including an options study and the preparation of a business case. Key Gallery representatives will be directly involved in this process but no specific budget allocation has been made yet in this AMP for the cost implications of the findings of the options report. What is certain however is that depending on the replacement fuel source which is selected, there could be a significant impact on OPEX (from a likely increase in the cost of an alternative fuel) and CAPEX (from the additional cost of modifying or even replacing existing supporting infrastructure). Until the study is completed we cannot establish these costs but it will be completed in sufficient time to include cost change requirements in the next LTP process. We are committed to ensuring that long-term asset issues are included in the options study.

For example - that long-term impacts on the Gallery plant and equipment are identified as these could significantly influence the ultimate decision. In particular, the boiler's combustion chambers are deteriorating ('rotting out') at a faster rate than expected, which may be due to higher sulphide content as the chemical composition of the landfill gas may have changed. Further investigation of this issue is underway with a report due in June 2021.

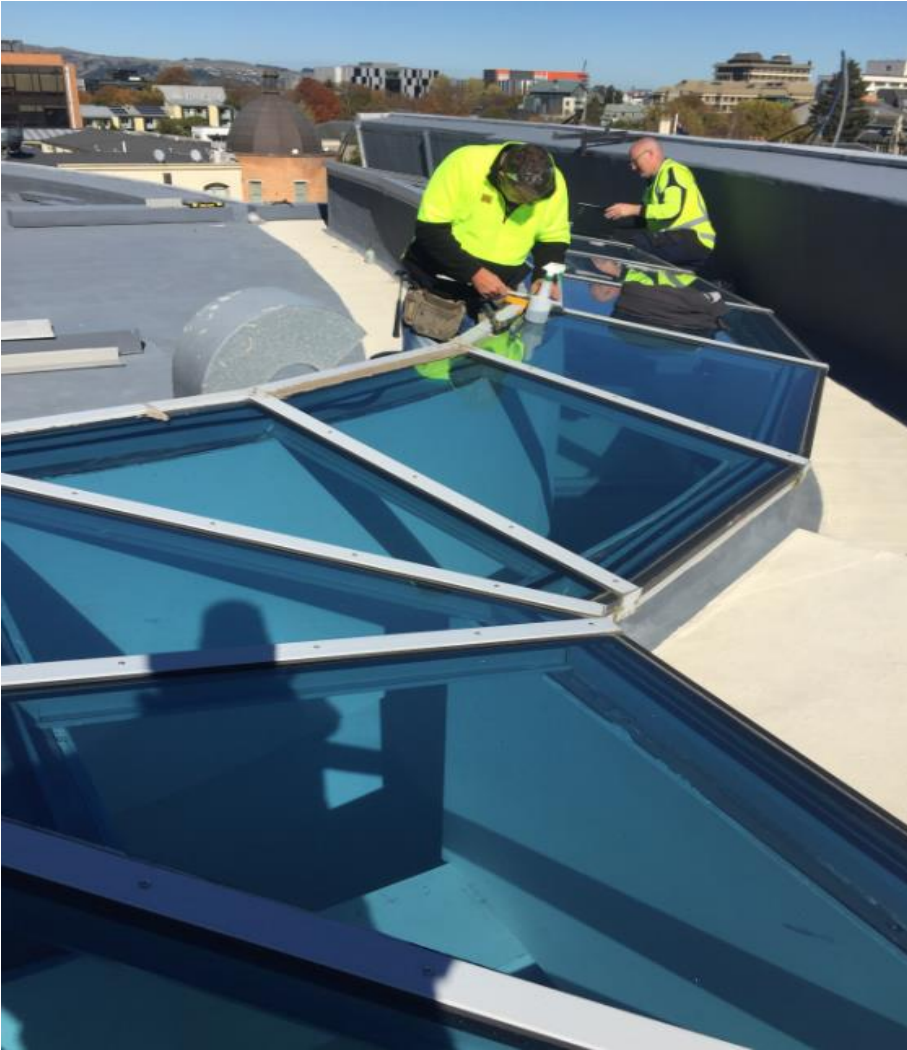


Figure 7-5: The Gallery had periodic roof leaks from new. Following the earthquakes, we had a recurrence of roof leaks which were investigated and rectified

7.2.4 Network Age and Lifecycle Stage

The Gallery was built relatively recently, opening in May 2003. Hence the age profile of many sub-category assets are identical where they date from this time. Where the asset (or sub-category asset) age is known, it is included in the Aecom report findings which can be found at TRIM ref. 18/69480. On an ongoing basis, we follow an asset replacement and upgrade programme which applies a ranking system across the range of assets to ensure appropriate prioritisation is used applying a range of attributes including age but also criticality, linkage to other elements and efficiency of carrying-out replacement work in conjunction with other asset repair or replacement work.

For example, when scaffolding or high-lift equipment is required for health and safety compliance or simple practicality of work operations, we look to carry-out other work on nearby assets to gain efficiencies. Often these decisions are made for reasons other than simply the age of the asset or the lifecycle stage and involve more than just the Facilities team. For example, often the Christchurch Art Gallery Exhibitions Team are closely involved in upgrade and repair projects, particularly the planning of programme and logistics considerations to optimise the smooth running and/or minimise the disruption to exhibitions in the Gallery.

An example of this approach is a significant project carried-out over several years where we have upgraded fluorescent lighting, which dates from the original design/construction of the Gallery, to LED lighting. This was not necessarily driven by end-of-life considerations but more by improved energy efficiency (as described in the REGGE Plan), improved light output and a greater flexibility for directional or focused lighting used to complement or enhance the illumination of artworks displayed.



Figure 7-6: Trial of new in-ground forecourt lighting solution

A different example is the current forecourt in-ground lighting upgrade project which had nothing to do with the stage in lifecycle but everything to do with the unsatisfactory outcome of the base isolation project. The conduits and connecting cables were cut during the base isolation work and put out-of-scope by the Project Manager which necessitated a significant spend (\$220k) to reinstate the connecting cabling, to place and fit new lights and upgrade to a higher specification which includes computer controlled colour and sequence controls. The project will result in much improved flood lighting for the Gallery façade and enhanced security lighting for the building perimeter and the forecourt.

7.2.5 Asset Data Confidence

Asset information in relation to the building structure, foundations and services was gathered during the repair and strengthening project completed in 2015. Also a project was completed in 2017 which saw independent engineering consultants, Aecom, gather condition information for key building elements at the Art Gallery down to sub-component level for some areas. This information can be accessed at TRIM ref. 18/69480.

These significant projects have helped to inform the development and improvement of a technical Asset Register. There is a specific Improvement Plan task to move this data from the Asset Register into SAP, which will enable more robust analysis and predictive intervention for key assets or sub-category assets. The Asset Register is not included in this AMP but it can be accessed at TRIM ref. 17/233144.

7.2.6 Asset Data Improvements

The following improvements to data quality are included in the Improvement Plan in Section 10.

Task 20-A

- Further asset condition assessment/consolidation into single database (SAP or other)

7.3 Asset and Network Planning

7.3.1 Asset planning strategies

The fundamental tool which we use is our Capital Plan. As mentioned elsewhere, we have developed a 30 Year Capital Plan and from this, we use a 'rolling' three year Capital Plan. We use this to monitor progress on a frequent basis and we are continuously improving our lifecycle estimation, scope of work and relative cost for work packages. A copy of the current 3 Year Capital Plan for the period FY21 – FY 23 can be found at TRIM ref. 19/1385979. It is not appropriate to reproduce the full Plan in the AMP but key elements by each of the three years are as follows:

