



Directory TE RĀRANGI INGOA

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Museum of New Zealand Te Papa Tongarewa

Statement of Intent 2009/10, 2010/11, 2011/12

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 2012 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 2009/10, 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
28 May 2009

Bob Harvey
Board Member
28 May 2009

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Chief Executive Seddon Bennington and Chris Clark, GM Visa Australia and New Zealand

Part one

Statutory Responsibilities and Accountability

PART ONE

Statutory Responsibilities and

The Museum of New Zealand Te Papa Tongarewa

The Museum of New Zealand Te Papa Tongarewa (Te Papa) *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.*

The functions of the Te Papa Board are 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, 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.

Our Operating Environment

The government values arts, culture and heritage and has signalled that it intends to maintain the current level of taxpayer funding for arts, culture, and heritage, and promote additional sources of funding through community and corporate support.

Accountability framework and relationship with government

Te Papa is an autonomous Crown entity under the Crown Entities Act 2004 and established by the Museum of New Zealand Te Papa Tongarewa Act 1992. 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, administered by the Ministry for Culture and Heritage.

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

CONSULTATION AND REPORTING TO THE MINISTER

Central government involvement in cultural heritage is primarily through its ownership of national institutions – Te Papa, the National Library and Archives New Zealand.

Accountability

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

The government department with primary responsibility for monitoring the Crown's interests in the cultural sector is the Ministry for Culture and Heritage with a mandate to achieve the following outcome: *The most efficient use of public resources to maximise understanding and appreciation of, access to, and participation in New Zealand culture, and to promote the enhancement of New Zealand's cultural identity.*

Te Papa's Memorandum of Understanding (MOU) with the Minister is negotiated annually. The MOU specifies the annual outputs, these being a range of museum services, including administration, management and service functions associated with the discharge of its statutory functions, and any additional agreed commitments.

During the course of the year, Te Papa reports progress toward these outputs to the Minister. There is an ongoing dialogue with the Minister and Ministry on specific matters 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 outcomes it sets itself.

Te Papa has aligned its Statement of Intent with the goals agreed between the Minister for Arts, Culture and Heritage and the Ministry for Culture and Heritage which are as follows:

Medium term goals

- Increased visibility and accessibility of culture and cultural activities
- Well governed, efficient and sustainable government funded organisations.

Long term goals

- New Zealanders valuing access and opportunities to participate in cultural experiences
- A sector that is diverse, sustainable and contributing economically and socially
- An increased presence and profile of culture in New Zealand that also realises the potential of Māori.

Shared strategic direction with other agencies

Te Papa will continue its commitment to work with Archives New Zealand and the National Library of New Zealand in areas of mutual interest. This shared strategic direction to make information accessible recognises our common role in collecting, preserving and providing access to the nation's art, culture and heritage collections and resources.

To reach these objectives, the three agencies have a shared responsibility for achieving the following goal:

New Zealanders can seamlessly access the nation's art, culture, and heritage collections online.

Considerable progress has already been made. The three agencies have developed a governance arrangement to co-ordinate activities and are developing principles to align common projects.

Specifically, the three institutions have agreed to increase co-operation in the following areas:

- *Understanding customer needs* – Research into user expectations and requirements – both specialist audiences, such as the education sector, as well as the public
- *Standards and interoperability* – Selection, evaluation, and promotion of standards and protocols for developing, preserving and making digital collections accessible – both sector-specific, and cross-sector
- *Capability* – Supporting initiatives aimed at developing the shared capability of the archives, library, museum and gallery sectors to manage and make accessible digital collections.

Rationalising infrastructure and processes to avoid service duplication together with more customer-focused services will increase customer satisfaction.

“...The most efficient use of public resources to maximise understanding and appreciation of, access to, and participation in New Zealand culture, and to promote the enhancement of New Zealand's cultural identity.”



Iho (centring Stone)

Part two
**Vision,
Outcomes,
Outputs, and
Performance
Measures**

PART TWO

Vision, Outcomes, Outputs and Performance Measures

Introduction

Te Papa has had over a decade of highly successful operation and consistently achieves over 1.2 million physical visits each year. Te Papa has also addressed other priorities including preserving the national collection and developing it for the benefit of the current and future generations of New Zealanders. Te Papa engages with the diversity of the New Zealand population in a way that is unique. It provides a sense of history and place, and national pride and identity for a very broad constituency.

One of the challenges facing Te Papa is to provide exceptional audience experiences for visitors including the continual refreshment of exhibitions while meeting the increasing needs of an expanding collection with rising costs and static income.

