



MUSEUM OF NEW ZEALAND TE PAPA TONGAREWA
STATEMENT OF INTENT 2010/11, 2011/12, 2012/13



Directory TE RĀRANGI INGOA

Museum of New Zealand Te Papa Tongarewa

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Museum of New Zealand Te Papa Tongarewa

Statement of Intent 2010/11, 2011/12, 2012/13

In accordance with section 149 of the Crown Entities Act 2004, this Statement of Intent of the Museum of New Zealand Te Papa Tongarewa (Te Papa) for the three years ending 30 June 2013 is presented to the House of Representatives.

The purpose of the Statement of Intent is to promote public accountability. It sets out Te Papa's objectives for the three-year planning period, including priorities for 2010/11, and provides measures for the Museum's performance.

This Statement of Intent reflects agreement between the Board and the Minister for Arts, Culture and Heritage on Te Papa's strategic direction.



John Judge
Chairman
14 May 2010



Wira Gardiner DCNZM
Board Member
14 May 2010

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Maori woman preparing food. 1899, Louis John Steele.

Part 1: Statutory Responsibilities and Accountability

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The Museum of New Zealand Te Papa Tongarewa

The Museum of New Zealand Te Papa Tongarewa's purpose is defined by its Act:

... as a forum for the nation to present, explore, and preserve the heritage of its cultures and knowledge of the natural environment in order to better understand and treasure the past, enrich the present, and meet the challenges of the future.

The Museum of New Zealand Te Papa Tongarewa Act defines the functions of the Board is to:

- control and maintain the Museum
- collect works of art and items relating to history and the natural environment
- be an accessible national depository for collections of art and items relating to history and the natural environment
- develop, conserve and house securely the collections of art and items relating to history and the natural environment
- exhibit, or make available for exhibition by other public art galleries, museums, and allied organisations, such material from its collections as the Board determines
- conduct research into matters relating to the collections or associated areas of interest and to assist others in such research
- provide an education service in connection with its collections
- disseminate information relating to its collections, and to any other matters relating to the Museum and its functions
- co-operate with and assist other New Zealand museums in establishing a national service, and in providing appropriate support to other institutions and organisations holding objects or collections of national importance

- co-operate with other institutions and organisations having objectives similar to those of the Board
- make best use of the collections in the national interest
- design, construct and commission any building or structure required by the Museum.

In performing its functions the Museum of New Zealand Te Papa Tongarewa (Te Papa) must:

- have regard to the ethnic and cultural diversity of the people of New Zealand, and the contributions they have made and continue to make to New Zealand's cultural life and the fabric of New Zealand society
- endeavour to ensure both that the Museum expresses and recognises the mana and significance of Māori, European and other major traditions and cultural heritages and that the Museum provides the means for every such culture to contribute effectively to the Museum as a statement of New Zealand's identity
- endeavour to ensure that the Museum is a source of pride for all New Zealanders.

Accountability Framework and Relationship with Government

Te Papa was established by the Museum of New Zealand Te Papa Tongarewa Act 1992 and is an autonomous Crown entity under the Crown Entities Act 2004. Te Papa must carry out its statutory functions using funds for that purpose provided primarily, but not exclusively, by parliamentary appropriation through Vote: Arts, Culture and Heritage. These funds are administered by the Ministry for Culture and Heritage. The Te Papa appropriation is through the Museum Services Output Class.

Central government involvement in cultural heritage is through its ownership interest in cultural institutions such as Te Papa and through funding it provides to the culture and heritage sector. Te Papa has a focus on preserving, protecting, acquiring and providing access to the national collection that is part of New Zealand's artistic, cultural, and natural heritage.

Consultation and Reporting to the Minister

The government department with primary responsibility for monitoring the Crown's interests in the cultural sector is the Ministry for Culture and Heritage. It has a mandate to achieve the government's sector goal of *A thriving culture*.

The Minister for Arts, Culture and Heritage is accountable to Parliament for the funding and performance of Te Papa and the obligations of Te Papa under the Crown Entities Act.

In addition to the Statement of Intent, the Minister and Te Papa negotiate an annual Memorandum of Understanding (MOU) which specifies, amongst other things, reporting requirements. These cover a range of museum services, including administration, management and service functions associated with the discharge of the museum's statutory functions, and any additional agreed commitments.

During the course of the year, Te Papa reports progress against these outputs to the Minister.¹ There is an ongoing dialogue with the Minister and the Ministry to ensure that the Minister is fully informed.

The Annual Report of Te Papa is an official record of the performance of Te Papa against the targets it sets itself.

1 The frequency of reporting is determined in the MOU agreed each year and Museum and Ministry officials meet regularly.



Sheet of 120 one penny Railways Charges stamps, 1928, New Zealand Government Railways

Part 2: Vision, Outcomes, Outputs and Performance Measures

Part 2: Vision, Outcomes, Outputs and Performance Measures

Introduction

Te Papa engages with New Zealand's diverse population in a way that is unique. It provides a sense of history and place, and national pride and identity for a very broad audience. Te Papa has had over a decade of highly successful operation and consistently achieves over 1.2 million physical visits each year. In addition to creating exhibitions, Te Papa has worked to preserve and research the national collection.

While continuing to build on our experience, Te Papa is engaged in aligning its outcomes and outputs with the government's cultural sector outcomes which for the cultural sector are:

- Thriving producers and healthy cultural organisations (Create)
- Preservation of New Zealand's culture heritage and traditions (Preserve)
- People value their arts, broadcasting, culture, heritage and sport (Value)

Te Papa is funded by Government to provide one Output Class, Museum Services. The Board seeks to ensure the Museum operates to effectively use its resources to meet the functions that are set out in the Museum of New Zealand Te Papa Tongarewa Act.

The External Environment

Te Papa provides an attractive and enriching experience in difficult economic times. These features will enable Te Papa to attract new visitors and encourage past visitors to return. One of the challenges facing Te Papa is to provide exceptional audience experiences for visitors, including continual refreshment of exhibitions, while meeting the increasing needs of an expanding collection with rising costs and static funding.

Integral to Te Papa's success in its second decade is ensuring it has the capability to deliver a leading museum experience. Te Papa is working to build and align capability to

support the strategic direction and work programme.

However, Te Papa faces an environment where considerable challenges remain in place, especially the risks of a reduction in revenue. In the current economy, some Te Papa businesses will face challenges. The risks include a possible decline in international tourist spending in the stores, reduced ability of corporations and individuals to support sponsorships, and tighter budgets for organisations holding conferences. Visits by New Zealanders from outside Wellington may drop for lower income audiences and increase for those who would previously have travelled internationally.

The domestic fiscal environment means that Te Papa has to plan in a way that is consistent with tight fiscal circumstances and enables Te Papa to respond to commercial risks. Commercial activities are essential to support those areas that are free of charge. Although Te Papa faces a more challenging environment it must continue to provide its main offerings without economic barrier.

Te Papa is aware of these issues and is adapting its services accordingly. The timing and extent of exhibition turnover has been adjusted, although permanent exhibitions must continue to be refreshed or they will lose appeal and currency. Te Papa is also adapting to support increased touring, collaboration with other museums, and electronic access.

Cultural Sector

The government values arts, culture and heritage and provides ongoing support to this sector. The promotion of additional sources of funding through community and corporate support is becoming more important. Te Papa is well placed to respond to this and has a track record of growing commercial revenue.

Te Papa also receives grants, bequests, gifts and contributions from private individuals and organisations for scientific research projects and collection acquisitions. We value the generous sponsorship Te Papa receives.

Collaboration with Archives New Zealand and National Library of New Zealand

To reflect our specific collaboration with Archives New Zealand and the National Library of New Zealand Te Papa has developed a strategic collective objective to make information accessible recognising the common role in collecting, preserving and providing access to the nation's art, culture and heritage collections and resources. The goal is that New Zealanders can seamlessly access the nation's art, culture, and heritage collections online.

Collaboration with the Metropolitan and Other Museums

There is growing collaboration between Auckland War Memorial Museum, Canterbury Museum, Otago Museum and Te Papa. The four museums are working on a series of initiatives that will see increased sharing of systems, knowledge and training for all of New Zealand's museums.

As part of the collaboration Te Papa has finalised an agreement with Auckland War Memorial Museum, Canterbury Museum and Otago Museum regarding the future care of the Oldman Collection. A shared database will be developed that allows better access for all New Zealanders to this significant Pacific and Māori collection. National Services Te Paerangi will continue to work with museums, galleries, iwi (tribes), and related organisations to build capability and skills and there is ongoing lending and touring of objects and exhibitions.

Vision

Te Papa's vision is to be:

- relevant to all New Zealanders through stories of our collections and scholarship, and through these engage with communities throughout New Zealand
- a source of experiences for audiences to grow their understanding and respect for mātauranga Māori, and the different cultures of New Zealand
- a means of access to the best collections from around the world
- creative, collaborative, and outward looking
- fun, challenging, and always enriching.