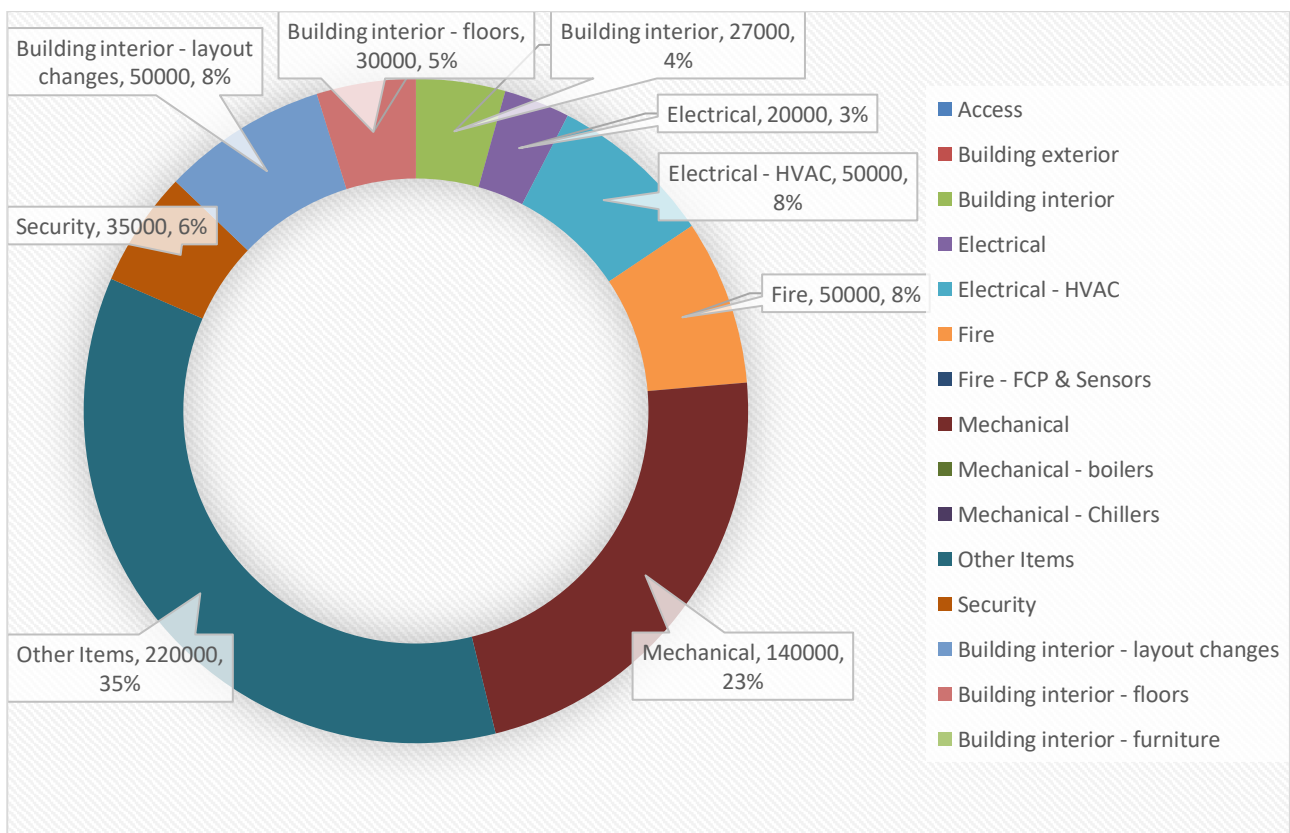


Figure 7-7: Breakdown of CAPEX for FY21

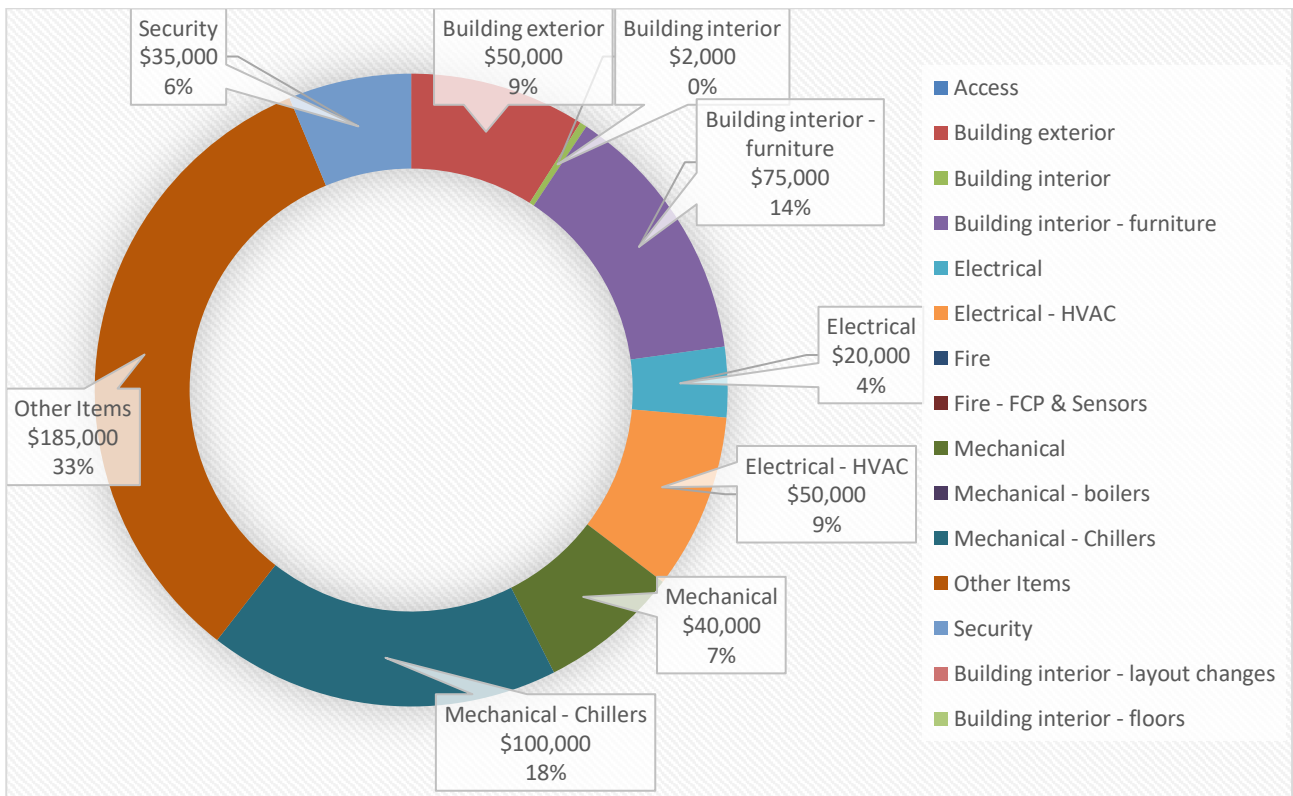


Figure 7-8: Breakdown of CAPEX for FY22

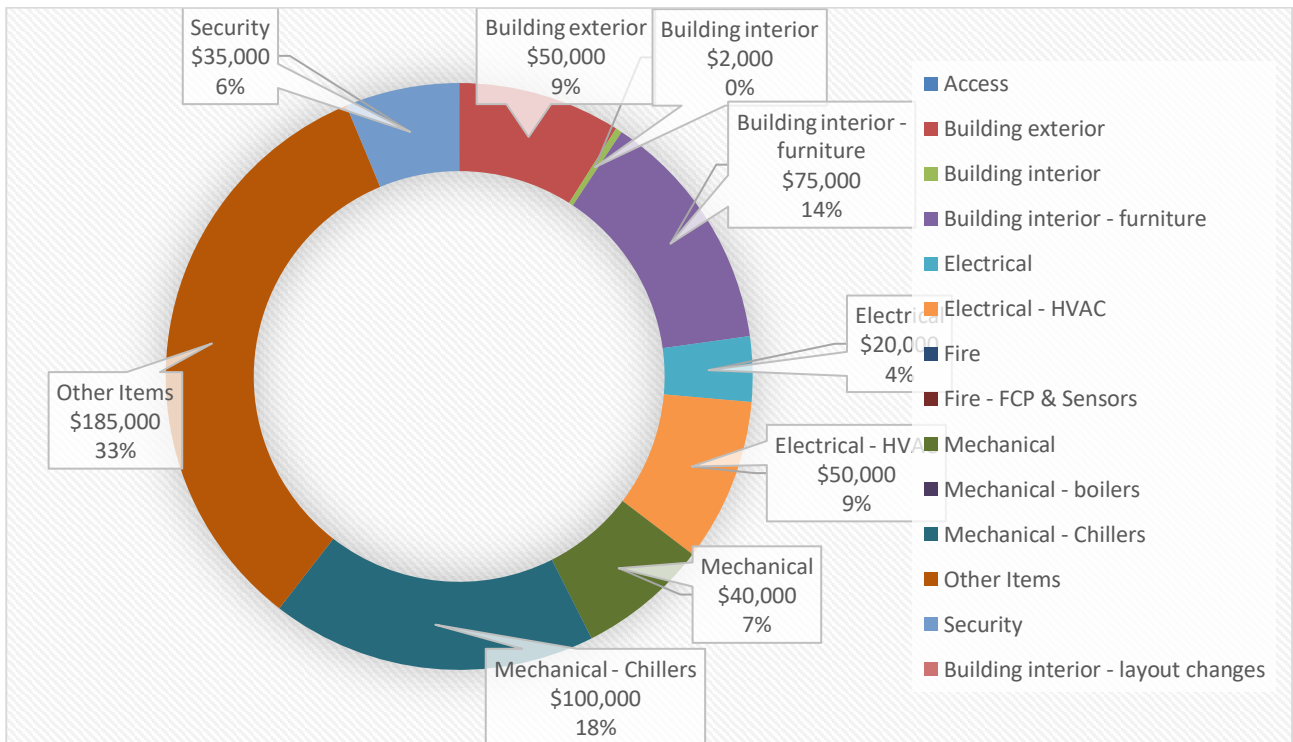


Figure 7-9: Breakdown of CAPEX for FY23

As many of the work programmes are completed within a single financial year, the quantum of the areas of work can vary significantly from year-to-year. There are exceptions to this including:

- a recent major security upgrade project which spanned several years; and
- the fire upgrade work, which focused on fire damper assessment/improvement to prevent fire spread between separate fire compartments and which was spread over a number of years. The initial work was focused on life protection with the subsequent work focused on asset protection as available funds have permitted.

7.4 Asset Creation (Design and Build) and Acquisition

7.4.1 Identifying and recording capital projects

Capital works are those works that create a new asset that did not previously exist or works which upgrade or improve an existing asset beyond its existing capacity. In this AMP there are few genuinely ‘new’ asset projects but there is a continuing emphasis on better planning for capital upgrade and/or refurbishment projects in a general sense. In particular, a number of projects have been identified through consideration of:

- Level of Service requirements (described in Section 3);
- Growth and demand requirements (described in Section 4);
- Investment in improving resilience and/or managing risk (described in Section 5);
- Other asset planning initiatives (described in Section 7.2 in particular).

7.4.2 Selection criteria

In terms of the prioritisation of projects on our future capital works programme, we use a multi-criteria ranking approach including:

- critical asset ranking;
- risk-based;
- stage in life-cycle (where known);
- other factors such as logistics, compatibility with other planned work, procurement considerations;
- seeking to move to a weighted approach.

7.4.3 Capital Investment Programme

As this AMP brings Sections 7 and 8 of the AMP template together as agreed, the following table is copied across from Section 8.1.3.

Projected upgrade/new asset expenditures are summarised in the table below.

Table 7-2: Forecast Capital Upgrade/New Asset Project Costs

Project name	Project funding source (Capital, Vesting, Other)	Whole of life estimated cost	Whole of life estimated time	Capex	Opex (Average Annual)	Expected start date	Expected delivery date
Expand education area to meet current demand (from school students)	Capex and Opex	TBA	TBA	Yet to be calculated		FY21	FY22

Project name	Project funding source (Capital, Vesting, Other)	Whole of life estimated cost	Whole of life estimated time	Capex	Opex (Average Annual)	Expected start date	Expected delivery date
Transition of fuel source/reliance away from landfill gas	Capex and Opex	TBA	TBA	TBA	TBA	FY27	FY27

All amounts are shown in real values.

Note that these two projects are summarised in this table but covered in greater detail elsewhere in the AMP. At the time of writing this section of the AMP, although these are important projects, there is doubt over their timing due to the significant impacts of COVID-19 on Council as a whole. Once the LTP is agreed in 2021, if funding is approved for these projects, the project scope, cost and programme can be developed and this table can be populated further.

There are no vested assets included in the coverage of this AMP. It should be noted that the Gallery and the Akaroa Museum receive gifts of artworks or historical items respectively, which are added to our collection in a carefully managed manner. But this is not relevant for inclusion here as the collections are not covered by this AMP.

7.4.4 Asset Creation and Upgrade Improvements

The following improvements to asset creation processes are included in the AM Improvement Plan in Section 10.

Task 20-H Progress specific key projects including

- transition of fuel source to sustainable alternative – Gallery input to Corporate Accommodation initiative
- investigate opportunities to increase collection storage capacity – Gallery initiative
- investigate education area options – Gallery initiative

7.5 Operations and Maintenance

The Operations and Maintenance activity and budget is closely managed by a number of staff, under the oversight of Neil Semple, the Projects and Operations Manager for the Gallery. These are produced on a monthly basis for the Gallery management team. Copies of previous monthly versions can be found by searching in TRIM with 'Title Word' as 'Art Gallery Building Team Report'.

As discussed elsewhere, this AMP brings Sections 7 and 8 together as agreed.

Historical maintenance and operating activities for this asset class are shown in the Figures below.