The External Environment

Some of the major **external factors** and trends that have a direct influence on the organisation and its capability are the cultural diversity in New Zealand, an ageing population, changing employee values, a mobile, global workforce, labour and skill shortages, technology opportunities/challenges and higher levels of complexity and change in organisations.

In the labour market, Te Papa faces competition for skilled national and international personnel. To achieve operational excellence, Te Papa must develop outstanding people, process and technology programmes.

Integral to Te Papa's success is ensuring the **capability** to deliver a leading museum experience in its second 10 years.

To support the strategic direction and work programme Te Papa is working within finite resources to build and align capability.

Te Papa provides an attractive, inexpensive and enriching experience to the public in difficult economic times. These features will enable Te Papa to attract new audiences and encourage past audiences to return.

However, Te Papa faces an environment where there are considerable challenges. Amongst these are significant risks of a reduction in revenue. Over the foreseeable future the commercial environment will be affected by the domestic and international economic situation through impacts on tourism, business demand, and personal spending. 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 we have to plan in a way that is consistent with tight fiscal circumstances and enables Te Papa to respond to commercial risks.

Te Papa is aware of these issues and is adapting its services accordingly. The timing and extent of exhibition turnover is being adjusted although there is an imperative that permanent exhibitions are comprehensively refreshed at about a fifteen life cycle or they will lose appeal and currency. Te Papa is also changing internally to support touring, collaboration with other museums, and electronic access.

Vision

Te Papa's vision is expressed in statements derived with regard to its functions, operating environment and accountabilities. Te Papa's vision is to be:

- relevant to all New Zealanders through stories of our collections and scholarship, and to engage through these 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
- an access to the best collections from around the world
- creative, collaborative, and outward looking
- fun, challenging, and always enriching.

Te Papa has adopted these vision statements and an overarching outcome which will be achieved through a range of intermediate outcomes. These will often be undertaken in collaboration with a range of national and international organisations.

Outcomes, Outputs, and Performance Measures

Te Papa has adopted an outcomes framework for its planning which encompasses outcomes, outputs, and performance measures. The outcomes are derived from strategic planning that focuses on meeting the needs of Te Papa's stakeholders with a particular focus on audiences.

Performance Measures

INTERVENTION LOGIC

Te Papa is funded to provide the Output Class: Museum Services. Within this Output Class the Board ensures the museum is operated in a way that most effectively uses the resources it has to meet the functions that are required under the legislation.

The relationships between the functions and how these are delivered provide the basis for Te Papa's choice of Outcomes, Outputs, and Performance Measures.

The functions of collecting, conservation, and security of collections are fundamental to delivering on exhibitions. Research is vital to ensuring that the experience of museum visitors is supported by quality information and that it can deliver to both a diverse audience and to the education curriculum. Te Papa's ability to manage its collections to international best practice is important to collaboration with, and supporting of, other museums.

Te Papa's outcomes have been chosen to enrich the lives of current or future museum audiences and users either directly through provision of experience services or through other outputs.

Successfully delivering on the outputs it has adopted ensures that the museum achieves both its overarching outcome and its intermediate outcomes.

OVERARCHING OUTCOME

To encapsulate Te Papa's functions and goals within the outcomes framework, an overarching outcome has been adopted which describes the end result of its 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.

To achieve this overarching outcome, Te Papa has reviewed its strategic priorities in relation to Te Papa's audiences.

INTERMEDIATE OUTCOMES

To reflect these strategic priorities, intermediate outcomes have been adopted that contribute toward this overarching outcome. The intermediate outcomes encompass the outputs Te Papa delivers to various audiences, and its role in the community.

OUTPUTS AND PERFORMANCE MEASURES

Under these intermediate outcomes, specific outputs are planned with targets and performance measures that include meeting goals and incremental increases in specific outputs. Te Papa will report against **all** the outputs in this Statement of Intent.

Te Papa monitors and manages these outputs, taking corrective action and adapting its programmes where required to ensure that it is having an impact in line with its intermediate outcomes and its overarching outcome.

“Te Papa's outcomes have been chosen to enrich the lives of current or future museum audiences and users either directly through provision of experience services or through other outputs.”

Intermediate Outcome 1

Te Papa's collections and knowledge are shared with a diverse and geographically spread audience

Description

Te Papa's audiences are diverse and have many interests. This outcome encourages drawing on collections held by the museum and the knowledge base that is developed to engage with a wide range of audiences. Te Papa's audiences include different age groups and cultural backgrounds and varying familiarity with the content amongst both New Zealanders 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 and online publications, and presenting at conferences.

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

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.