Te Papa has adopted this vision and translated that into an overarching outcome and a range of intermediate outcomes. These will often be achieved through collaboration with a range of national and international organisations.

Te Papa's Overarching Outcome

To encapsulate Te Papa's functions and goals an overarching outcome has been adopted which describes the end result of Te Papa's intermediate outcomes and outputs:

New Zealand's artistic, cultural, and natural heritage is preserved and respected and knowledge of this is enhanced and shared with the people of New Zealand and with international audiences.

Intermediate Outcomes: Relationship of Annual Outputs to Medium Term Sector Outcomes

Te Papa has six intermediate outcomes that contribute to achieving Te Papa's overarching outcome. They also map to the Culture and Heritage Sector's Medium Term Outcomes to Create, Preserve, and Value:

1. New Zealand's place in the world is better understood through exhibitions, programmes and resources provided by Te Papa (Value)
2. A diverse and geographically spread audience benefits from access to Te Papa's collection and knowledge (Preserve)
3. New Zealand's identity is enriched through relationships with iwi Māori (Value)

4. Creativity and innovation in society is supported by Te Papa's programmes reflecting contemporary culture and trends (Create)
5. New Zealand and overseas museums and art galleries benefit from access to support, expertise and collections from Te Papa (Value)
6. The visitor and stakeholder experience will be enhanced through Te Papa's business offerings (Create)

Strategic Framework

The relationship between the sector goals and medium term outcomes of the government and Te Papa's outcomes and outputs is set out in the Te Papa's Strategic Framework diagram (over). Te Papa's Intermediate Outcomes relate to the Medium Term Sector Outcomes.

Key Performance Indicators

The main measures by which the progress of Te Papa toward the Intermediate Outcomes may be judged over the period of the Statement of Intent is from these Key Performance Indicators:

- Peer reviewed papers and popular articles published (as well as those including mātauranga Māori)
- Exhibitions toured to New Zealand venues
- Visits to Te Papa's Cable Street site
- Visits to the Te Papa website
- Percentage of revenue derived from non-Crown sources
- Active relationships appropriately maintained with iwi or Māori organisations

The intermediate outcomes are described fully in the following section.

Forecast Service Performance

Te Papa's performance measures are used to assess progress toward its goals and objectives. The measures of service performance for 2010/11 are based on further development of the measures in Te Papa's previous Statement of Intent. The last Statement of Intent reduced the number of measures and this year the wording of the outputs has been refined for easier monitoring through clearer descriptions and more precise definitions.

Under each of the six intermediate outcomes, Te Papa measures its performance through outputs that incorporate quality, quantity and

coverage dimensions. Timeliness is reflected in the one year horizon of the outputs. Te Papa's performance against these outputs will be reported in the Annual Report and form the Statement of Service Performance.

Relationship to Medium Term

The annual output levels provided are for 2010/11, but it is expected that Te Papa will retain similar types of measures over the medium term. Some changes in output level and focus are expected as the organisation adapts to meet the changing needs of its external stakeholders.

Measurement Type

Te Papa selects the types of measurements it reports to ensure that they reflect performance in a broad range of organisational outputs. The measurements provided are those considered most relevant to external stakeholders. These measures seek to demonstrate, at a high level, the main activities of the Museum and how they are being delivered. Supporting these externally reported measures, Te Papa has internal mechanisms to report individual and unit performance that contribute to these outcomes.

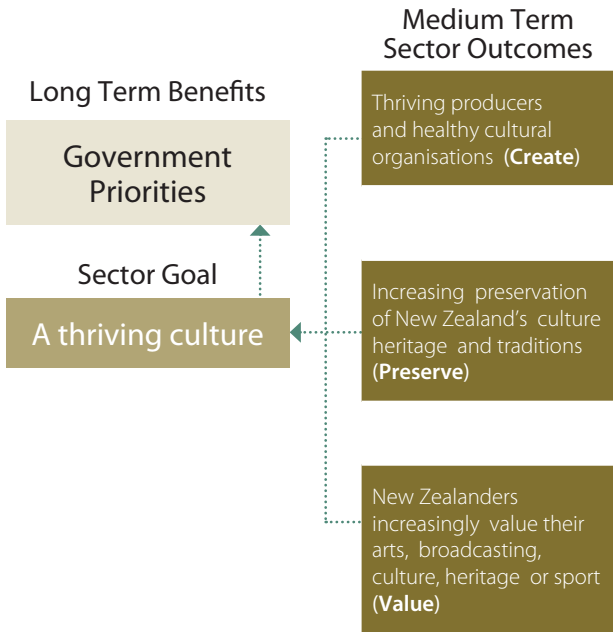
The measurements also encompass measures of quality, quantity and coverage. Quality measures reflect a standard of delivery, customer satisfaction or demand for Te Papa products and services. Quantity measures reflect a level of output with no specific quality requirement.

Some of Te Papa's measures reflect external demand for Te Papa's products and services. Demand measures provide a proxy for both quality and quantity since the number of people who choose to use Te Papa products and services is partly determined by the quality of their experience and Te Papa's reputation. These measures are important for visitation and Te Papa's revenue-generating commercial activities. For this reason, Te Papa monitors the total number of visitors and surveys visitors to monitor the quality of their visit.

Coverage measures the accessibility of Te Papa products and services geographically and demographically. This applies to physical visitors, tours, internet-based offerings and services, which are provided outside of Wellington.

Te Papa Strategic Framework

GOVERNMENT



TE PAPA

Intermediate Outcomes

The visitor and stakeholder experience will be enhanced through Te Papa's business offerings

Outputs

- Successful commercial products and services
- Maintain Te Papa's brand strength through customer satisfaction
- Sponsorship and fundraising

Creativity and innovation in society is supported by Te Papa's programmes reflecting contemporary culture and trends

Outputs

- Attract a diverse audience including youth and non-traditional visitors
- Provide services and products for specific market segments and under-represented audiences
- Provide a community hub for debates and presentations

A diverse and geographically spread audience benefit from access to Te Papa's collections and knowledge

Outputs

- Publications that are peer reviewed and popular
- Develop collections through acquisition
- Care and management of collections
- Access to collections through Collections Online

New Zealand's identity is enriched through relationships with iwi Māori

Outputs

- Access to taonga Māori
- Te Papa's relationships with iwi contribute to the delivery of the museum experience
- Iconic Māori cultural events
- Deliver the Karanga Aotearoa Repatriation Programme

New Zealand's place in the world is better understood through exhibitions, programmes and resources provided by Te Papa

Outputs

- Exhibition of collections:
 - Long term exhibitions
 - Present short term exhibition programme
 - Augmenting exhibitions
 - Sculpture programme
 - Community Gallery
- Develop and deliver education programmes that meet the needs and expectations of school audiences

New Zealand and overseas museums and art galleries benefit from access to support, expertise and collections from Te Papa

Outputs

- Domestic touring exhibitions
- International touring exhibitions
- National Services Te Paerangi to the cultural sector:
 - Workshops
 - Resources
 - Enquiries
 - Expertise
- Lending programme

INTERMEDIATE OUTCOME 1

New Zealand's place in the world is better understood through exhibitions, programmes and resources provided by Te Papa

Description

Te Papa offers a mix of long and short term exhibitions and a vibrant programme of special interest and community events.

Exhibitions are a core part of Te Papa's legislated functions and the mainstay of meeting the needs and expectations of audiences. Te Papa's outputs in this area are partly driven by demand. The significance of visitation and education are reflected in these outputs.

Outputs

To achieve this outcome Te Papa focuses on the following outputs:

Exhibition of collections

Te Papa has established a ten year exhibition strategy that includes refreshing its long term exhibitions which are now over ten years old and maintaining a short-term programme to ensure repeat visits:

- *Long Term Exhibitions:* The long term exhibitions provide a comprehensive core experience for all visitors, and cover Te Papa's five collection areas (art, history, mātauranga Māori, natural environment and Pacific). The exhibitions ideally have a life of ten to fifteen years with segmental refreshment and updating within that time frame.
- *Short-term Exhibitions:* Te Papa presents a range of short term exhibitions, including the VISA Platinum sponsored gallery, as well as significant changes to gallery displays each year.

- *Augmenting Exhibitions:* Te Papa currently borrows approximately 1,000 items from 100 lenders each year. Te Papa will maintain the highest standards in professional practice to manage incoming loans including negotiations and loan agreements, risk management, safety and security.
- *Sculpture Programme:* A commissioning programme locates site-specific artists' projects throughout the building. In particular, the *Te Ara a Hine* programme provides a showcase for site responsive contemporary practice. For budgetary reasons, the current Level 6 sculpture programme will be discontinued once the current Ronnie van Hout work is de-installed in November 2010.
- *Community Gallery:* The Community Gallery programme is unlikely to continue in its present form once the proposed redevelopment of Level 4 has been fully implemented. The current exhibition *The Mixing Room* is expected to be on the floor until 2013.