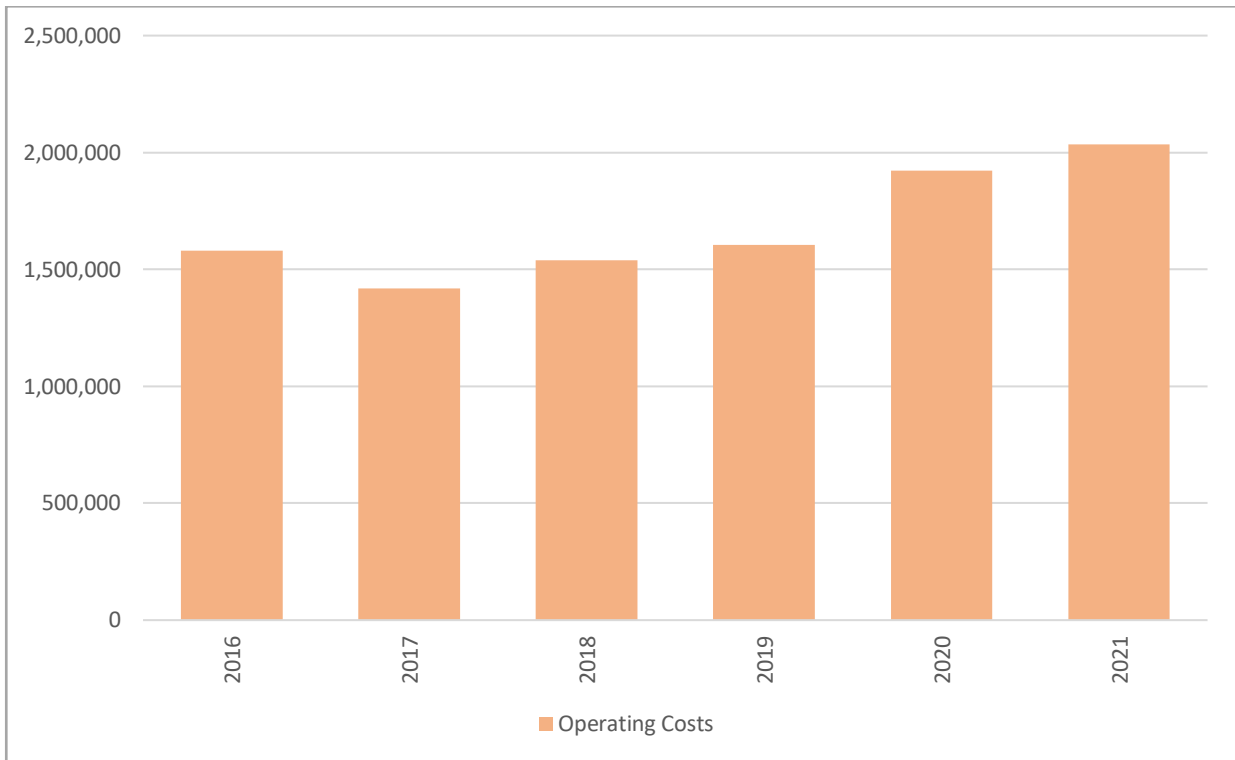


Figure 7-10: Historical Operating Actuals

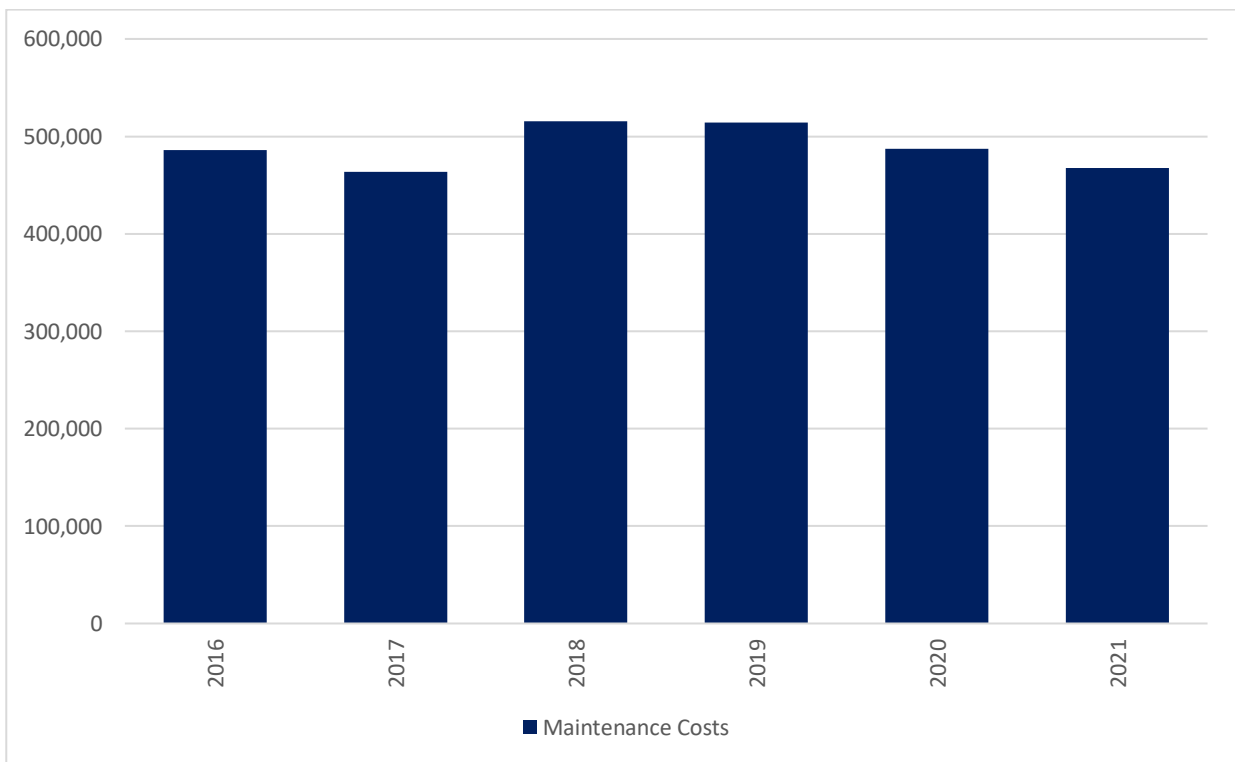


Figure 7-11: Historical Maintenance Actuals

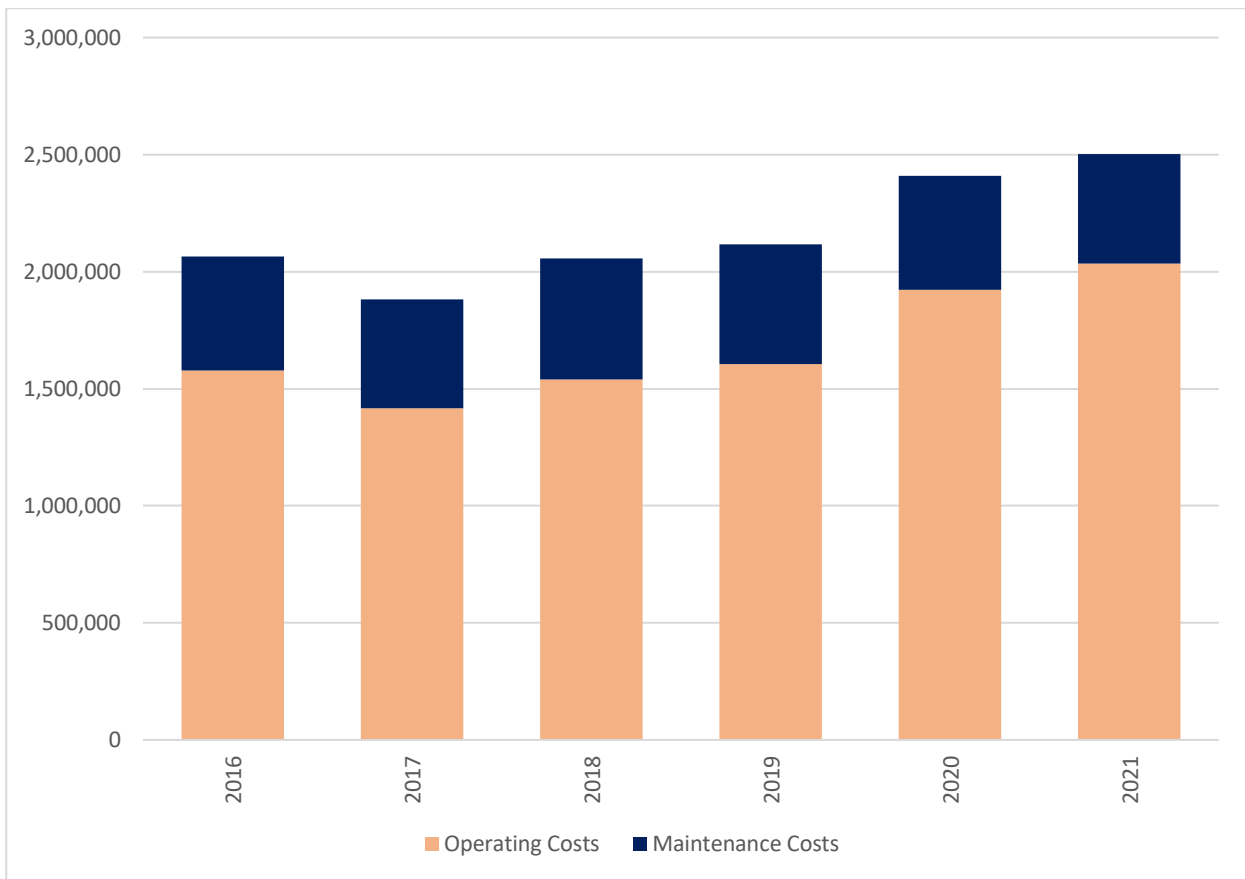


Figure 7-12: Historical Operating & Maintenance Actuals Combined

7.5.1 Portfolio-level O&M Strategies

As mentioned elsewhere, this AMP is focused on the Christchurch Art Gallery facility.

The following improvements to operations and maintenance processes are included in the AM Improvement Plan in Section 10.

Task 20-D Noting that the facility is operated well, start to progress more rigorous and structured Quality Management – including introducing formal audit process enabling review of non-compliance/improvement actions

7.6 Renewals

7.6.1 Portfolio Renewal Strategies

Renewal expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original or lesser required service potential. Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure.

Our principal planning tool is a 30 Year Capital Plan for the Gallery facility which provides an agreed, transparent approach to the planning of capital expenditure. A copy of the most recent version, which is current at the time of writing the AMP, can be found at TRIM ref. 20/996513. A comprehensive review and update of the 30 Year Capital Plan is carried-out at six monthly intervals, with a more detailed review of a rolling three year Plan carried-out at the same time. These reviews are carried-out by a group comprising:

- Art Gallery Manager Operations;
- Facilities Management Lead;
- Planning and Asset Management Lead.

On an ongoing basis, the same group carries-out monthly reviews around the CPMS/Sentient database which provides the mechanism for high-level reporting and exception reporting of capital spend against agreed budget. For these reviews, the Three Year Capital Plan provides a useful planning and monitoring tool. A copy of the Three Year Capital Plan for the period FY21 – FY 23 can be found at TRIM ref. 19/1385979

7.6.2 Renewal Process Improvements

No specific improvements to asset renewal processes are included in the Improvement Plan in Section 10.

7.7 Asset Disposal

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation. Any revenue gained from asset disposals is accommodated in the LTP. There are no asset disposals planned for the Gallery in this AMP period.

8 Lifecycle Management Plans

Section 8 is not applicable for the Gallery AMP at this time

Relevant tables from

- Section 8.1.3
- Section 8.1.4
- Section 8.1.5
- Section 8.1.6

Have been included in Section 7

9 Financial projections and trends

This section outlines the long-term financial requirements for the Activity based on the long-term strategies and tactics described earlier in the AMP.

9.1 Operating Forecasts

9.1.1 Financial Projections

Figure 9-1 shows the historical and projected operating costs for the Christchurch Art Gallery activity

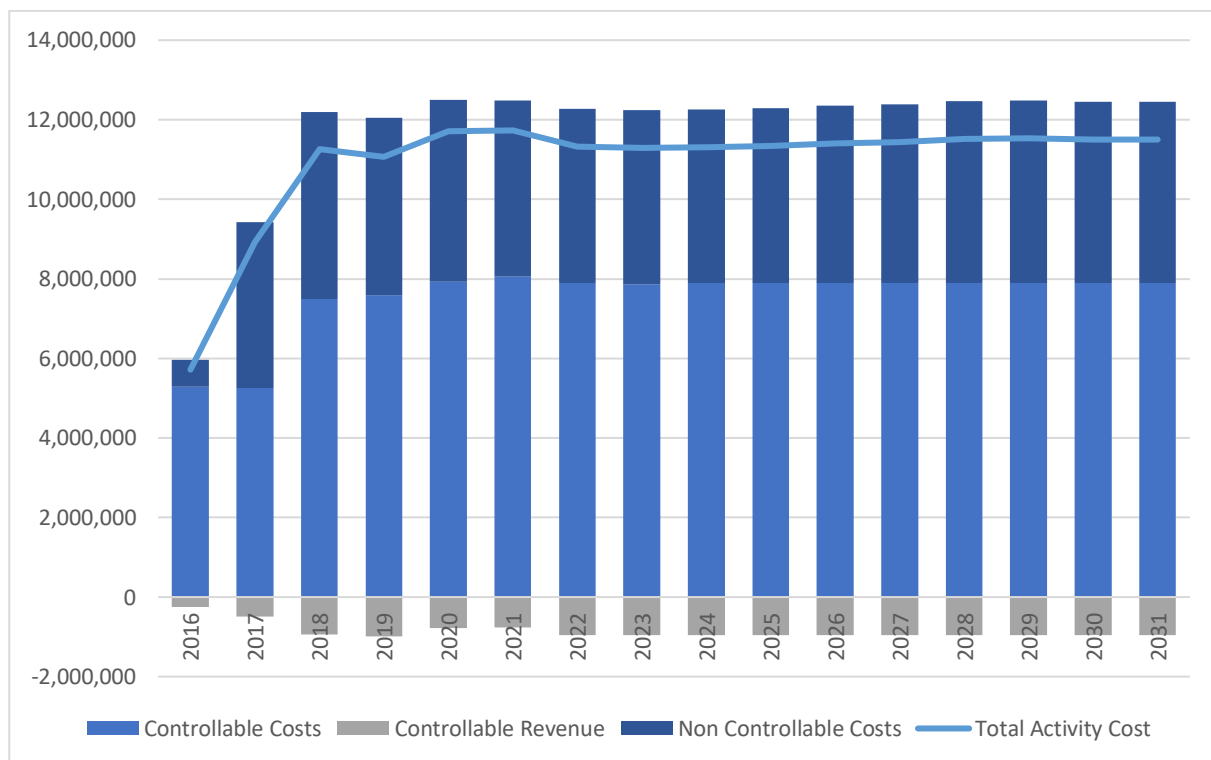


Figure 9-1: Forecast for the Christchurch Art Gallery Activity (uninflated)