DEVELOPING COLLECTIONS

Te Papa receives a \$3 million Government Capital Grant for collections 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 for being the kaitiaki (guardian) 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 principles of acquisition, kaitiaki, deaccessioning and disposal, and conflicts of interest. The Acquisitions Strategy is aligned with Te Papa's scholarship and mātauranga Māori priorities (The Core Projects Strategy), 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 History, New Zealand History, Pacific, and Taonga Māori).

THE CARE AND MANAGEMENT OF COLLECTIONS

Te Papa's 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 agencies within New Zealand.

ACCESS TO COLLECTIONS

Collections Online is being developed to enable online visitors to explore and learn about the collections. This is partly achieved by improving the website interface which helps visitors to find Collections Online easily and to find their way around it. The information visitors can find in Collections Online is being expanded. We are doing this by:

Creating new records in EMu ("Electronic Museum") – for new collection items or for collection items not previously registered.

Upgrading current records to create connections – by entering associated people, places, etc. and adding images, both reference level and professional level. Upgrading records also includes obtaining copyright clearance to release images to Collections Online, and obtaining Iwi clearance to release records and images to Collections Online.

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

Te Papa is investigating methods to report on what proportion of the collection is accessible to the public through display, digital, or print media and the rate of turnover.

Te Papa uses several measures to ensure that it acquires items that meet its policies, and that these are properly stored and accessible to audiences.

Performance

Te Papa measures its performance against these outputs using the following:

Outputs	Performance Measure	Actual 2007/08
Research and publication activities across the following areas:	Te Papa press publishes at least two major publications per year which will reach specialist and non-specialist audiences	6 publications
<ul style="list-style-type: none"> ■ Natural Environment ■ Art ■ Mātauranga Māori ■ History and Pacific 	Sixty peer reviewed papers and popular articles	82 articles published
	Eight papers draw upon Mātauranga Māori <i>(previous target was 10)</i>	14 articles published
	Ten conference presentations	18 presentations
Develop collections in accordance with the Collection Development Policy and Acquisitions Strategy	100 percent of items acquired in accordance with the policy and procedure <i>(increased from 95% in 2007/08)</i>	99.5%
No collection losses	<ul style="list-style-type: none"> ■ No irreparable loss or damage is caused to the collections as a result of handling by staff 	No damage
	<ul style="list-style-type: none"> ■ No more than four instances of irreparable damage to collection items occur as a result of public access each year 	One loss
Increasing text and image content, and the ease of browsing Collections Online	<i>Collections Online</i> visits reach 1,200,000 in 2009/10 <i>(added to reflect growth in this activity)</i>	New measure

Intermediate Outcome 2

Te Papa successfully collaborates with New Zealand and overseas museums

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

Outputs

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

DOMESTIC TOURING EXHIBITIONS

These enable New Zealand audiences to share in the Te Papa experience and are targeted to reach both traditional and new museum audiences and especially those less able to visit Te Papa in Wellington. Te Papa works towards touring four exhibitions in five regions each year.

INTERNATIONAL TOURING EXHIBITIONS

Te Papa organises outgoing exhibitions to tour internationally as a way of both providing waharoa to the natural and cultural heritage for overseas audiences and to develop a reputation and relationships with major overseas museums to share expertise and future exhibitions. Te Papa faces challenges to meet the costs associated with international tours particularly with increasing freight costs and fluctuating exchange rates but aims to deliver one tour every three years.

NATIONAL SERVICES TE PAERANGI

Te Papa aims to strengthen the sector by providing practical and strategic help to museums and iwi throughout New Zealand. To deliver on this Te Papa provides comprehensive services to museums, art galleries, whare taonga, and cultural centres as follows:

- *Strategic Programmes:* 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.

- *Strategic Research Projects:* Addressing some of the key issues facing the museum sector, such as collaborating with local authorities, and with Museums Aotearoa to gather statistics on the sector.
- *Guidance and Assistance:* Museum Development Officers provide a direct channel for the museum sector to access Te Papa's expertise, advice and support.
- *Museum and Iwi Development Grants:* Funding medium- to long-term projects that assist the initiating institutions to become stronger and more effective, by accessing professional expertise, and professional development opportunities.
- *Contributing to the New Zealand Tourism Strategy 2015:* National Services Te Paerangi will contribute to implementing this strategy through collaboration with the Department of Conservation and Interpretation NZ.
- Collegial support is also provided for Pacific Island Museums.

LENDING PROGRAMME

Te Papa loans approximately 1,700 items to 100 institutions annually. Our practice follows best international guidelines to cover negotiations and loan agreements, facility reports, and statistics relating to the loan processes.