Performance Measure

	OUTPUT LEVEL FOR 2010/11	2009/10 TARGET (PREVIOUS YEAR)
Visitation to Te Papa Cable Street per year to indicate the quality of the museum experience	1,400,000	1,250,000
Adult domestic visitors from outside the Wellington region to demonstrate coverage of audience	314,000	280,000
Long term exhibitions opened to increase understanding of New Zealand's place in the world	1 in 2010	1
Short term exhibitions presented to increase understanding of New Zealand's place in the world	8	5
Percentage of adult visitors reporting a satisfaction rating of 'good' to 'excellent' to measure quality of the visitor experience	95%	95%
Adult visitors from overseas to increase understanding of New Zealand	562,500	562,500 (45%)
Percentage of adult domestic visitors indicating they have learned something new about New Zealand during their visit to increase understanding	75%	95%

Education Programme

Te Papa supports formal education through in-house programmes and digital channels. These are designed to meet the needs of early childhood, primary, secondary and tertiary students. Curriculum-linked programmes related to collections and exhibitions will be delivered to students across the school and tertiary sector. Te Papa delivers:

- *School Programmes:* Interactive education programmes and video conferences are curriculum-linked and designed to complement classroom activities.
- *Teacher Professional Development Courses:* Teacher workshops either at Te Papa or via video conference are developed to match collections and teacher needs in relation to the curriculum.
- *Story Place and Early Childhood Centre programmes:* To provide a rich learning environment for early childhood development.
- *Discovery Centres:* These encourage children to explore, create, and enquire through a range of activities in four areas – *Planet Pacifika, Te Huka a Tai, Nature Space, and Inspiration Station.* They provide access to online resources and other research tools.
- *Online Learning Resources:* A range of teachers' resources supports structured and self-directed learning. Many of them are produced in collaboration with the Ministry of Education.
- *Adult and Tertiary Programmes:* Structured programmes and tours present learning opportunities for adult visitors as well as those in tertiary education.

Performance Measure

	OUTPUT LEVEL FOR 2010/11	2009/10 TARGET (PREVIOUS YEAR)
Percentage of teachers who rate education programmes as 'good' to 'excellent'	95%	90%
Educator-led programmes and Discovery Centre National School Outreach Projects delivered	600	600

INTERMEDIATE OUTCOME 2

A diverse and geographically spread audience benefits from access to Te Papa's collections and knowledge

Description

Te Papa's audiences are diverse and have many interests. This outcome encourages drawing on collections and knowledge held by the Museum to engage with a wide range of audiences. Te Papa's audiences include different age groups and cultural backgrounds. There is varying familiarity with the content amongst both New Zealand and international audiences.

Investing in collections and research to build knowledge around them provides the basis

for reaching diverse audiences through exhibitions, publications, and other channels of access to collections.

Outputs

To achieve this outcome Te Papa focuses on the following outputs:

Research and Publications

Increasing the profile of Te Papa's research activities and ensuring Te Papa is an active member of the research community by

publishing in popular and refereed journals, online publications, and presenting at conferences. Te Papa measures its contribution to scholarly knowledge through an output of publications and research including books, academic and non-academic articles, presentations and workshops that support and sit alongside exhibitions and collections or cover specific areas of interest.

New knowledge is also shared through the Te Papa experience, including exhibitions, publications, events, learning programmes, and online initiatives, both at Te Papa and with communities outside of Wellington.

Performance Measure

	OUTPUT LEVEL FOR 2010/11	2009/10 TARGET (PREVIOUS YEAR)
Major publications by Te Papa Press for specialist and non-specialist audiences giving access to collections and knowledge	2	2
Number of peer reviewed papers and popular articles (as well as those including mātauranga Māori ²)	70	60
■ Peer reviewed to meet academic quality standards	36	n/a
■ Popular to appeal to a diverse audience	34	n/a
Papers that include mātauranga Māori contributing to a diverse audience	8	8
Conference presentations delivered to a wide geographic audience	15	10

2 Mātauranga Māori in a traditional context means the knowledge, comprehension or understanding of everything visible or invisible that exists across the universe.

Developing Collections

Te Papa receives a \$3 million Government Capital Grant for collection development each year. In addition, a number of special purpose funds are available for acquisitions that meet specified conditions or criteria. Te Papa's responsibility of kaitiakitanga (guardianship)

for the national collection requires not only international standards of care and preservation, but also strong relationships in keeping with the Mana Taonga principle. It follows the principles of acquisition, kaitiakitanga, deaccessioning and disposal, and declaring conflicts of interest. The Acquisitions Strategy is aligned with Te Papa's

scholarship and mātauranga Māori priorities, and supports the broad range of visitor experience products and services. Detailed collecting priorities are established in the annual acquisitions plan. This plan covers all collections areas (Art, Natural Environment, History, Pacific, and Taonga Māori).

Performance Measure

	OUTPUT LEVEL FOR 2010/11	2009/10 TARGET (PREVIOUS YEAR)
Percentage of items acquired in accordance with Te Papa policy and procedure to meet quality criteria	100%	100%

Care and Management of Collections

Te Papa seeks to ensure that collections are housed securely in environmentally controlled conditions and meet all external

compliance, auditing and risk management requirements. Natural Environment collections must be able to meet MAF compliance standards when specimens are imported from overseas or transferred on loan to other organisations within New Zealand.

Performance Measure

	OUTPUT LEVEL FOR 2010/11	2009/10 TARGET (PREVIOUS YEAR)
Quality of care and preservation of the National Collection demonstrated by no losses or damage caused as a result of handling by staff	0	0
National Collection preserved by minimal cases of irreparable damage occurring as a result of public access	<4	<4

Access to Collections

Collections Online (object images and information provided via Te Papa's internet site) enables online visitors to explore and learn about the collections. Improved access will be achieved by improving the Collections Online website interface and expanding the information visitors can find in Collections Online. We are doing this by:

- Creating new records in EMu (the collections database) – for new collection items or for collection items not previously registered

- Upgrading current records to create connections – by entering associated people, and places, and adding more images. Copyright clearance may need to be obtained from owners or iwi to allow images to be published to Collections Online

- Creating narrative context by adding 'stories' about the collection items

Te Papa provides physical access (often in back-of-house collection stores) to researchers, tertiary education groups, whānau, special interest groups, public tours,

and staff from other organisations who wish to borrow items. Te Papa is investigating how it can report on the proportion of the collection which is accessible to the public through display, digital, or print media and the rate of display changeover.

Te Papa uses several performance measures to ensure that it acquires items that meet its policies, ensures that they are properly stored, and makes them more accessible to audiences.

Performance Measure

	OUTPUT LEVEL FOR 2010/11	2009/10 TARGET (PREVIOUS YEAR)
Visits to Collections Online indicating ease of access to collections and knowledge by a geographically spread and diverse audience	1,200,000	1,200,000

INTERMEDIATE OUTCOME 3

New Zealand's identity is enriched through relationships with iwi Māori

Description

Te Papa's iwi relationship strategy guides the operational approach to developing and managing iwi participation at Te Papa. The range of relationships Te Papa enters into with iwi relates to:

- taonga, and research related to taonga
- collection acquisitions
- exhibition development
- repatriation of kōiwi tangata
- loans, events and commercial projects

Some relationships require a formal agreement.

Outputs

To achieve this outcome Te Papa focuses on the following outputs:

Partnerships with iwi and Māori contribute to the delivery of the Te Papa experience and benefit organisations and communities nationally and internationally. This initiative gives effect to the concept underlying one of Te Papa's core principles – Mana Taonga and being bicultural.

Te Papa focuses on:

- Increasing understanding of and access to taonga Māori
- Relationships with iwi through exhibitions
- Iconic Māori cultural events such as Matariki and supporting artists
- Repatriation of kōiwi tangata

Relationships with iwi are an important part of enabling engagement with a growing population that is young and living across all areas of New Zealand. Iwi relationships are critical for building knowledge (mātauranga Māori) around taonga, providing access to associated iwi, and generating respect and reciprocity.

Performance Measure

	OUTPUT LEVEL FOR 2010/11	2009/10 TARGET (PREVIOUS YEAR)
Active relationships ³ appropriately maintained with iwi or Māori organisations to contribute to the museum experience	30	New measure
Repatriation from international institutions completed each year as part of relationships with iwi	5	5
Overseas institutions formally consent to Te Papa's repatriation request each year	5	5

³ An active relationship is defined as one where there has been a significant level of activity, for example, in exhibition development, partnership projects, provision of expertise and advice, repatriation projects and other activities.