Combined, controllable costs for the Christchurch Art Gallery and Akaroa Museum assets are shown in Figure 9-2

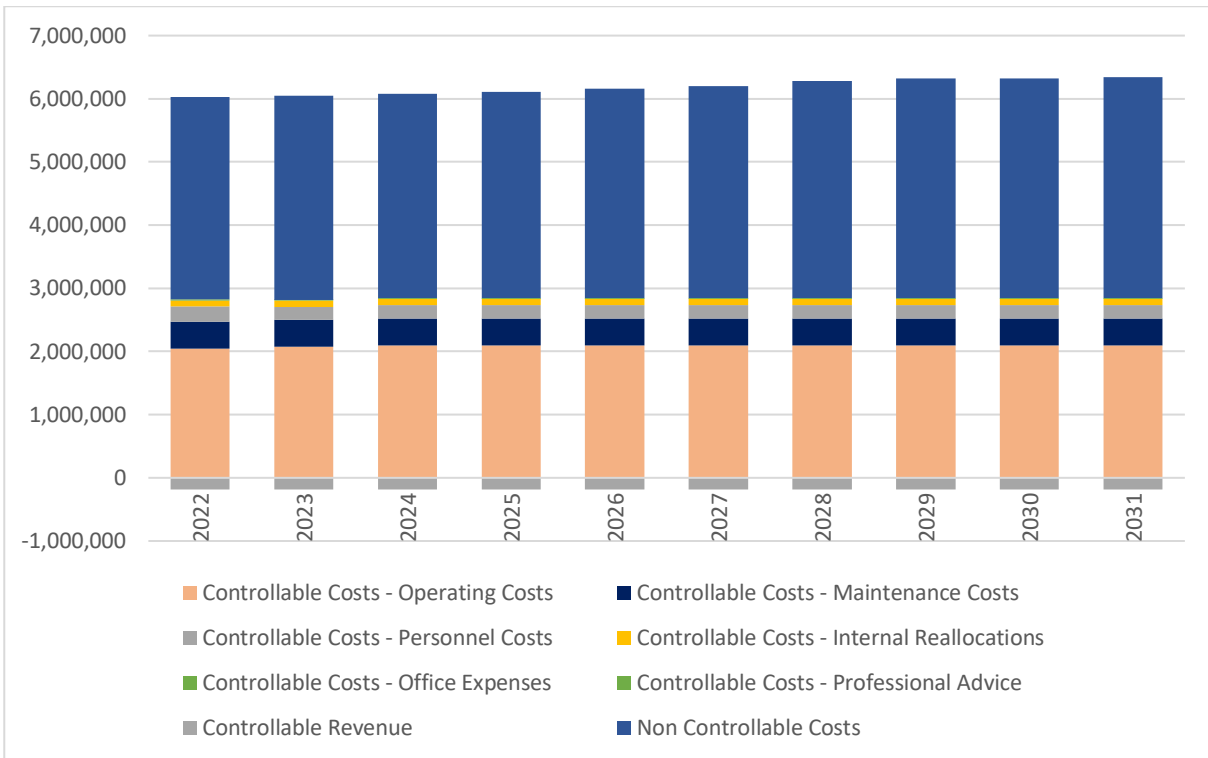


Figure 9-2: Projection of controllable costs for the Christchurch Art Gallery Building and Akaroa Museum (uninflated)

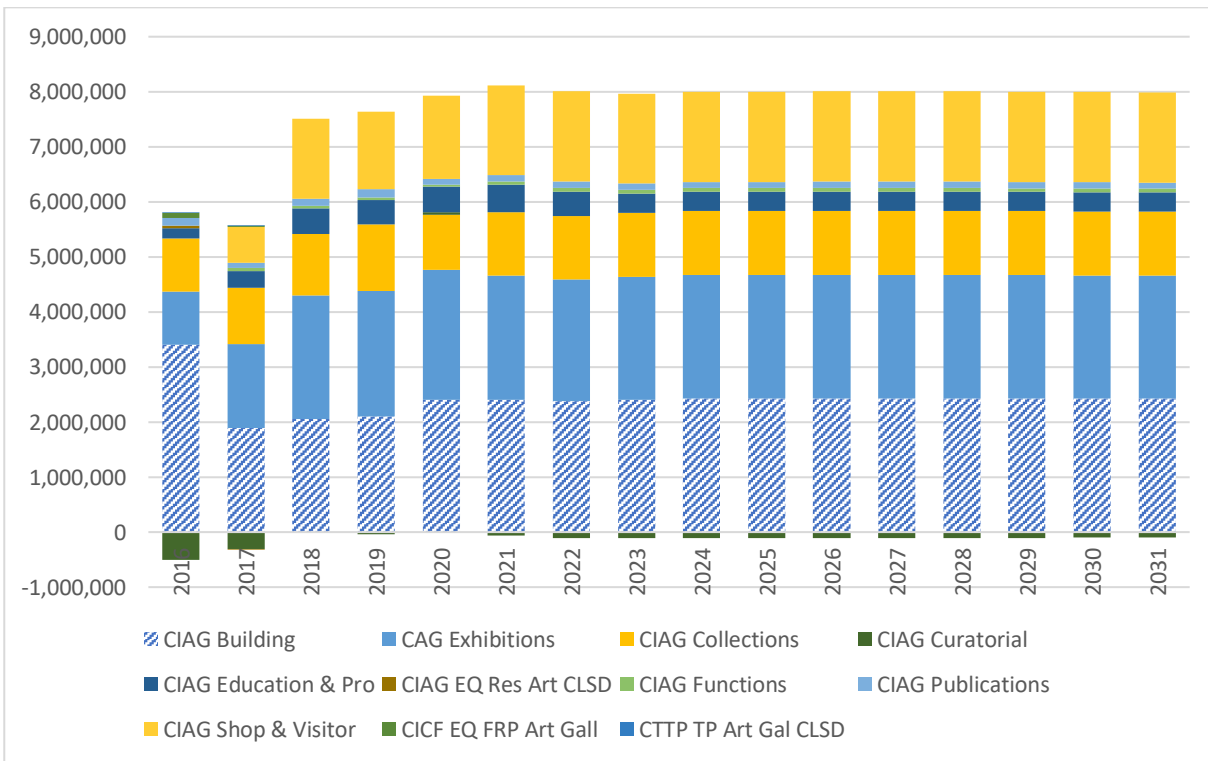


Figure 9-3: Projection for the Art Gallery controllable costs by profit centre (uninflated)

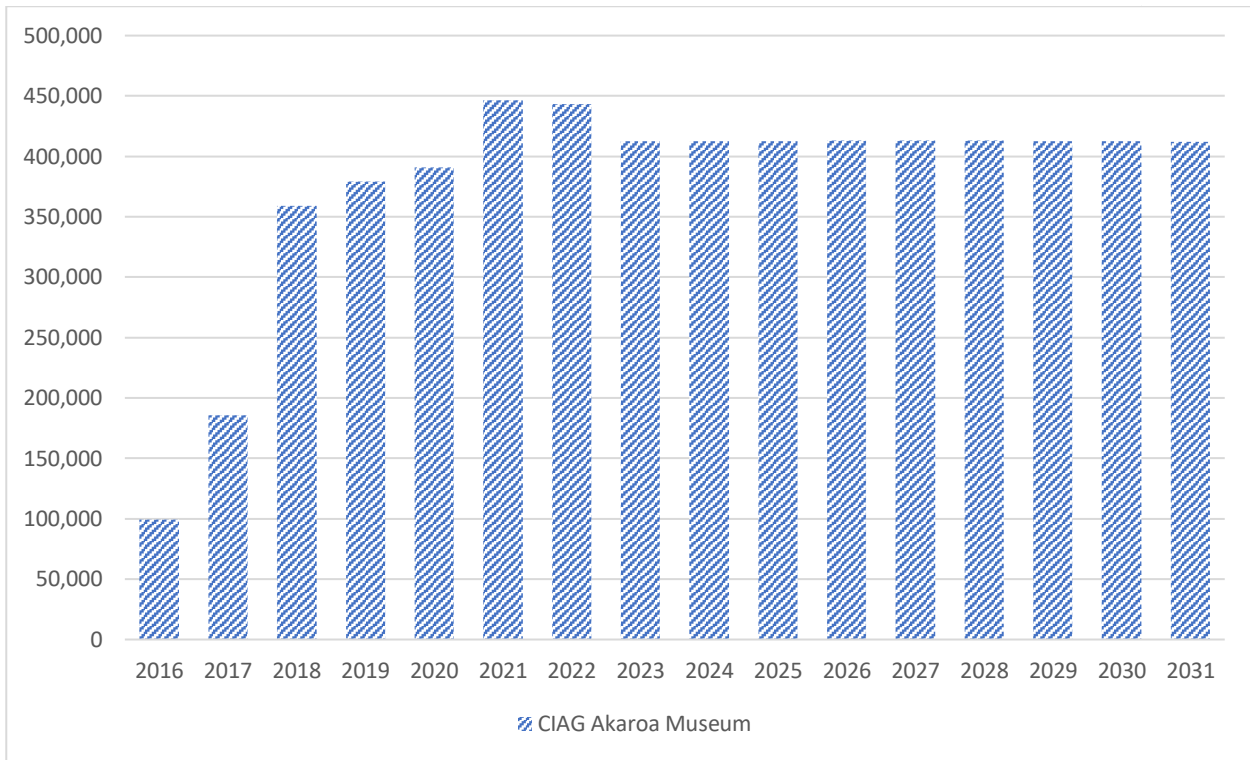


Figure 9-4: Projection for the Akaroa Museum controllable costs (uninflated)

Textured bars in the above figures are those that are building asset related.

The proportion of operating and maintenance costs can be seen in Figure 9-5, which includes both the Art Gallery and Akaroa Museum assets. Operations and maintenance have been planned to ensure the defined levels of service can be met while managing service consequences and risks.