Performance

Te Papa measures its performance against these outputs using the following:

Outputs	Performance Measure	Actual 2007/08
Touring exhibitions	Four exhibitions are toured to New Zealand venues	4 tours
	One international exhibition tour every three years	1 tour
	A Te Papa touring exhibition will be presented in a minimum of five regions across New Zealand	6 regions
Loan collections	All loan requests provided in the timeframe agreed in the letter of approval	100%
Professional Development and Resources	40 workshops delivered by National Services Te Paerangi each year	New measure – was strategic skill development
	A minimum of two resources (hardcopy/virtual) developed each year	New measure
Sector and Community Engagement	40 projects are developed in partnership each year	New measure
Advice and Support	500 enquiries (includes email, 0508, via website, enquiry centre) received and responded to each year	New measure to reflect NSTP activity
	140 Museum Development Officer visits made each year	
Iwi Engagement	40 Iwi Development Officer visits made to iwi/Māori organisations each year	New measure
	10 targeted workshops provided each year	New measure

Intermediate Outcome 3

Te Papa provides exhibitions, programmes and resources to better understand New Zealand's past and our identity

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 to meeting the needs and expectations of audiences. Te Papa's outputs in this area are partly demand driven. 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 that are now over ten years old and a short-term programme to ensure repeat visitation:

Long Term Exhibitions

The long term exhibitions provide a comprehensive core exhibition for all visitors, and cover the five core project themes. These ideally have a life of fifteen years with segmental refreshment and updating over this time.

Short-term Exhibitions

Te Papa presents a range of short term exhibitions, including in the VISA Platinum Gallery programme. A programme of signature exhibitions

are important for attracting repeat visitation by domestic audiences. Te Papa also plans significant changes to displays in its galleries 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 artist's projects throughout the building. In particular, there are two dedicated spaces that showcase site responsive contemporary practice – the Level 6 Sculpture Terrace, and Te Ara a Hine which leads to the Marae.

Community Gallery

The Community Gallery will promote social inclusion and diversity through the development of an exhibition with a non-iwi based community of shared heritage or interest.

EDUCATION PROGRAMME

Te Papa supports formal education through a range of services – in-house and through digital channels. These are designed to meet specific needs from Early Childhood, Primary, Secondary and Tertiary, through to the facilitation of museum sector vocational courses within the National Qualifications Framework.

Curriculum linked programmes related to collections and through exhibitions will be delivered to 16,000 students across the school and tertiary sector. Te Papa delivers:

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

Performance

Te Papa measures its performance against these outputs using the following:

Outputs	Performance Measure	Actual 2007/08
Refreshment of long term exhibitions	One new long-term exhibition opens within two years	1 exhibition delivered by close of 2007, 2 delivered previous years
Present short term exhibition programme	A minimum of 5 short term exhibitions are presented	5 exhibitions
Develop and deliver education programmes that meet the needs and expectations of school audiences	90% of teachers who evaluate education programmes rate them 'good' to 'excellent' <i>(added as a quality measure)</i>	New measure
	600 educator-led programmes and six Discovery Centre National School Outreach Projects are delivered <i>(a reduction in target from 800 in 2007/08)</i>	617 education programmes delivered
Maximise visitation to, and engagement with, the Te Papa experience	Visitation is maintained at a minimum of 1,250,000 visits each year <i>(target was 1.2 million in 2007/08)</i>	1,304,932 visits
Attract audiences from across New Zealand and internationally	A minimum of 280,000 adult domestic visitors are from outside the Wellington region each year	274,100
	A minimum of 562,500 adult visitors are from overseas each year <i>(45% of visitors)</i>	635,253 (48.7% of adult visitors)
An experience that satisfies Te Papa's visitors	An adult visitor satisfaction rating of 'good' to 'excellent' by at least 95% of visitors is maintained	97%
Proportion of domestic adult visitors who indicate that Te Papa's exhibitions have contributed to a new or different awareness or perspective on New Zealand's history or culture	95% indicate they have learned something new about New Zealand during their visit <i>(reworded and level chosen to be compatible with comparable overseas measures)</i>	98% <i>(this target previously referred to awareness or understanding)</i>

Intermediate Outcome 4

Te Papa's programmes reflect contemporary culture and trends to support a creative and innovative society

Description

The museum 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

In having regard to the diversity of people in New Zealand, Te Papa develops its

services in a way that will attract new audiences and utilise emerging media developments.

OurSpace has been developed as an experience particularly targeted at young audiences to explore the convergence between collections on line, social media, and user provided content.