INTERMEDIATE OUTCOME 4

Creativity and innovation in society is supported by Te Papa’s programmes reflecting contemporary culture and trends

Description

Te Papa seeks to engage with a wide audience that reflects the changing New Zealand population, new media, and contemporary culture.

Outputs

To achieve this outcome Te Papa focuses on the following outputs:

- Supplying a range of experiences including events, and marketing these to attract diverse audiences including youth and non-traditional visitors
- Providing services and products for specific market segments and under-represented audiences

- Providing a community hub for debates and presentations

With regard to the diversity of people in New Zealand, Te Papa develops its services in a way that will attract new audiences and incorporate new channels of communication:

- Some recent examples of this include the television series *Tales from Te Papa* where items from the collection are featured in a short television segment on public television
- Te Papa has also given New Zealanders access to its own entries to the *Venice Biennale* in Italy, the world’s most prestigious contemporary art event, through the display of works at Te Papa

- *The Mixing Room: Stories from young refugees in New Zealand* is a contemporary look at the experiences of young refugees using art, film, poetry, performance and new digital media

- *Treaty Debate Series*: These public debates have been held at Te Papa for five years and contribute to national discussion about the Treaty of Waitangi

- *Matariki Festival (Māori New Year)*: More than 70,000 people visited Te Papa over the 18 days of our Matariki Festival 2009, and around 10,000 watched Matariki events online

Performance Measure

	OUTPUT LEVEL FOR 2010/11	2009/10 TARGET (PREVIOUS YEAR)
The age, ethnicity and gender profile of domestic visitors is similar to the general population to demonstrate audience coverage	Achieved	Achieved
Visits to <i>OurSpace</i> to reflect new technologies and reach younger audiences	650,000	500,000
Visits to the Te Papa website channel to meet contemporary culture and trends	2,500,000 ⁴	3,000,000

⁴ The target has been revised to reflect that the previous years were unusually high due to exhibitions and the *Colossal Squid*.

INTERMEDIATE OUTCOME 5

New Zealand and overseas museums and art galleries benefit from access to support, expertise and collections from Te Papa

Description

Te Papa collaborates with other museums and galleries within New Zealand to share its collections and research through loans, travelling exhibitions, joint research projects, and through its National Services Te Paerangi programme.

This outreach emphasis is aimed at sharing with diverse and widely distributed audiences around New Zealand, and at supporting the sector to share and grow in its capability. Te Papa's lending and touring programme reaches a large proportion of the population and provides access to audiences who would not normally visit Te Papa. To deliver this requires collaboration with a range of

organisations and communities, with particular emphasis on cross-cultural relationships both within New Zealand and internationally.

Te Papa faces challenges to meet the costs associated with sending exhibitions offshore, particularly with increasing freight costs and fluctuating exchange rates, but aims to have one new exhibition tour internationally every three years.

Te Papa has a legislated function to co-operate with other museums, and provide a national service. To support this outcome, Te Papa operates National Services Te Paerangi, loans extensively from its collections, and tours exhibitions which both disseminate Te Papa's collections and

knowledge and also support other museums' exhibition programmes.

Outputs

To achieve this outcome Te Papa focuses on the following outputs:

Domestic Touring Exhibitions

These enable New Zealand audiences to share the Te Papa experience and are targeted to reach traditional and new museum audiences, especially those less able to visit Te Papa in Wellington.

Performance Measure

	OUTPUT LEVEL FOR 2010/11	2009/10 TARGET (PREVIOUS YEAR)
Number of exhibitions toured to New Zealand venues to benefit New Zealand museums and galleries	6	4
Number of regions Te Papa touring exhibitions visit to increase coverage ⁵	7	5

⁵ Te Papa uses the Statistics NZ definition of a region. There are currently 16 regions in New Zealand.

International Touring Exhibitions

Te Papa organises outgoing exhibitions to tour internationally as a way of providing a waharoa (gateway) to New Zealand's natural

and cultural heritage for overseas audiences. International touring develops Te Papa's international reputation and relationships with major overseas museums. This enables the Museum to share expertise and future exhibitions.

Performance Measure

	OUTPUT LEVEL FOR 2010/11	2009/10 TARGET (PREVIOUS YEAR)
Number of international exhibitions toured every three years to benefit overseas museums and galleries	1	1

National Services Te Paerangi

Te Papa aims to strengthen the sector by providing practical and strategic help to museums, galleries and iwi throughout New Zealand. To deliver on this Te Papa provides the following comprehensive services:

Increasing Professionalism and Sustainability

Enhancing and supporting best practice and developing practical and strategic skills. Programmes include the New Zealand Museums Standards Scheme Ngā Kaupapa

Whaimana a Ngā Whare Taonga o Aotearoa and targeted training and workshops.

Caring for Taonga

Iwi are supported to care for and enhance access to their taonga. Programmes include the Iwi Development Officer service, and targeted training and workshops.

Ready Access to Support, Advice and Expertise

Direct channels are provided for museums, galleries and iwi to access support, advice and expertise. This includes the Development Officer service, grants programmes, the 0508 helpline, hardcopy and online resources,

the provision of placements and internships, and increased access to leading thinkers in the field.

Maximising Resources through Effective Collaborations and Partnerships

Working as partners with other institutions and agencies to strengthen the sector and effectively share resources. This includes the provision of formal and informal policy advice, involvement in cross-sector initiatives, and the development of joint work-plans and MOU.

Performance Measure

	OUTPUT LEVEL FOR 2010/11	2009/10 TARGET (PREVIOUS YEAR)
Workshops delivered by National Services Te Paerangi to support and provide expertise for museums, galleries and iwi	44	40
Resources (hardcopy/virtual) developed by National Services to provide support and expertise for museums, galleries and iwi	20	2
Projects developed by National Services in partnership to support museums, galleries and iwi	45	40
Enquiries responded to by National Services (includes email, 0508, via website, enquiry centre) to ensure good support for museums galleries and iwi	600	500
Museum Development Officer visits made by National Services to provide expertise to museums, galleries and iwi	140	140
Iwi Development Officer visits made to iwi/Māori organisations by National Services to provide expertise to museums, galleries and iwi	40	40
Targeted workshops by National Services to provide expertise in caring for taonga	15	10

Lending Programme

Te Papa lends approximately 1,700 items to 100 other institutions annually. Our practice

follows best international guidelines to cover negotiations and loan agreements, facility reports, and statistics relating to the loan processes.

Performance Measure

	OUTPUT LEVEL FOR 2010/11	2009/10 TARGET (PREVIOUS YEAR)
Percentage of Te Papa's collection loans provided within the date agreed to ensure quality of service	100%	100%

INTERMEDIATE OUTCOME 6

The visitor and stakeholder experience will be enhanced through Te Papa's business offerings

Description

Te Papa provides services to its visitors which enhance their experience. This includes parking, the café, and shops. These must be affordable, of a high standard and operated efficiently. The Functions business hires out facilities and provides catering services to clients for events ranging from conferences to weddings. Te Papa Press also operates as a commercial business, publishing the results of research on the collections and related themes. In each of these businesses, the goal is to achieve both the Museum's mission for audiences and generate a net return to support museum programmes.

Sponsorship received by Te Papa supplements the funding received from the New Zealand Government. Te Papa has a number of mutually beneficial partnerships with corporate and government organisations and philanthropic trusts. Some sponsors are long term partners, with some partnerships now being in place for over ten years. Others sponsor shorter term specific exhibitions, projects and events. Current sponsor partnerships will be carefully maintained, and a Foundation will be established to build long term relationships with prospective supporters.

The provision of commercial services supports the delivery of museum services by attracting visitors who are participants in client events

and by providing the total visitor experience including visitor parking, food and retail. Sponsorship and fundraising are an important component of the exhibition programme and also extend to other areas of the Museum.