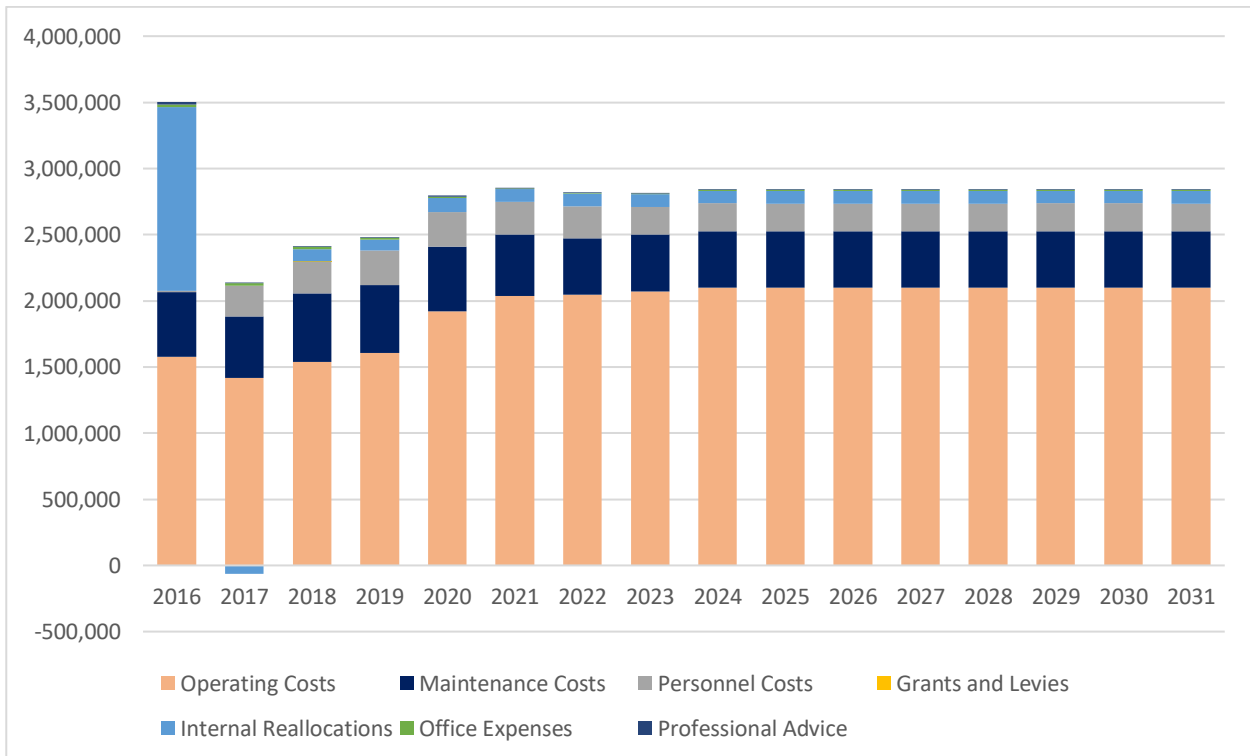


Figure 9-5: Forecast for the operational budgets for the Christchurch Art Gallery and Akaroa Museum assets.

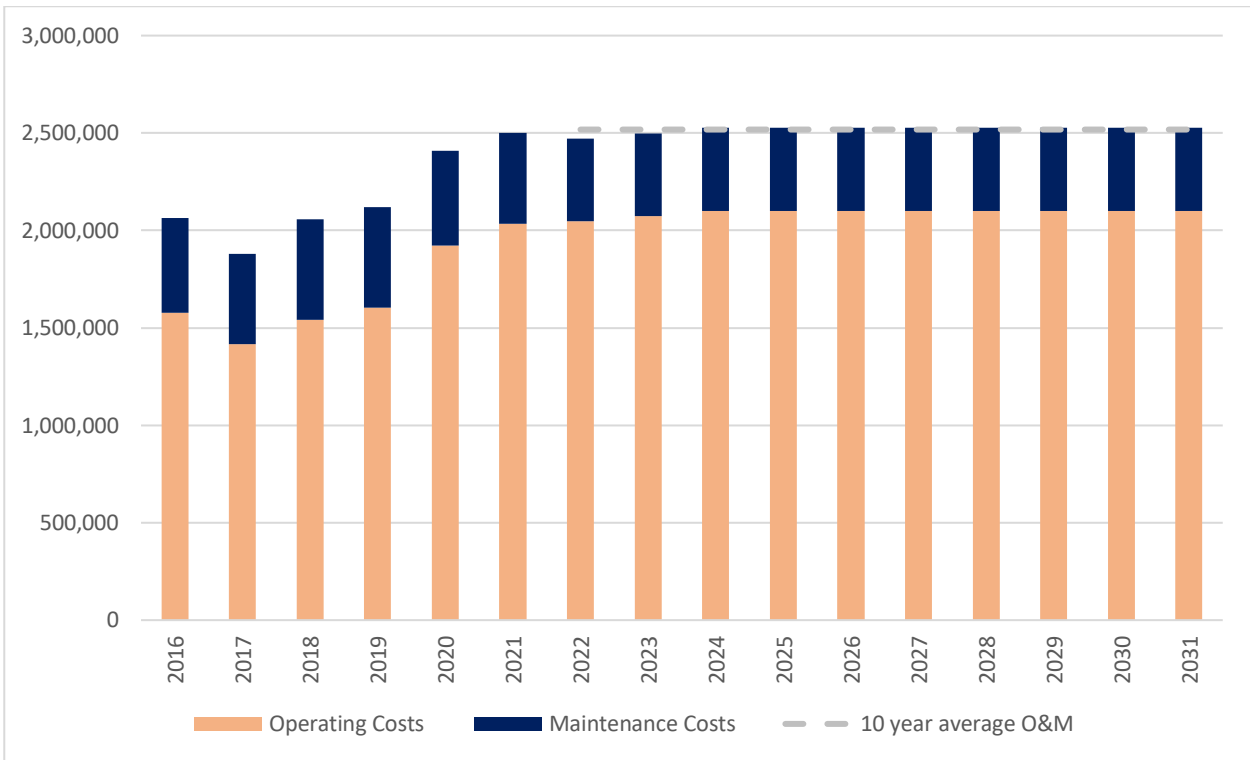


Figure 9-6: Forecast for operating and maintenance for the Christchurch Art Gallery and Akaroa Museum assets (uninflated)

Over the next 30 years the majority of our expenditure is replacement/renewal and refurbishment. A 30 Year Capital Plan has been developed based on an identified work programme with a robust matching capital spend. These can be seen in

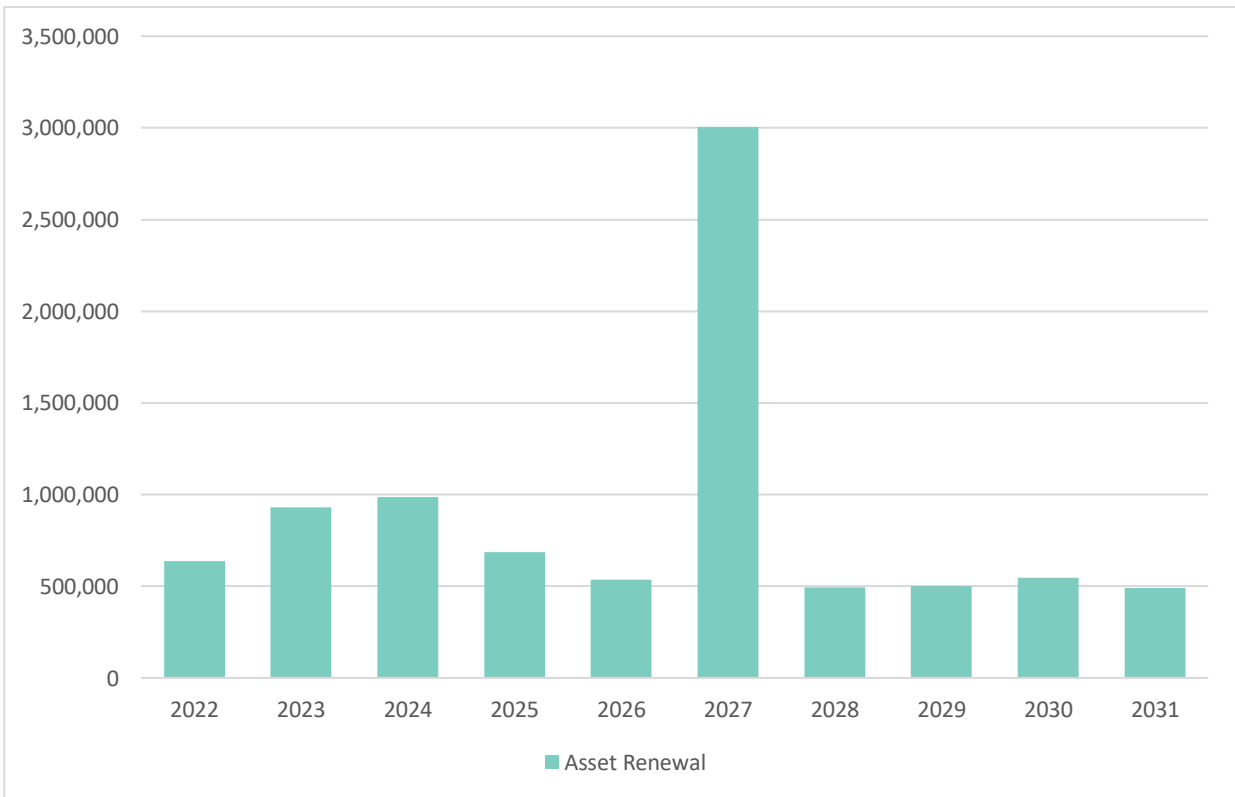


Figure 9-7: 10 Year forecast for the CAPEX for the Christchurch Art Gallery building (uninflated)

Notes to significant planned spend in FY27 of the 30-Year Capital Plan Projections is as follows:

- FY27 – includes provision of \$2.25m for the Art Gallery costs associated with the changes to supporting infrastructure to facilitate the transition from landfill gas to another alternate fuel source (including replacing boilers and associated pumps/valves/meters although the preferred option is yet to be determined)



Figure 9-8: 10 year forecast for the CAPEX for the Akaroa Museum assets (uninflated)

Roof replacements and equipment renewals, along with component renewals feature in the CAPEX for Akaroa Museum in the next 10 years.

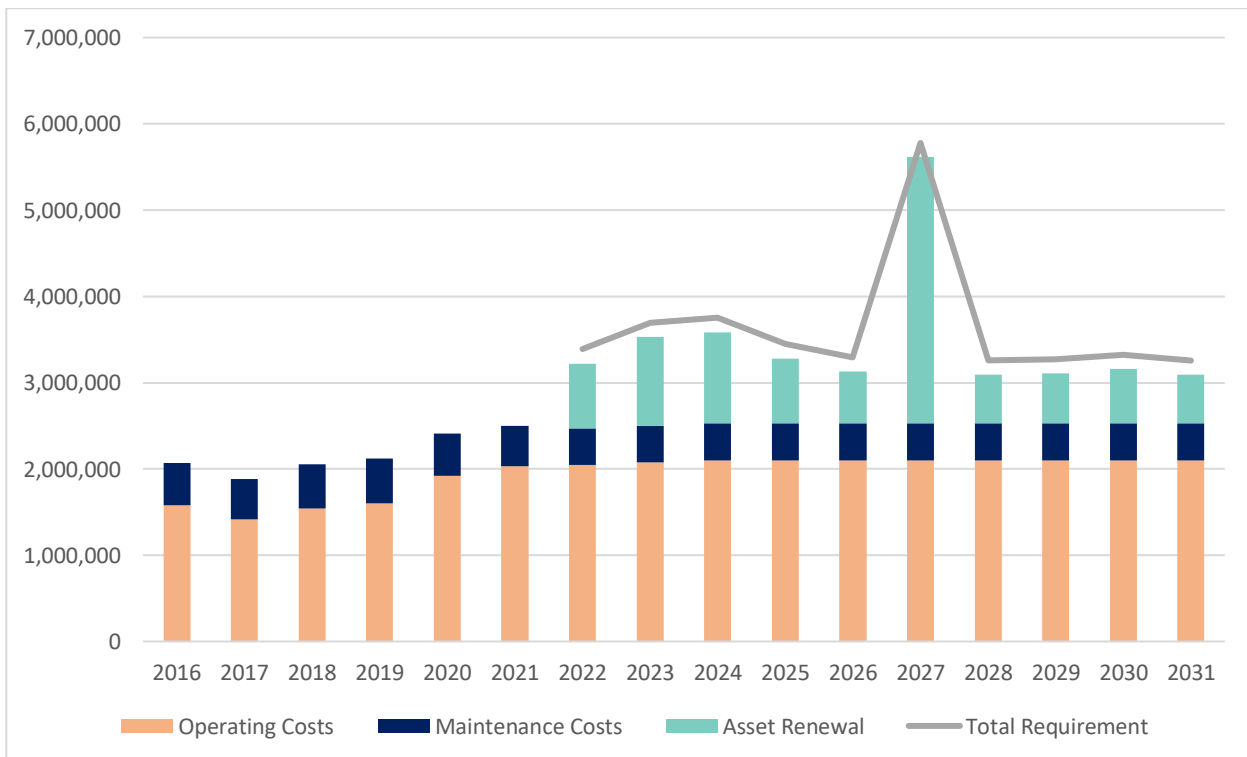


Figure 9-9: Forecast for the operational, maintenance, renewal and upgrade for the Christchurch Art Gallery and Akaroa Museum asset (uninflated)

Table 9-1: Asset related expenditure summary (Uninflated)

Executive Summary - What does it cost?	\$
10 year total cost [10 year Operational, Maintenance, Renewal & Upgrade Projected Expenditure]	\$36,460,644
10 year average annual cost	\$3,646,064
10 year total LTP budget [10 year Operational, Maintenance, Renewal & Upgrade LTP Budget]	\$34,810,644
10 year average annual LTP budget	\$3,481,064
10 year AM financial indicator 100%	95%
10 year average annual funding shortfall	\$165,000

9.1.2 Key Assumptions

General assumptions in preparing this forecast include:

- no budget levelling has been undertaken;
- increase in assets to provide for the activity have been allowed for.

