

28 June 2023

Neil Anderson

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Susan Sales

Senior Advisor Official Information and Privacy

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Our reference: LGOIMA

Dear Neil

**Request for Information – Local Government Official Information and Meetings Act 1987 (LGOIMA)**

We refer to your official information request dated 1 June 2023, in which you have asked for the following financial data for the Dowse Art Museum and Petone Settlers Museum for years 2018-2019 and 2020-2021:

- Total operating revenue
- Operating contribution from council
- Operating deficit/surplus
- Non council operating revenue

The Dowse Art Museum and Petone Settlers Museum fall under Hutt City Council's 'Arts & Culture' business unit. The museums are not fiscally large enough to be their own reporting activity. The closest approximation of the financial data has therefore been provided. This is for the 'Arts & Culture' business unit within Hutt City Council (HCC), which is the smallest meaningful unit to which data can be broken down. This information has been provided in the tables below.

Arts & Culture		
Category	2018 - 2019 Actual \$000	2020 - 2021 Actual \$000
Revenue	602	487
Non Council Operating Revenue	(4)	31
<b>Total Revenue</b>	<b>598</b>	<b>518</b>
Operating Costs	3,073	2,993
Support Costs	751	1,014
Interest	-	52
Depreciation	825	928
<b>Total Expenditure</b>	<b>4,649</b>	<b>4,987</b>
<b>Net Surplus/(Deficit)</b>	<b>(4,051)</b>	<b>(4,469)</b>
Rates Recovery	4,051	4,469

<b>Dowse</b>		
Category	2018 - 2019 Actual \$000	2020 - 2021 Actual \$000
Revenue	538	459
Non Council Operating Revenue	(4)	31
<b>Total Revenue</b>	<b>534</b>	<b>490</b>
Operating Costs	2,886	2,940
Support Costs	744	1,007
Interest	-	52
Depreciation	562	647
<b>Total Expenditure</b>	<b>4,192</b>	<b>4,646</b>
<b>Net Surplus/(Deficit)</b>	<b>(3,658)</b>	<b>(4,156)</b>
Rates Recovery	3,658	4,156

<b>Petone Settlers</b>		
Category	2018 - 2019 Actual \$000	2020 - 2021 Actual \$000
Revenue	-	-
Non Council Operating Revenue	-	-
<b>Total Revenue</b>	<b>-</b>	<b>-</b>
Operating Costs	16	29
Support Costs	7	7
Interest	-	-
Depreciation	3	-
<b>Total Expenditure</b>	<b>26</b>	<b>36</b>
<b>Net Surplus/(Deficit)</b>	<b>(26)</b>	<b>(36)</b>
Rates Recovery	26	36

As your request has indicated that there will be a comparison with other museums, we have highlighted below key policies adopted by HCC which may impact on your financial analysis.

#### **Support Costs**

Support Costs or overheads represent the cost of internal services such as Information Technology, Human Resources, Finance, and other corporate functions. The Arts and Culture segment does not have these resources internally and instead draws upon these shared council functions to enable the facilities to function. These costs are charged to each area of council based on their proportional usage of each resource.

We also advise that support costs have been broken down as a separate expenditure line as these costs may or may not be relevant for your analysis.

#### **Depreciation**

HCC funds depreciation through its general rates. This ensures there is funding for ongoing capital renewals to maintain the existing level of service across facilities.

Because depreciation is contingent upon prior capital expenditure, and not every council will fund depreciation via rates, this has been broken down as a separate expenditure line as these costs may or may not be relevant for your analysis.

***Interest***

HCC funds day to day operating costs through rates, and capital expenditure via debt. Interest costs are then allocated out to each business unit based on each area's contribution to the overall debt profile. Other councils may have adopted a different methodology for allocating interest costs.

This has been broken down as a separate expenditure line as this cost may or may not be relevant for your analysis.

You have the right to seek an investigation and review by the Ombudsman of this response. Information about how to make a complaint is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or freephone 0800 802 602.

Please note that this response to your information request and your name may be published on Hutt City Council's website. Please refer to the following link:  
[www.huttcity.govt.nz/council/contact-us/make-an-official-information-act-request/proactive-releases](http://www.huttcity.govt.nz/council/contact-us/make-an-official-information-act-request/proactive-releases)

Yours sincerely



Susan Sales

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