Outputs

To achieve this outcome Te Papa focuses on the following outputs:

- Successful commercial products and services
- Maintain Te Papa's brand strength through customer satisfaction
- Sponsorship and fundraising

Performance Measure

	OUTPUT LEVEL FOR 2010/11	2009/10 TARGET (PREVIOUS YEAR)
Percentage of revenue is derived from non-Crown sources to enhance visitor experience	>50%	>=50%
Continued sponsorship of the exhibitions in the Level 4 short term gallery to support the quality of visitor experience	Achieved	Achieved
Customer satisfaction levels in all commercial enterprises as part of quality of visitor experience (scale is from 1 to 11)	7.5	7.5

Performance Improvement Actions (PIAs)

In accordance with the Government expectations of the public sector, Te Papa has made a commitment to improve its performance by increasing its output while

keeping its costs within baseline funding. The Museum will implement Performance Improvement Actions by implementing these economies:

- reusing segments of long-term exhibitions for domestic touring
- reaching larger and more diverse audiences through more domestic touring

- improving cost effectiveness per audience member reached and increasing the quality of service delivery through the refreshment of long term exhibitions and increases in reported visitor learning

The specific Performance Improvement Actions, Deliverables and Performance Impacts are described in the following table:

PERFORMANCE IMPROVEMENT ACTION	SHORT TERM DELIVERABLE	IMPACT ON PERFORMANCE
Adoption of modular long term exhibitions	Long term exhibitions are turned over with regular module changes	Reduced cost of renewing exhibitions and touring exhibitions
More exhibitions are toured	Increase domestic tours by 2 in 2010/11	Reaching a larger audience more cost effectively
Exhibitions tour to more regions	Increase number of regions by 2 in 2010	Reaching a geographically diverse audience more cost effectively
Increase the percentage of visitors reporting they have learned something new from their Te Papa visit	Exhibitions changeovers incorporate this objective	Audiences will have a higher quality visitor experience at Te Papa

Cost Effectiveness

Government is seeking better value for money and Te Papa is undertaking additional monitoring of performance by comparing cost effectiveness with similar museums. Te Papa also monitors its relative performance from year to year. For Te Papa, important cost effectiveness indicators relate to reaching

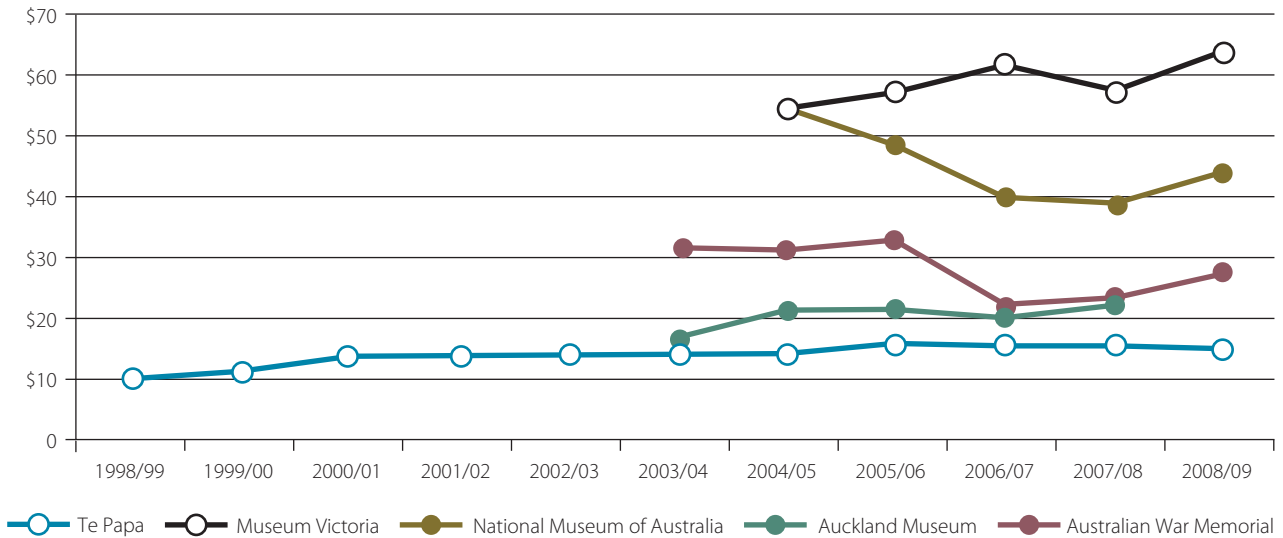
audiences at a reasonable cost to Government.

To demonstrate cost effectiveness, Te Papa has identified government revenue compared to physical visitors. When compared with similar organisations, the data suggests that Te Papa provides a high level of physical access per Government dollar invested and that this has been the case for over a decade

of operation.⁶ Te Papa intends to at least maintain or improve on this measure.

⁶ Visitors refer to physical visits to Te Papa's Cable Street site and Government Revenue has been calculated to be comparable by allowing for depreciation and exchange rates where applicable. The data has been sourced from annual reports.

Government Revenue per Visitor

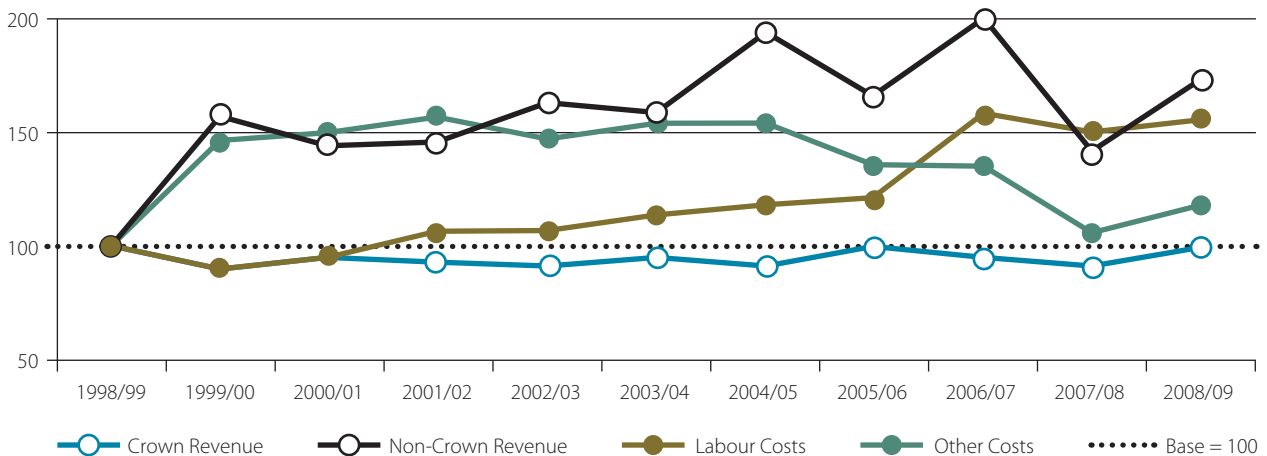


Te Papa has faced increasing labour costs in real terms over the last ten years and revenue from the Crown has been largely static in real terms.⁷ In response, Te Papa has succeeded in

increasing its real non-Crown revenue (mainly through commercial revenue) and reducing real non-labour costs in the 2005/06-2008/09 period. It is expected that these trends will continue as Te Papa responds to rising costs and funding constraints.

⁷ PPI refers to the Producer Price Index (Statistics NZ) and the financial data is from Te Papa annual reports.

Te Papa: Real Income and Expenses Relative to PPI





Quilt; circa 1920; Dorothy Broad

Part 3: Organisational Health and Capability

Part 3: Organisational Health and Capability

Overview

Since opening in 1998, the Museum of New Zealand Te Papa Tongarewa has built a world class museum consistently attracting high levels of visitors. This level of excellence can be attributed to the high calibre of skilled museum staff delivering world class products and services domestically and internationally.

Te Papa has also been a pioneer and world leader in the operation of a bicultural model of service delivery in a heritage organisation. The Museum is known for its bicultural management structure and National Services Te Paerangi programme.

Over the last decade, the role of museums and what is required of them has changed significantly in part due to the rapid advance of the internet into businesses and homes. Information technology is a fundamental part of the operations of a world class museum and needs to be supported with skills and resources.

Much of the workforce at Te Papa has an affinity with the creative part of the economy including the arts, architecture, video, film and photography, radio and television, design, music and advertising industries because the type of outputs they produce are often very similar.

Thus, Te Papa's own workforce is characterised by a range of professions, skills and people such as researchers, designers, conservators, hospitality and corporate staff with significant ethnic diversity. Our development of the workforce must therefore take into account this wide range of skills, talents and backgrounds. To deliver on this Te Papa needs to be an active and credible player in the public sector and management labour markets, as well as the labour market for staff who have skills in delivering creative output.

Some of the major external factors and trends that have a direct influence are the diversity of life and culture in New Zealand, a changing population, changing employee values, a mobile, global workforce, labour and skill shortages, technology opportunities/challenges and higher levels of complexity and change in organisations. To meet this, Te Papa must develop outstanding people, process and technology programmes. Te Papa faces national and international competition for skilled personnel in the labour market.

Key focus areas for delivering capability

Te Papa has presented, and will continue to refine, the case for additional funding which would address the capability needs of the organisation as it goes into the second decade of operation. This capability is essential to meet the national institution's responsibilities for collection management (conservation, documentation and safe storage), research and access. Te Papa also operates a highly successful tourist destination, and reaches out to diverse audiences in innovative ways. With current static funding, priorities have been set to ensure that the value of the government investment is maintained and performance is enhanced.

Te Papa is responsive to the assessment of its auditors to ensure that it follows best practice in its accountabilities. A commitment has been made to address those practices, policies and procedures that have been found to be in need of improvement. An Assurance and Risk Committee made up of board members and senior management operates to monitor this accountability.