Significant risks associated with these assumptions include:

- there is no allowance for financial constraints attributed to the economic impact of the COVID 19 crisis;
- price increases of building materials and labour have increased at a higher rate than the consumer price index therefore there is a risk that continued increase of these building costs means future years budgets have less net useable value.

9.1.3 Significant Changes

The significant changes in expenditure are shown in Table 9-2 below.

Table 9-2: Activity Operating Costs – Significant Changes

Item	Movement	Rationale for change
Personnel	Increase	Standard contracts allow for 2% increase p.a.
Contracts	Increase	The retendering of maintenance contracts will take into consideration steady increases in construction costs reflected in the contracts lump sums, schedule of rates and quoting for planned works.
Construction Materials and Labour	Increase	There have been steady increases in building material and labour rates as reflected in The Capital Goods Price Index. Construction costs have increased by 30% over the last decade. Acute labour shortages, growth in construction demand and capacity constraints suggest construction cost inflation is forecast to be in the vicinity of 3.5% annually over the next five years.
Energy	Increase	Electricity prices are generally increasing to reflect the substantial cost to build, finance, maintain, and operate power plants and the accompanying electricity transmission and distribution lines. Council's commitment to investigating sustainable energy options means if adopted they could require substantial initial financial investment.
Insurance	Increase	Post-earthquakes insurance costs have steadily increased to represent a move by insurers to more risk based pricing to reflect seismic, flooding and climate change risk. There is an awareness by entities that there was an historic element of underinsurance. Where assets are unable to be

Item	Movement	Rationale for change
		commercially insured Council will need to make financial allowances for self-insurance.

9.1.4 Key Assumptions

General assumptions in preparing this forecast include:

- finance inflationary indexing applied;
- that the transition of fuel source occurs in FY27 (transitioning from landfill gas supply to an as-yet unknown source).

Significant risks associated with these assumptions include:

- unknown financial impact from COVID-19.

9.2 Input Data Confidence Levels

The expenditure and valuations projections in this AMP are based on best available data. Currency and accuracy of data is critical to effective asset and financial management. Data confidence is classified on a 5 level scale in accordance with Table 9-3 below.

Table 9-3: Data Confidence Grading System

Confidence Grade	Description
A Highly reliable	Data based on sound records, procedures, investigations and analysis, documented properly and recognised as the best method of assessment. Dataset is complete and estimated to be accurate \pm 2%
B Reliable	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate \pm 10%
C Uncertain	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated \pm 25%
D Very Uncertain	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete and most data is estimated or extrapolated. Accuracy \pm 40%
E Unknown	None or very little data held.

The estimated confidence level for and reliability of data used in this AMP is shown in Table 9-4 below.

Table 9-4: Data Confidence Assessment for Data used in AMP

Data	Confidence Assessment	Comment on Reliability of Forecasts
Operations expenditure	B - Reliable	Forecasting is undertaken by the analysis of current contracts, actual work invoices and SAP data.
Maintenance expenditure	C- Uncertain	Forecasting is undertaken by the analysis of previous years spend. As more emphasis is placed on asset condition data there is an expectation that operational maintenance spend will level off or reduce over time as expenditure on planned works increases.
Renewals (asset value, lives, condition, performance)	C -Uncertain	Analysis of asset component data for some sites has been undertaken, to determine a priority list for the budget. For the Gallery typical standardised cyclic renewal events have been ascertained, costed and applied to individual assets to gain an appreciation of anticipated renewals expenditure over a 30 year period. This will be done for the Akaroa buildings over the course of this AMP.
Upgrade/New expenditures (level of service, demand, resilience projects)	C- Uncertain	Analysis of asset component data for the Gallery has been undertaken, to determine a priority list for the budget. Typical standardised cyclic renewal events continue to be tested over time and confirmed or revised.
Disposal expenditure	B- Reliable	No disposals planned for this portfolio

9.3 Valuation and Depreciation

9.3.1 Valuation Basis

Council's building portfolio was revalued as at 1 July 2020. The methodology below outlines the approach:

replacement costs have been assessed with reference to actual construction costs where known, published quantity surveyor data, analysed building contracts and Bayleys construction cost database;

indemnity values have been based on age of structures and physical condition where known, bearing in mind the requirement to produce values on a desktop basis without inspections;

Quantity surveyors, Rawlinsons, have produced replacement costs for specified structures;

values have been calculated using the Council supplied information including description of buildings, addresses, floor areas, age and previous valuations.

The Local Government Act 2002 and the Financial Reporting Act 2013 requires Council completes a full valuation of its assets every three years and a desktop valuation in each of the two years between these full valuations. These valuations are required to be completed by an independent registered Valuer.

Valuations are assessed on the replacement cost valuation methodology being the cost to replace an item or structure at its existing condition at the time of appraisal. When the replacement cost, useful life, remaining useful life and residual value have been established as part of the valuation exercise, the depreciation for the asset is calculated. The asset is depreciated and a book value is established so that:

- only the remaining service potential of the asset is reflected in its 'book value'
- to recognise the expense for financial accounting requirements

Valuation and Depreciation Forecasts

Table 9-5: Replacement valuations and Depreciation

Category	Gross Replacement Cost (2020)	Depreciated Replacement Cost	Annual Depreciation
Christchurch Art Gallery (BE1185/001)	\$141,683,000	\$109,805,000	\$2,462,703
Akaroa Museum (BE3635/002)	\$554,000	\$277,000	\$10,960
Akaroa Courthouse (BE3635/005)	\$749,000	\$234,000	\$8,136
Langlois-Eteveneaux Cottage (BE3635/001)	\$424,000	\$132,000	\$7,828
Akaroa Customs House (BE3640/002)	\$176,000	\$55,000	\$2,000
CAG -Other	\$674,146	\$294,650	\$128,563
TOTAL Art Gallery portfolio assets	\$144,260,146	\$110,797,650	\$2,620,190

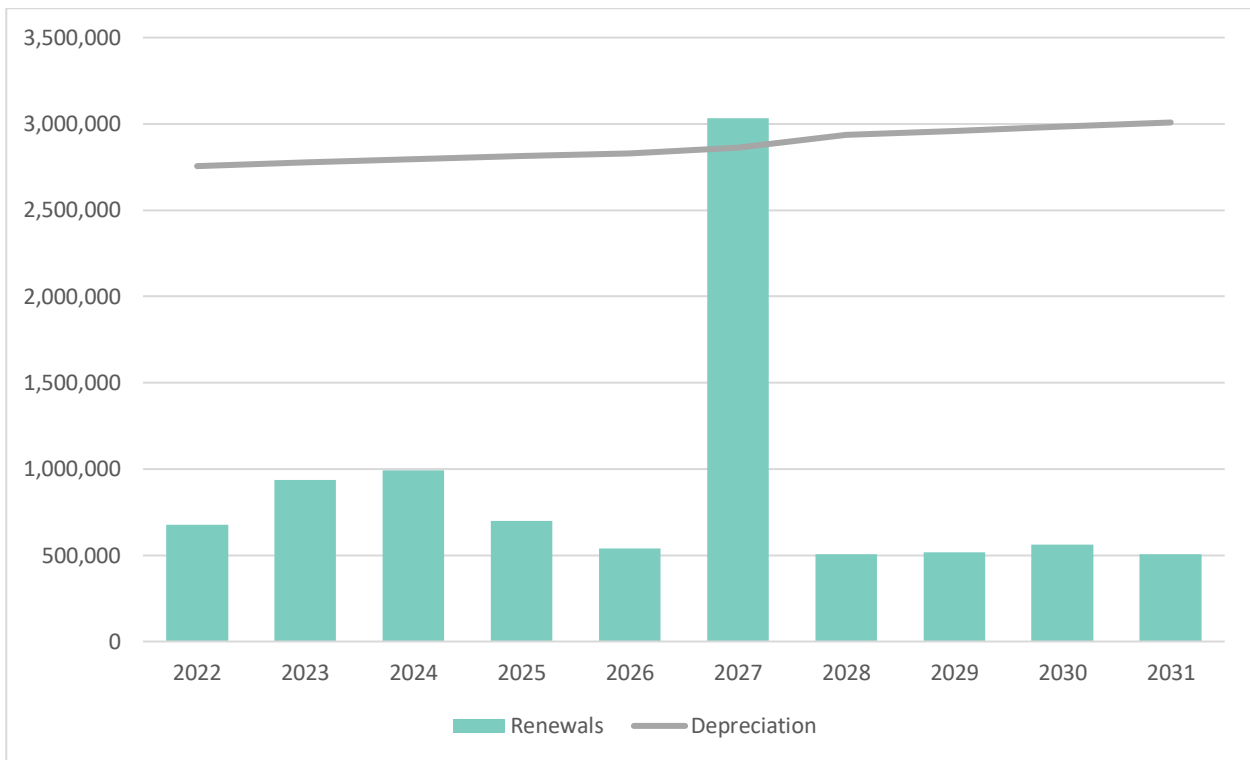


Figure 9-10: Valuation / Depreciation Forecasts 2021 – 2031

9.3.2 Depreciation / Renewal Forecast Comparison

Renewals funding is significantly lower than depreciation, with the exception of the year when the transition of landfill gas project occurs.

9.4 Implications of approved ten-year budget

This to be completed once LTP adopted.

9.4.1 What we cannot do

The Council has prioritised decisions made in adopting the LTP to obtain the optimum benefits from its available resources.

Budget constraints as a result of the post COVID-19 economic environment will limit the work that can be undertaken in this LTP period. There are some operations and maintenance activities and capital projects included identified in this AMP that may be unable to be undertaken within the next 10 years due to reprioritisation and budgetary constraints.

Service consequences

Operations and maintenance activities and capital projects that cannot be undertaken will maintain or create service consequences for users. These include:

- potential for reduction in LOS, for lower priority sites;
- not meeting LOS performance measures.

Risk Consequences

The operations and maintenance activities and capital projects that cannot be undertaken may maintain or create risk consequences for the organisation. These include:

- inability to maintain assets to a level they are fit-for-purpose and suitably maintained so as to provide an appropriate level of operation;

- increased financial requirements (and gap) due to accelerated assets deterioration;
- poorer planning outcomes due to funding addressing deferred works, versus proactive works.

10 Continuous Improvement

10.1 Overview of the Improvement Programme

Council has made a strong commitment to improvement of asset management practices and seeks to further improve the approach. Council acknowledges the need to focus efforts to further asset management practices over the next 2-3 years to an appropriate level of capability.

Council's overall AM improvement process is outlined in the SAMP. This section details the Art Gallery improvement programme.

10.2 Asset Management Maturity Assessment – 2016 and 2018

An independent review of current AM practice was undertaken in 2016 and 2018. This was completed at a high level covering most of Council's Facilities portfolios; that is Libraries, Community Facilities, Recreation and Sport, Housing and the Art Gallery. We did not prepare a Corporate Accommodation AMP in the past so we did not assess the AM Maturity in this specific area of our practice.

The baseline 'Current' maturity assessment (at that time) for each portfolio was achieved through interactive workshops which involved a good cross-section of participants including representatives of asset owning groups, the respective Facilities leads and Strategic Property Analyst representatives. Our performance against a number of key AM criteria defined by Audit NZ was assessed. A 'Future' maturity level was set as a number of aspirational targets which combined the desire to achieve appropriate best practice and considering the agreed business drivers. It should be noted that the approach taken for the Facilities portfolios in rating 'Future' or aspirational levels was determined as those that could realistically be achieved with available resources over the three year life of the AMP.

The appropriate level of AM practice for this Activity has been defined in our AM Policy as 'Core'.

A summary of the assessment results for this Activity in the context of the other Facilities portfolios can be found at TRIM ref. 19/1391230.

The AM maturity assessment presented as a 'spider web' diagram is included below in Figure 10.1. It should be noted that the label 'Community Facilities' was assigned by an external consultant who was engaged to facilitate our first AM Maturity assessment process. Her experience with other New Zealand Councils, who typically referred to most/all of their buildings as 'Community Facilities', led her to use the same term for all of our buildings – causing a little confusion later as we obviously have a specific sub-set identified as 'Community Facilities'. However, this grouping is useful as a benchmark of performance across all of our portfolios in 2015, and can be compared with the comprehensive 2020 Maturity Assessment which is outlined below.

This 'spider web' diagram highlights a number of key issues:

- significant gaps between Current and Target (Future) in several areas including:
 - Improvement Planning – largely due to no specific resources (people and budget) being identified to progress identified Improvement tasks;
 - Demand Forecasting – largely due to difficulty in assessing demand in a changed city given the relatively short period the Gallery had been open following post-earthquake closure; and
 - AM Plans – at the time of review, the AMP preparation process was under pressure but this has been improved significantly with a more integrated and consistent approach followed in 2019.
- we are close to achieving our target in several areas including:
 - Risk Management – largely through the adoption and application of ProMapp;
 - Maintenance Planning – largely due to the progress made in FBBM (although this has not been without its own challenges); and

- Operational Planning and Reporting – largely due to the much more frequent meetings which are held at an operational level (and also at a capital planning level as well).
- It is worthy of note that we have given low levels of performance and aspiration in the area of Quality Management – largely due to Council not having any formal Quality Management processes and programme, and this is unlikely to change in the near future. However, a specific Improvement Plan task has been included to progress appropriate Quality Management initiatives – identified as Task 20-D in Table 10 – 2 below.

Section 10.4 provides a programme of activities identified to seek to close maturity gaps and address the weaknesses identified during the development of this AMP. This has been further expanded and informed now that we have the Draft results of the 2020 AM Maturity Assessment.

Art Gallery AMP Maturity Index

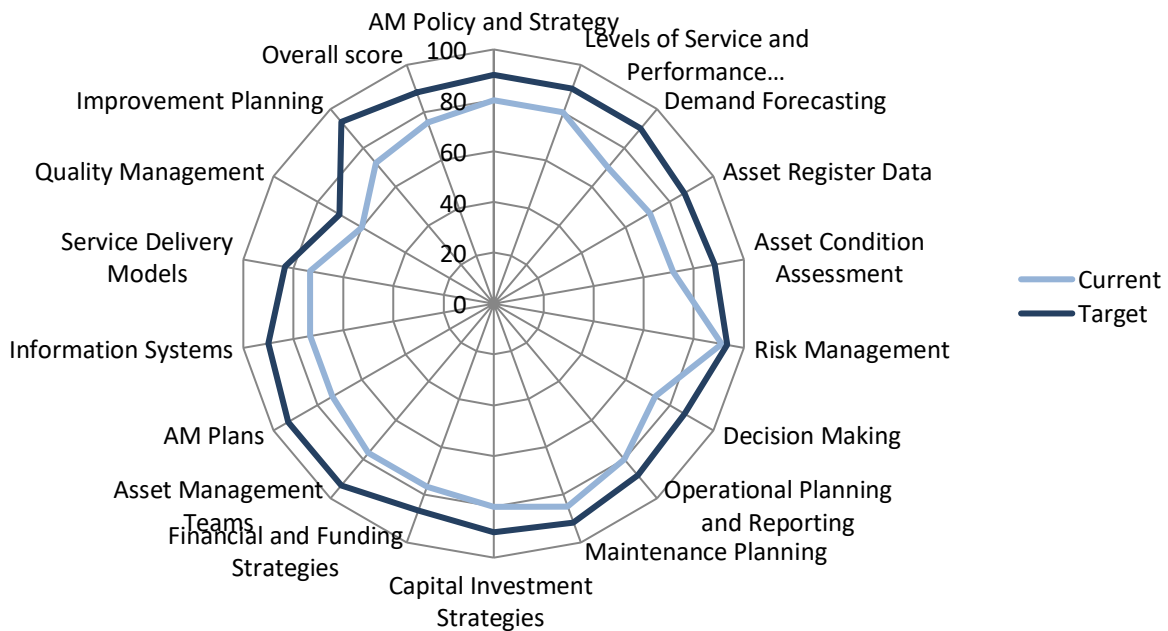


Figure 10-1: 2018 Asset Management Maturity Assessment for Art Gallery Activity

10.3 Review of Progress against Previous Plan

The previous Improvement Plan was developed as part of the 2018 AMP update. The indicative term of the improvement programme was three years. Table 10-1 following provides an update on the status of the improvement programme items as at November 2020.

In addition to the items within the improvement programme, the following improvements have been made to the asset management of the Art Gallery activity since the last AMP:

Table 10-1: Progress against 2018 Improvement Plan

Task ID	Action/Task	Timeline	Progress and Action
Item A	Asset condition assessment – coordinate, identify & allocate roles & responsibilities	Ongoing, included as part of the Improvement Plan in this AMP	In progress, continue over the term of this AMP
Item B	Identification of critical assets, incorporate into budgeting process	Ongoing, but additional related task included in Improvement Plan in this AMP	Completed initial work, carry forward additional work in this AMP
Item C	Application of more rigorous Quality Management practices	Ongoing, included as part of the Improvement Plan in this AMP	In progress, continue over the term of this AMP
Item D	Structured training programme	Ongoing, included as part of the Improvement Plan in this AMP	Ongoing, continue over the term of this AMP
Item E	Improvement of awareness of sustainability principles and metrics for measurement	Ongoing, but additional related task included in Improvement Plan in this AMP	Completed initial work, carry forward additional work in this AMP
Item F	Focus on overall Improvement Planning process	Ongoing, included as part of the Improvement Plan in this AMP	Limited progress made. To continue over term of this AMP. Note that limited resources continues to constrain progress
Item G	Develop/improve AMP to include Akaroa Museum complex buildings	Ongoing, included as part of the Improvement Plan in this AMP	Limited progress made. To continue over term of this AMP. Note that limited resources continues to constrain progress

10.4 Asset Management Maturity Assessment (Draft October 2020)

This most recent [Asset Management Maturity Assessment Draft](#) report has been completed by Infrastructure Decisions Limited in Draft form in October 2020 – which is still in Draft form at the time of preparing this section of the AMP.

The Draft report summarises the findings of an Asset Management Maturity Assessment (AAMA) across all of Council’s asset management activities. This section of the AMP focuses on ‘Section 5.5 Facilities’ contained in the Draft Report. It identifies improvements made since previous assessments in 2016 and 2018 and makes recommendations to support further improvement to levels of ‘appropriate’ asset management maturity.



Figure 10-2: 2020 Asset Management Maturity Assessment for Facilities

Since the last AMMA which was carried-out in 2018 there has been good progress across many functions, with notable improvements relating to asset information and analysis, alignment of strategic priorities with AM planning and understanding of long term renewal investment requirements. However significant identified gaps between Actual and Target scores remain in a number of areas including service delivery, asset performance/condition, operational planning and management systems.

The average score across Facilities activities increased from 68% to 72% in the last two years, aiming for a target of 87%. The basis for the scores is described in Table 10-2, which includes summary comments from the Draft Report which are relevant to the Art Gallery’s asset management practices and performance.

Table 10-2: 2020 Asset Management Maturity Assessment Scoring

Section	Current	Target	Comments pertinent to Art Gallery
AM Policy & Strategy	85	95	Corporate AM Policy and Strategic AM Plan in place. Strategic context thorough and documented. Strategic priorities are well embedded with good alignment through to AMP and Activity Plans.
Levels of Service	80	90	The levels of service sections of the AMPs have good linkages to strategic outcomes, customer expectations. LOS and performance measures reviewed by ‘pit crews’ in 2020. Community needs analysis and survey information has been detailed in the AMP – engagement through user surveys is stronger for some activities (eg Gallery) than others.
Forecasting Demand	65	80	Good analysis of demand drivers in AMP, supported by corporate demographic information. The current and historical utilisation and capacity of most facilities is measured however the demand forecasts have not been converted into quantitative forecasts to a level useful for planning for individual facilities. Demand management techniques identified in AMP but not clear which are being funded or progressed.

Section	Current	Target	Comments pertinent to Art Gallery
Asset Register Data	75	90	Data structure reviewed as part of the Facilities Better Business Management (FBBM) Programme. The data in SAP has been cleansed and is of a better quality but some datasets still have big gaps. A data collection process is underway to capture remaining facility assets and their attributes.
Asset Performance/Condition	65	85	A significant amount of asset data validation and condition assessments have been undertaken, unfortunately the data was not available to support the 2020 AM Plans. Asset performance data is limited to maintenance reporting and response times. Asset performance assessments (eg fitness-for-purpose) have not been part of this year's asset inspections.
Decision Making	75	85	Formal decision-making processes are applied to major projects and programmes – business cases are used to justify the financial and non-financial benefits of projects. Options are evaluated using a Council framework. CAPEX projects are captured and prioritised against decision criteria (aligned to Council priorities) in CPMS. See also CAPEX planning re: renewal decisions.
Managing Risk	70	85	The Council risk framework has been applied, with regular risk reporting through ProMapp. The Risk section of the AMP and appendices covers the main risks for each of the five facility types, and the mitigation measures. Criticality is considered in decision making, and the key risk for each facility are known and managed. However, a criticality rating has not been formally assigned to individual assets.
Operational Planning	55	85	Scheduled maintenance programmes are developed collaboratively with Citycare and Facilities. There have been efforts in recent years to more planned (less reactive) maintenance and SAP was being used to manage scheduled maintenance but this has reverted to spreadsheet lists. Reactive maintenance and costs are captured in SAP, but only at a building level. Budget constraints are likely to see cuts to planned maintenance programmes, focussing on maintaining safety and compliance activities.
Capital Works Planning	70	85	See comments for 'Decision Making' plus ... Capital projects and programmes managed in accordance with CPDF and projects tracked in CPMS. A 10-year (AMP/LTP) and 30-year (IS) CAPEX programme is in place. Renewal forecasts are still based on 'top down' assessments until asset condition data is available for analysis. Network planning is required to provide a stronger base for development of growth and LOS project CAPEX.
Financial Planning	70	85	10-year forecasts are provided for OPEX and CAPEX. OPEX forecasts are largely based on historical expenditure and staff knowledge. Consequential OPEX (OPEX associated with new assets) is estimated, but there is limited information on asset expenditure to date, as the practice of linking Work Orders to assets is only just beginning within the new asset data structure. The operating impact of budget changes on levels of service (asset performance) is not well linked.
AM Leadership & Teams	80	90	The organisational structure for asset management has embedded. There is a good working relationship between asset managers and activity managers and the AMP process has been useful in developing a joint understanding of AM issues.