Health and Capability Work Streams

There are a number of key work streams of activity in this area:

High Performing Organisational Culture

In 2009, Te Papa successfully implemented a new remuneration structure and refocused its performance management processes. This will be followed by organisational development efforts to embed an ethos of continuous improvement, business excellence and high ethical standards. The re-visioning of Te Papa's strategic direction and leveraging performance to date is central to building this capability and will ensure Te Papa continues to provide a world class museum experience. Organisational initiatives to support this programme include a comprehensive review of organisational policy and procedures, improved information management and reporting, and implementing a management development programme. These changes are planned for implementation over the next 2–3 years.

Scholarship

World-leading scholarship and research are cornerstones of the future development of Te Papa's collections and exhibitions. In 2009, Te Papa introduced four new Scholar positions charged with leading its scholarship and research programmes. This initiative builds the knowledge base within Te Papa's curatorial areas to enable it to speak with authority, nationally and internationally. The identification of research and scholarship priorities and scoping of these positions is currently underway. To date, appointments to the position of Scholar Mātauranga Māori is complete, with appointments to Scholars Art, History and Pacific Cultures, and Natural Environment, expected to be completed during 2010.

Management Development

Skilled and experienced managers, with the knowledge, behaviours and attributes to develop high performing individuals and teams will be critical to the achievement of Te Papa's long term goals. Organisational development priorities for 2010 include defining what it means to be a manager and leader at Te Papa, and building a professional development programme that provides managers and supervisors with the broad range of skills required to be successful. This programme underpins Te Papa's goal of being a high performing ethical organisation and will evolve over the next 2–3 years to meet changing operational requirements and management demands.

Project Management

During 2009 Te Papa conducted an organisation-wide capability audit of its project management and governance processes. As a result, a project management Centre of Excellence is being established to implement improved project planning, delivery and governance mechanisms across Te Papa and lead capability building in these areas. It is expected that this focussed approach will enhance co-ordination of project delivery and improve resource allocation, which over the next 12–24 months will provide significant operational efficiencies.

Information and Communications Technology

Integrating digital interactives and web-based activities into exhibition programming is now standard practice for museums around the world. Te Papa is creating a strategy to guide it toward the integration of digital technology into museum practice. Te Papa has been a world leader in the use of interactive technology and aims to increase its responsiveness to visitor needs and current new media trends.

A Digital Strategy document is being prepared to outline upcoming online and onsite digital developments in the 2009/10 year. A working group is responsible for keeping up with trends and producing appropriately informed recommendations on all digital matters.

For 2010/11, the emphasis will be on:

- taking inventory of front-of-house technologies to ensure the institution is presenting itself to the visitor in a manner consistent with its reputation for innovative presentation of content
- contracting service design expertise to analyse the information architecture of Te Papa's various outward facing online channels and restructure this to more effectively meet institutional experiential and branding objectives

Te Papa's Digital Strategy will be closely aligned with the objectives of the New Zealand Digital Strategy 2.0, as framed by the Ministry of Economic Development.

Internal Policy Review

Te Papa is undertaking a comprehensive review of internal policies to ensure that they are current and comply with legislation. This work is also intended to increase the visibility and level of internal compliance with policy to help manage risk. The project was started in the 2009/10 year with an assessment of the current policy and revision programme. The review of policy is ongoing. The first major revision of policies is expected to be completed in 2010/11.

Capital Asset Management

Te Papa works to improve asset management by identifying the organisation's present and future requirements. In the first stage of the analysis, Te Papa reviewed its asset management capabilities at several levels. The analysis highlighted the need for a number of changes in the process and resources to improve the organisation's ability to sustainably manage its assets. The changes required to meet the future needs of Te Papa will be implemented over the next three years.



Two Cottages, c.1950; Fred Uhlman

Part 4: Prospective Financial Statements

Part 4: Prospective Financial Statements

Introduction

Te Papa's Statement of Intent covers the period 1 July 2010 to 30 June 2013. The financial information contained in the Statement of Intent is a forecast for the purposes of Financial Reporting Standard (FRS) 42.

The financial information contained in the Statement of Intent has been prepared to assist Parliament consider Te Papa's planned performance. Use of this information for other purposes may not be appropriate.

The prospective financial statements are based on assumptions as to future events that Te Papa reasonably expects to occur at the time this information was prepared. The actual results may vary from the information presented and this variation may be material.

Te Papa is a Crown entity established by the Museum of New Zealand Te Papa Tongarewa Act 1992. The principal functions of Te Papa as set out in this Act include controlling and maintaining a museum, developing collections and making those collections accessible, caring for the collections, creating exhibitions, conducting research into matters relating to the collections, providing education and information services, and providing national services in partnership with other museums.

The prospective financial statements were authorised for issue on 14 May 2010 by the Board of the Museum of New Zealand Te Papa Tongarewa. Te Papa is responsible for the prospective financial statements presented, including the assumptions underlying the prospective financial information and all other disclosures.

It is not intended that this printed material will be updated.

Statement of Significant Assumptions

Te Papa has made a number of assumptions in the preparation of the financial forecasts included in the Statement of Intent. The most significant of these assumptions are outlined below:

1. Annual government operating and capital funding levels are consistent with those agreed in the 2009 Budget.
2. Interest income on cash holdings is calculated at 4.5 percent. Interest income declines as the current levels of cash holdings are used to fund the proposed capital programme.
3. A consistent level of donations income has been assumed.
4. Forecasts for commercial revenues are influenced by visitor numbers. Te Papa is assuming visitor numbers of 1.400 million in 2010/11 and subsequent years.
5. Te Papa bases forecasts for non-Crown revenue on confirmed contracts, historical performance and current trends. The costs associated with delivering the forecast levels of non-Crown revenues are also based on historical performance and current trends.
6. The lasting effects of the global financial crisis are unknown and have not been quantified within these prospective statements.
7. Museum service levels are outlined in Part 2 of this Statement of Intent. Te Papa's forecast cost of services reflects increasing cost pressures associated with delivering these services.
8. The prospective financial statements assume no increase in personnel costs; any increases in personnel costs in out years are to be absorbed through realising operating efficiencies in other costs of services.
9. Te Papa is undertaking a programme of capital spending aimed at refreshing or replacing exhibitions that were developed for the opening of the Museum in 1998. Projected costs and timing of expenditure for these developments are based on project plans and quotations current when these forecasts were prepared.
10. During 2010 Te Papa will be developing a detailed asset management plan which will inform future planned maintenance and capital replacement costs. As this work is still under way the results are not yet available to inform changes to these forecasts.
11. Te Papa periodically undertakes revaluations for its Collections and Land & Buildings. The forecast numbers do not include any impacts resulting from future revaluations.

Statement of Accounting Policies

Reporting Entity

The Museum of New Zealand Te Papa Tongarewa (Te Papa) is a Crown entity as defined by the Crown Entities Act 2004 and is domiciled in New Zealand. As such, Te Papa's ultimate parent is the New Zealand Crown.

The Museum of New Zealand Te Papa Tongarewa Act 1992 sets out the principal functions of Te Papa's Board. These functions include controlling and maintaining a museum, developing collections and making those collections accessible, caring for the collections, creating exhibitions, conducting research into matters relating to the collections, providing education and information services and providing national services in partnership with other museums.

In performing these functions, Te Papa must have regard to the ethnic and cultural diversity of the people of New Zealand, and the contributions they have made and continue to make to New Zealand's cultural life and the fabric of New Zealand society. Te Papa must also endeavour to ensure that the Museum is a source of pride for all New Zealanders.

Te Papa's mission states that:

The Museum of New Zealand Te Papa Tongarewa is a forum for the nation to present, explore, and preserve the heritage of its cultures and knowledge of the natural environment in order to better understand and treasure the past, enrich the present, and meet the challenges of the future.

Te Papa seeks to achieve successful financial outcomes and does this by offering experiences and products that contribute to the sustainability of the Museum.

Accordingly, Te Papa has designated itself as a public benefit entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

Statement of Compliance

The prospective financial statements of Te Papa have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statements comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The Board approved the budget figures for 2010/11 and out years on 14 May 2010. The budget figures have been prepared in accordance with NZ GAAP and are consistent with the accounting policies adopted by the Board for the preparation of the financial statements at this time.

Measurement Base

The financial statements have been prepared on a historical cost basis, except where modified by the revaluation of certain items of property, plant and equipment, and the measurement of equity investments and derivative financial instruments at fair value.

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of Te Papa is New Zealand dollars.

Significant Accounting Policies

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Revenue from the Crown

Te Papa is partly funded through revenue received from the Crown, which is restricted in its uses for the purpose of Te Papa meeting its objectives as specified in the Statement of Intent.

Revenue from the Crown is recognised as revenue when earned and is reported in the financial period to which it relates.

Other grants

Non-government grants are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions of the grant are not met. If there is such an obligation the grants are initially recorded as grants received in advance, and recognised as revenue when conditions of the grant are satisfied.

Interest

Interest income is recognised using the effective interest method. Interest income on an impaired financial asset is recognised using the original effective interest rate.

Rental income

Lease receipts under an operating sub-lease are recognised as revenue on a straight-line basis over the lease term.

Sale of publications

Sales of publications are recognised when the product is sold to the customer.

Provision of services

Revenue derived through the provision of services to third parties is recognised in proportion to the stage of completion at the balance date. The stage of completion is assessed by reference to survey of work performed.

Vested assets

Where a physical asset is gifted to or acquired by Te Papa for nil or nominal cost, the fair value of the asset received is recognised as income. Such assets are recognised as income when control over the asset is obtained.

Restricted Reserves

Te Papa receives bequests from private individuals for collection acquisitions. Where they are discretionary, they are recognised as revenue once received. Where the funds are subject to restrictions on use, such funds are identified as restricted reserves.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with domestic banks and other short-term, highly liquid investments, with original maturities of three months or less.

Debtors and other receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Impairment of a receivable is established when there is objective evidence that Te Papa will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the debtor is impaired.

The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of financial performance. When the receivable is uncollectible, it is written off against the allowance account for receivables. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due).

Investments

At each balance sheet date Te Papa assesses whether there is any objective evidence that an investment is impaired.

Financial Assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through profit and loss in which case the transaction costs are recognised in the statement of financial performance.

Purchases and sales of financial assets are recognised on trade-date, the date on which Te Papa commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Te Papa has transferred substantially all the risks and rewards of ownership.

Te Papa classifies its financial assets as either fair value through profit or loss or loans and receivables. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit and loss include financial assets designated at fair value through profit and loss at initial recognition. A financial asset is classified in this category if so designated by management. Assets in this category are not held for trading and as such are classified as non-current assets. Te Papa's financial assets at fair value through profit and loss include shares in companies and funds invested with the Public Trust. After initial recognition they are measured at their fair values based on quoted prices from active markets, with gains and losses on remeasurement recognised in the statement of financial performance.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. Te Papa's loans and receivables comprise cash and cash equivalents, debtors and other receivables, and term deposits.

After initial recognition they are measured at amortised cost using the effective interest method less impairment.

Gains and losses when the asset is impaired or derecognised are recognised in the statement of financial performance.

Bank deposits

Investments in bank deposits are initially measured at fair value plus transaction costs.

After initial recognition, investments in bank deposits are measured at amortised cost using the effective interest method.

For bank deposits, impairment is established when there is objective evidence that Te Papa will not be able to collect amounts due according to the original terms of the deposit. Significant financial difficulties of the bank, probability that the bank will enter into bankruptcy, and default in payments are considered indicators that the deposit is impaired.

Inventories

Inventories held for distribution, or consumption in the provision of services, that are not issued on a commercial basis are measured at the lower of cost (calculated using the weighted average cost method) and current replacement cost.

The replacement cost of the economic benefits or service potential of inventory held for distribution reflects any obsolescence or other impairment.

Inventories held for sale or use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the weighted average cost method.

The write-down from cost to current replacement cost or net realisable value is recognised in the statement of financial performance in the period when the write down occurs.

Accounting for foreign currency transactions

Foreign currency transactions (including those for which forward exchange contracts are held) are translated into New Zealand dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the

translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance.

Property, plant and equipment

Property, plant and equipment asset classes consist of land, non-residential buildings, leasehold improvements, furniture and fittings, plant and equipment, motor vehicles and long term exhibitions.

Property, plant and equipment are shown at cost or valuation, less any accumulated depreciation and impairment losses.

Revaluations

Land and buildings are revalued with sufficient regularity to ensure that the carrying amount does not differ materially from fair value and at least every 3 years. Fair value is determined from market-based evidence by an independent valuer. All other asset classes are carried at depreciated historical cost.

The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value. Additions between revaluations are recorded at cost.

Accounting for revaluations

Te Papa accounts for revaluations of property, plant and equipment on a class of asset basis.

The result of the above revaluations are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the statement of financial performance. Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the statement of financial performance will be recognised first in the statement of financial performance up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to Te Papa and the cost of the item can be measured reliably.

Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the statement of financial performance.

When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to general funds.

Subsequent cost

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits and service potential associated with the item will flow to Te Papa and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the statement of financial performance as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

NON-RESIDENTIAL BUILDINGS (INCLUDING COMPONENTS)	5–150 YEARS	(.67% –20%)
Leasehold Improvements	5 to 50 years	(2% –20%)
Furniture and Fittings	3 to 15 years	(6.67% –33%)
Plant and Equipment	5 to 50 years	(2% –20%)
Long-term Exhibitions	3 to 15 years	(6.67% –33%)
Motor Vehicles	5 years	(20%)

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use by Te Papa are recognised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

Costs associated with the maintenance of Te Papa's website are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the statement of financial performance.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

- Acquired computer software 3 years 33%

Collections

Te Papa's collections have been valued at cost or valuation, with the exception of the Natural Environment collections, which are shown at replacement cost. Collections are valued annually with each class of collections valued once every three years. Acquisitions to collections between revaluations are recorded at cost.

In the Board's opinion, as the collections tend to have an indefinite life and are generally not of a depreciable nature, depreciation is not applicable.

Impairment of non-financial assets

Collections, property, plant and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where Te Papa would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the statement of financial performance.

For assets not carried at a revalued amount, the total impairment loss is recognised in the statement of financial performance.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the statement of financial performance, a reversal of the impairment loss is also recognised in the statement of financial performance.

For assets not carried at a revalued amount the reversal of an impairment loss is recognised in the statement of financial performance.

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Revenue received in advance

Te Papa receives grants from organisations for scientific research projects. Under NZ IFRS funds are recognised as revenue when the conditions of the contracts have been met. A liability reflects funds that are subject to

conditions that, if unfulfilled, are repayable until the condition is fulfilled.

Te Papa also receives operational revenue in advance. This is included as a liability in the statement of financial performance.

Employee entitlements

1. Short-term employee entitlements

Employee entitlements that Te Papa expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Te Papa recognises a liability for sick leave to the extent that compensated absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date; to the extent Te Papa anticipates it will be used by staff to cover those future absences.

Te Papa recognises a liability and an expense for bonuses where it is contractually obliged to pay them, or where there is a past practice that has created a constructive obligation.

2. Long-term employee entitlements

Entitlements that are payable beyond 12 months, such as long service leave and retirement leave have been calculated on an actuarial basis.

The calculations are based on:

- Likely future entitlements accruing to staff, based on years of service, years of entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information
- The present value of the estimated future cash flows.

The discount rate is based on the weighted average of interest rates for government stock in terms of maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to KiwiSaver are recognised as personnel expenses in the statement of financial performance as incurred.

Contributions to the Government Superannuation Fund are recognised as personnel expenses in the statement of financial performance as incurred.

Provisions

Te Papa recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event. It is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. We use a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

Goods and Services Tax (GST)

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income Tax

Te Papa is exempt from the payment of income tax in terms of section 20 of the Museum of New Zealand Te Papa Tongarewa Act 1992. Accordingly, no charge for income tax has been provided for.

Cost allocation

All costs incurred are allocated to Te Papa's single output class: Museum Services.

There have been no changes to the cost allocation methodology since the date of the last audited financial statements.

Critical accounting estimates and assumptions

In preparing these financial statements Te Papa has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Contingent Liabilities

Contingent liabilities and contingent assets are recorded in the Statement of Contingent Liabilities and Contingent Assets at the point at which the contingency is evident. Contingent liabilities are disclosed if the possibility that they will crystallise is not remote. Contingent assets are disclosed if it is probable that the benefits will be realised.

Changes in Accounting Policies

These prospective financial statements are prepared in accordance with NZ GAAP. There have been no changes in accounting policies since Te Papa made the transition to NZ IFRS. The effect of the transition to NZ IFRS is explained in Te Papa's 2007/08 Statement of Intent.

Prospective Output Costs

	PROSPECTIVE			ESTIMATED ACTUAL 2009/10 \$000	BUDGET 2009/10 \$000
	2010/11 \$000	2011/12 \$000	2012/13 \$000		
Museum Services Output Costs					
Operating	48,689	47,855	47,916	44,771	46,858
Capital	9,500	11,500	11,500	11,215	11,858
	58,189	59,355	59,416	55,986	58,716
Museum Services Revenue					
Operating	47,905	48,104	47,692	47,082	45,837
Capital	9,000	9,000	9,000	9,000	9,000
	56,905	57,104	56,692	56,082	54,837

Operating costs exclude Depreciation and Amortisation.