Section	Current	Target	Comments pertinent to Art Gallery
AM Plans	75	85	Five Facilities AMPs (including the Art Gallery AMP) have been updated and were largely complete at the time of the assessment (Aug 2020). There is some good content, and there has been much better engagement with business owners during AMP development enabling. However not all sections are complete, the information from recent condition assessments was not available to inform the AMP and there is limited performance information in the AMPs.
Management Systems	55	80	The need for a quality management approach to asset management is understood and continues to be developed. Processes are well established and documented for many corporate processes such as capital delivery and risk. AMU is supporting a more formal process to assist activities prioritising 'critical AM Processes' and reviewing/improving the highest priority ones, but this is initially focusing on 3 Waters and Transport.
AM Information Systems	80	90	Good information systems – SAP, GIS, Fulcrum (field data). The FBBM project has focused on better use of SAP data and information to support the business. Power BI is being used to develop dashboards to better meet user needs, still work-in-progress.
Service Delivery Mechanisms	70	90	Contracts are in place for the delivery of maintenance and operations functions. Competitive tender processes are used. Increasingly the business is driving change in asset data collection, Work Orders and contract payments through the FBBM project –to get more accurate costing and better contract performance monitoring. A greater focus on ensuring what is in the contract and what is additional work, and more accurate maintenance schedules.
Audit & Improvement	70	85	An AM improvement programme has been developed for Facilities. Reporting on major projects that are part of the corporate programme is via AMGB. Each AMP identifies items for improvements for the Facilities area but there is no formal monitoring/reporting process.

10.5 Improvement Plan

Table 10-3 below details those Improvement tasks that will be actioned and completed over the next three years. The High Priority (H) tasks have a focus specifically on those areas where the risk is most critical. To facilitate the practical implementation of the improvement programme tasks have been designed to address several issues concurrently and be programmed to ensure a logical progression towards the 3 year target.

As outlined above, the independent AM Maturity assessment process provides a sound basis for prioritising and monitoring improvements to current asset management practices, and identified actions will be added to the Improvement Plan programmed for 2021 through to 2024.

Table 10-3: Asset Management Improvement Tasks

Task ID	Project / Task	AM Maturity Gaps	Priority (H, M, L)	Responsibility	Resources (teams, \$)	Timeframe
20-A	Further asset condition assessment/consolidation into single database (SAP or other) Develop & use data dashboards to assist in prioritisation processes, monitoring to KPIs Embed process to capture condition and performance information	Asset Register Data, Asset Performance/Condition	H	Owned by Planning & Asset Management	Initially time of team members. Possible cost of software later	Term of AMP
20-B	Focus on critical assets – review previous work & update process. Continue to integrate with Asset Register. Ensure influences Capex & Opex prioritisation Integrate resilience objectives/initiatives are captured in Promapp	Managing Risk, Asset Register Data	H	Owned by Planning & Asset Management	Time of team members	FY21
20-C	Further investigate the ability to forecast demand. Continue to progress the alignment between LoS (especially Technical LoS) and Demand Continue emphasis on project definition for 30 Year Capital Plan	Levels of Service, Forecasting Demand, Capital Works Planning	M	Owned by Planning & Asset Management	Time of team members	Term of AMP
20-D	Noting that the facility is operated well, start to progress more rigorous and structured Quality Management – including introducing a more formal audit process enabling review of non-compliance/improvement actions	Risk, process improvement	M	Owned by overall Asset Team	Time of team members initially. Possible cost of extra resource to document procedures	Term of AMP
20-E	Specific structured AM training for key team members	Risk, succession planning	M	Owned by Planning & Asset Management	Time of key team members. Possible cost of training courses	Term of AMP
20-F	Ongoing Improvement Planning – focus on identification of improvement tasks. Carry-out an update of AM Maturity in 2020 – which will influence Improvement Plan	Process improvement, prioritisation of investment	M	Owned by Planning & Asset Management	Time is most important resource need – and continues to be the constraint to success	Term of AMP
20-G	More extensively integrate the Akaroa Museum (& heritage buildings) into the Art Gallery AMP	Improved AMP Planning	M	Owned by Planning & Asset Management –	Time of key team members	Term of AMP

Task ID	Project / Task	AM Maturity Gaps	Priority (H, M, L)	Responsibility	Resources (teams, \$)	Timeframe
				with input from Akaroa Museum		
20-H	Progress specific key projects including transition of fuel source to sustainable alternative, investigate additional storage options within the Gallery building, investigate education area options (noting that the Gallery will provide inputs to the first initiative which is led by Corporate Accommodation and the Gallery will lead the subsequent two projects)	Risk, sustainability, asset management improvement	M	Owned by overall Asset Team	Time of team members, potential Capex and Opex cost increase depending on outcome of investigations	Fuel supply study FY21 Storage options FY21-FY22 Education area FY22

10.6 Resourcing the Improvement Programme

As can be seen from Table 10-3 above, the common resource required to progress all initiatives is time – especially the time of the key team members. This linked with a limited budget for additional resources to free-up team members has proven to be a constraint in the past and so it will require further thought as to how this challenge is overcome. As Ernest Rutherford said

‘We haven’t the money – so we’ve got to think’

It is likely that across Council, a lack of overall resources will result in difficulty delivering all of the improvement items. A prioritisation and costing exercise will be required to ensure the highest priority items are delivered first and that future delivery costs are understood, and sufficient budgets allocated within the LTP. The process to prioritise improvement items will be coordinated by the AMU.

10.7 Monitoring and review

The improvement programme will be reported to the AMU and either included within the advancing asset management improvement programme (at a Corporate level) or within the continuous improvement programme (unit based). All improvement items will be monitored by the AMU and tracked through the Council’s Asset Management Governance Board and the PDP tool.

Appendix

The importance of the Art Gallery in supporting wellbeing in the community

We know both from our research (for example, the regular MHM surveys – see Section 4.1.2 for more information), and from anecdotal evidence that the Art Gallery provides a significant contribution to the wellbeing of the Christchurch community.

LTP Activity Plan context

The Long Term Plan (LTP) 2021-31 Draft Activity Plan – Christchurch Art Gallery (TRIM ref. 19/1491530) contains a number of references which highlight the importance of the Art Gallery in supporting wellbeing in the community. From the very first paragraph of Section 1 of the Plan there are a number of reinforcements of this:

1. *What does this activity deliver?*

*Christchurch Art Gallery collects, researches and exhibits art from the present and the past. It is a key central city attraction, maximising opportunities to develop vibrancy in the city of Christchurch. Christchurch Art Gallery helps deliver **Toi Ōtautahi**, Christchurch's Art Strategy's aim to; elevate the arts and creativity in Christchurch and Banks Peninsula by harnessing and building on the energy, passion and innovative spirit of the community. Christchurch Art Gallery is a crucial driver in the strategy's focus on the role that the arts play in; improving people's wellbeing, sense of identity and connectivity, activating and bringing life to the city, attracting visitors and boosting the economy.*

The following extract also taken from the Draft Activity Plan, now somewhat prophetic as a result of the COVID-19 pandemic, reads as follows:

The Art Gallery is a remarkable social space which helps our communities connect and which will be increasingly used as the city continues to redevelop. We remain primarily a city institution, visited and loved by locals, recognised as an integral part of this city's identity and key to its brand. We pride ourselves on being an important part of the cultural life of Christchurch and at the heart of this city of opportunity – a place to which local and national visitors return again and again, and a place in which there is increasing international interest.

Wider evidence of wellbeing benefits through cultural/arts opportunities

The benefits from enhancing and improving community wellbeing, through the arts in general and through the positive visitor experience provided by art galleries and museums in particular, are well recognised and documented in New Zealand and internationally. There are a large number of studies which confirm this and the following two specific examples illustrate these benefits:

11.3.2.1 *Creative New Zealand identifies clear benefits as follows:*

The arts contribute to New Zealand's economic, cultural and social well-being.

*We know **and** have proof the arts:*

- *contributes to the economy*
- *improves educational outcomes*
- *creates a more highly skilled workforce*
- *improves health outcomes*
- *improves your personal well-being*

And the arts ...

- *rejuvenates cities*

- *supports democracy*
- *create social inclusion*
- *are important to the lives of New Zealanders*

Focusing on the improvement in personal well-being in particular, Creative New Zealand identifies

The arts improve personal well-being by:

- *helping people understand, interpret and adapt to the world*
- *enabling people to express themselves creatively and give form and meaning to emotions*
- *building skills, confidence and self-esteem*
- *providing inspiration, stimulating the imagination and encouraging people to think the unthinkable*
- *raising aspirations for individuals and for humanity.*

<https://www.creativenz.govt.nz/development-and-resources/advocacy-toolkit/the-evidence-for-advocacy>

Creative New Zealand also refers to a number of international research papers including:

Museums and happiness: The value of participating in museums and the arts. (UK)

By Fujiwara, D., London School of Economics and Political Science, April 2013

Visiting museums, participating in the arts and being an audience makes people healthier and happier.

The Introduction to the research is relevant as follows:

This paper looks at the relationships between museums, the arts and wellbeing using data from the Taking Part survey. We also look at self-reported health as this is likely to be a mechanism through which museums and the arts impact on happiness, and, since it includes mental health, is in itself an important outcome that fits closely with the Happy Museum Project's focus on resilience. We look at the impact on wellbeing and health of participating in and being audience to the arts and of being involved with museums and compare these impacts to other activities such as participation in sport. We attach monetary values to these impacts using standard methods set out in welfare economics and these results can be used in Cost-Benefit Analysis (CBA) or Social Return on Investment (SROI). Finally, the research also looks at the main determinants of involvement with museums in order to derive a better understanding of the barriers to participation. There is a growing literature in economics on the value of the arts or being audience to the arts. These studies often use contingent valuation surveys, whereby people are asked their willingness to pay for a good or service in a hypothetical setting. In relation to the arts and museums this may be framed as, say, the willingness to pay to attend an exhibition or to participate in a cultural event at a museum.

The paper summarises the relative economic valuations as follows:

Valuation headline figures in the UK show:

- *People value visiting museums at about £3,200 per year.*
- *The value of participating in the arts is about £1,500 per year per person.*
- *The value of being an audience to the arts is about £2,000 per year per person.*
- *The value of participating in sports is about £1,500 per year per person.*

The full report can be found at:

[Museums and happiness: The value of participating in museums and the arts \(pdf 371 KB\)](#)

<https://www.creativenz.govt.nz/development-and-resources/advocacy-toolkit/the-evidence-for-advocacy>

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http://www.creativenz.govt.nz/assets/paperclip/publication_documents/documents/607/original/new_zealanders_and_the_arts_2017_full_report.pdf?1526981303

Looking ahead

Climate change

The Christchurch Art Gallery building has specific internal climate control targets (temperature and relative humidity) as set by agreed international standards which cannot be compromised. These standards, which are reflected in technical Levels of Service, ensure the wellbeing of our collections, enable our insurance obligations to be met and underpin our ability to borrow art works from other institutions. To continue meeting these standards with our current plant and infrastructure continues to pose an ongoing challenge.

These international standards and approaches are being reviewed in the light of climate change and we are in discussions with industry peers and organisations. This issue will affect all cultural collecting institutions, including art galleries, museums and libraries.

In terms of carbon reduction, we work with other institutions to consolidate freight, so that trucks nationwide run at full capacity and vehicle movements are minimised. This also reduces the need for materials such as crates, which are required if using commercial line-haul services.

COVID-19

The emergence of COVID-19 over the last year has affected work across Council.

The COVID-19 pandemic has given rise to a number of creative and innovative online/digital initiatives, many of which have continued. When the gallery was closed during lockdown these initiatives were recognised and acknowledged as the best achieved by New Zealand's art galleries and museums.

Continuous improvement

Our improvement initiatives seek better value-for-money in terms of:

- balancing short term spend with long term asset life cycle decisions
- focus on assets which are critical to meeting agreed levels of service
- standardise our asset data to provide greater insights into asset performance
- a continuing focus on the application of quality improvement in our systems and processes

The recent Asset Management Maturity Assessment has informed our ongoing improvement planning and has guided our specific improvement tasks.