Prospective Statement of Comprehensive Income

	PROSPECTIVE			ESTIMATED ACTUAL	BUDGET
	30 JUNE 2011 \$000	30 JUNE 2012 \$000	30 JUNE 2013 \$000	30 JUNE 2010 \$000	30 JUNE 2010 \$000
Income					
Revenue from Crown	23,574	23,574	23,574	23,574	23,574
Fundraising and Donations	93	93	93	93	93
Other – Rent	113	113	113	113	113
Other Revenue	23,277	23,634	23,410	22,802	21,557
Interest	848	690	502	500	500
Total Income	47,905	48,104	47,692	47,082	45,837
Expenses					
Personnel	25,882	25,614	25,675	24,377	25,398
Repairs and Maintenance	393	363	373	383	383
Operating	22,364	21,828	21,818	19,961	21,027
Loss on Sale of Fixed Assets	50	50	50	50	50
Depreciation and Amortisation	12,410	13,805	11,703	13,369	12,442
Finance Costs	–	–	–	–	–
Total Expenses	61,099	61,660	59,619	58,140	59,300
Net Surplus/(Deficit)	(13,194)	(13,556)	(11,927)	(11,058)	(13,463)
Other Comprehensive Income	–	–	–	–	–
Total Comprehensive Income	(13,194)	(13,556)	(11,927)	(11,058)	(13,463)

Prospective Movements in Equity

	PROSPECTIVE			ESTIMATED	BUDGET
	2010/11 \$000	2011/12 \$000	2012/13 \$000	ACTUAL 2009/10 \$000	2009/10 \$000
Equity at Beginning of the Year	1,021,041	1,016,847	1,012,291	1,023,099	1,022,416
Net Operating Deficit	(13,194)	(13,556)	(11,927)	(11,058)	(13,463)
Total Recognised Revenues and Expenses for the Year	(13,194)	(13,556)	(11,927)	(11,058)	(13,463)
Crown Capital Injection	9,000	9,000	9,000	9,000	9,000
Equity at End of the Year	1,016,847	1,012,291	1,009,364	1,021,041	1,017,953

Prospective Financial Position

	PROSPECTIVE			ESTIMATED	BUDGET
	30 JUNE 2011 \$000	30 JUNE 2012 \$000	30 JUNE 2013 \$000	ACTUAL 30 JUNE 2010 \$000	30 JUNE 2010 \$000
Equity					
Capital	447,898	456,898	465,898	438,898	438,898
Accumulated Losses	(157,034)	(170,590)	(182,517)	(143,840)	(148,042)
Asset Revaluation Reserve	151,091	151,091	151,091	151,091	152,205
Collection Revaluation Reserve	572,068	572,068	572,068	572,068	572,068
Restricted Revenue Reserves	2,824	2,824	2,824	2,824	2,824
Total Equity	1,016,847	1,012,291	1,009,364	1,021,041	1,017,953
<i>Represented by:</i>					
Current Assets					
Cash and Cash Equivalents	20,326	16,556	12,609	22,456	15,174
Loans and Receivables	2,583	2,583	2,583	2,583	2,591
Other Financial Assets	301	301	301	301	449
Inventory – Current	1,299	1,299	1,299	1,299	1,158
Publications Work in Progress	133	133	133	133	196
Total Current Assets	24,642	20,872	16,925	26,772	19,568
Non-current Assets					
Property Plant and Equipment	375,558	369,916	366,710	381,238	386,053
Collections	624,515	627,515	630,515	621,515	621,995
Intangible Assets	1,968	2,218	2,468	1,718	1,310
Total Non-current Assets	1,002,041	999,649	999,693	1,004,471	1,009,358
Total Assets	1,026,683	1,020,521	1,016,618	1,031,243	1,028,926
<i>Less:</i>					
Current Liabilities					
Accounts Payable	4,313	2,707	1,731	4,679	5,294
Employee Entitlements	2,279	2,279	2,279	2,279	2,348
Other Liabilities	3,072	3,072	3,072	3,072	3,159
Total Current Liabilities	9,664	8,058	7,082	10,030	10,801
Non-current Liabilities					
Employee Entitlements	172	172	172	172	172
Net Assets	1,016,847	1,012,291	1,009,364	1,021,041	1,017,953

Prospective Cash Flows

	PROSPECTIVE			ESTIMATED	BUDGET
	30 JUNE 2011 \$000	30 JUNE 2012 \$000	30 JUNE 2013 \$000	ACTUAL 30 JUNE 2010 \$000	30 JUNE 2010 \$000
Cash Flows from Operating Activities					
<i>Cash was provided from:</i>					
Government Grants	23,574	23,574	23,574	23,574	23,574
Sale of Goods and Services	14,233	14,998	15,858	13,249	13,552
Donations and Sponsorship	3,595	3,595	3,595	4,438	3,187
Interest Income	848	690	502	500	500
Other Revenue	5,655	5,247	4,387	5,644	5,024
	47,905	48,104	47,916	47,405	45,837
<i>Cash was disbursed to:</i>					
Payments to Employees	24,914	25,355	25,416	24,249	25,345
Payments to Suppliers	24,121	23,519	23,447	20,795	21,462
Net Cash Flows from Operating Activities	(1,130)	(770)	(947)	2,361	(970)
Cash Flows from Investing Activities					
<i>Cash was provided from:</i>					
Sale of Property, Plant and Equipment	–	–	–	–	–
<i>Cash was disbursed to:</i>					
Purchase of Property, Plant and Equipment	6,500	8,500	8,500	7,463	8,356
Purchase of Intangible Assets	500	500	500	500	500
Purchase of Collections	3,000	3,000	3,000	3,252	3,002
	10,000	12,000	12,000	11,215	11,858
Net Cash Flows Used in Investing Activities	(10,000)	(12,000)	(12,000)	(11,215)	(11,858)
Cash Flows from Financing Activities					
<i>Cash was provided from:</i>					
Capital Grant for General Purposes	9,000	9,000	9,000	9,000	9,000
Net Cash Flows from Financing Activities	9,000	9,000	9,000	9,000	9,000
Net Increase/(Decrease) in Cash Held	(2,130)	(3,770)	(3,947)	146	(3,828)
Add Opening Cash Brought Forward:					
Cash and Cash Equivalents	22,456	20,326	16,556	22,310	19,002
Closing Cash Carried Forward	20,326	16,556	12,609	22,456	15,174
Represented by:					
Cash and Cash Equivalents	20,326	16,556	12,609	22,456	15,174
	20,326	16,556	12,609	22,456	15,174

Notes to Prospective Financials

	PROSPECTIVE			ESTIMATED ACTUAL 30 JUNE 2010 \$000	BUDGET 30 JUNE 2010 \$000
	30 JUNE 2011 \$000	30 JUNE 2012 \$000	30 JUNE 2013 \$000		
Cost of Services					
Business Group	13,671	14,802	15,118	13,601	12,586
Corporate Services Group	9,442	10,115	10,201	9,998	9,129
Experience Group	14,484	11,614	11,201	9,428	9,736
Collections and Research Group	6,677	6,753	6,742	6,593	6,238
Governance and Finance Group	1,931	2,000	2,076	2,321	3,415
Ngā Manu Atarau	2,137	2,220	2,226	2,263	2,069
Other	347	351	352	567	3,685
Cost of Services	48,689	47,855	47,916	44,771	46,858

Reconciliation of Equity

	PROSPECTIVE			ESTIMATED	BUDGET
	30 JUNE 2011 \$000	30 JUNE 2012 \$000	30 JUNE 2013 \$000	ACTUAL 30 JUNE 2010 \$000	30 JUNE 2010 \$000
(a) Capital					
Opening Balance	438,898	447,898	456,898	429,898	429,898
Plus Crown Capital Injection	9,000	9,000	9,000	9,000	9,000
Less Return of Capital (Blake)	-	-	-	-	-
Closing Balance	447,898	456,898	465,898	438,898	438,898
(b) Accumulated Losses					
Opening Balance	(143,840)	(157,034)	(170,590)	(132,782)	(134,579)
Net Operating Deficit	(13,194)	(13,556)	(11,927)	(11,058)	(13,463)
Transfer to Restricted Reserves	-	-	-	-	-
Closing Balance	(157,034)	(170,590)	(182,517)	(143,840)	(148,042)
(c) Asset Revaluation Reserve					
Opening Balance	151,091	151,091	151,091	151,091	152,205
Revaluations	-	-	-	-	-
Closing Balance	151,091	151,091	151,091	151,091	152,205
(d) Collection Revaluation Reserve					
Opening Balance	572,068	572,068	572,068	572,068	572,068
Revaluations	-	-	-	-	-
Impairment movement	-	-	-	-	-
Closing Balance	572,068	572,068	572,068	572,068	572,068
(e) Restricted Reserves					
Opening Balance	2,824	2,824	2,824	2,824	2,824
Movement	-	-	-	-	-
Closing Balance	2,824	2,824	2,824	2,824	2,824
Total Public Equity at End of the Year	1,016,847	1,012,291	1,009,364	1,021,041	1,017,953

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