Performance

Te Papa measures its performance against these outputs using the following:

Outputs	Performance Measure	Actual 2007/08
Audiences attracted broadly reflect New Zealand's demographic profile	The age, ethnicity and gender profile of domestic visitors is similar to the general population	Achieved
Enhance audience engagement through the creative application of new technology	Visitation to <i>OurSpace</i> achieves a minimum of 500,000 visits each year (<i>a target to attract new audiences</i>)	New measure
Expanding access channels	Te Papa website channel visitation is a minimum of 3 million visits for 2009/10 (<i>the new target reflects the projected growth in this area</i>)	1,853,126

Intermediate Outcome 5

Te Papa pursues commercial business goals which are consistent with its vision and expand its audiences

Description

Te Papa provides services to its visitors which enhance their experience. This includes parking, the café, and retail. These must be affordable, of a high standard, and operated efficiently. As well, a Functions business rents facilities and provides catering services to clients from conferences to weddings. Te Papa Press is operated as one of the businesses, publishing the results of research on the collections and related themes to provide high quality access to this knowledge. In each of these businesses, the goal is to achieve both the museum's mission for audiences as well as generate a net return for support of its programmes.

Sponsorship received by Te Papa supplements funding from the New Zealand Government. Te Papa has a number of mutually beneficial

partnerships with corporate and government organisations and philanthropic trusts. Sponsors are either long term partners, with some partnerships now being in place for over ten years, or shorter term related to specific short term 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.

In the current economy, some Te Papa businesses will face challenges, such as with 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.

Although Te Papa faces a more challenging environment it must continue to provide its main offerings without economic

barrier. Commercial activities are essential to supporting those areas provided free of charge.

The provision of commercial services supports the delivery of museum services through attracting visitors who are participants in client events and providing the total visitor experience including parking, food and retail. Sponsorship and fundraising are an important component of the exhibition programme and also extend to other areas of the museum.

During 2009/10 Te Papa will be looking at ways in which its intellectual property can strengthen its brand and competitive positioning with its businesses.

Performance

Te Papa measures its performance against these outputs using the following:

Outputs	Performance Measure	Actual 2007/08
Successful commercial products and services	At least half revenue derived from non-Crown sources <i>(added to reflect Te Papa activity)</i>	New measure
Maintaining Te Papa's brand strength through customer satisfaction	Customer satisfaction levels maintained at a minimum of 7.5 in all commercial enterprises <i>(added as a quality measure)</i>	New measure
Sponsorship and fundraising	Continued sponsorship of the exhibitions in the Level 4 short term gallery <i>(added to reflect sponsorship significance)</i>	New measure

Intermediate Outcome 6

Te Papa's relationships with iwi are strengthened

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 includes exhibition development, repatriation of kōiwi tangata, research related to taonga, and loans, events, commercial projects, and collection acquisitions. Some relationships may require a formal agreement.

Outputs

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

PARTNERSHIPS WITH IWI AND MĀORI

These 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.

To achieve this outcome Te Papa focuses on the following:

- Increasing understanding and access to Taonga Māori
- Relationships with iwi through exhibitions

- Iconic Maori 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 more urbanised. Iwi relationships are critical for building knowledge (Mātauranga Maori) around the Taonga, providing access to associated iwi, and generating respect and reciprocity.

Performance

Te Papa measures its performance against these outputs using the following:

Outputs	Performance Measure	Actual 2007/08
Strengthen Te Papa's relationships with iwi and Maori by developing partnerships	Active relationships are formed with a minimum of 20 iwi or Maori organisations each year	23 achieved
Deliver the Karanga Aotearoa Repatriation Programme in accordance with agreed policy and tikanga standards	A minimum of five repatriations from international institutions are completed each year	3 achieved
	A minimum of one domestic repatriation is completed each year	2 achieved
	A minimum of five overseas institutions formally consent to Te Papa's repatriations requests each year	6 achieved



Conservator at work

Part three
**Organisational
Health and
Capability**

PART THREE

Organisational Health and Cap

Capability Management – people, process, and technology

Continuous transformation in order to adapt and respond to the external environment is a critical capability.

Museums are now viewed widely as part of the “creative” economy alongside other creative industries such as the performing arts, architecture, video, film and photography, radio and television, design, music and advertising. Museums share an overlapping workforce with these areas and, in many different ways, contribute to their creative output. The potential role of museums, in the knowledge and the creative economy, has been magnified by the rapid advance of the internet into businesses and homes.

Over the past 10 years, the Museum of New Zealand Te Papa Tongarewa has built a world class museum consistently achieving high visitation. This level of excellence can be attributed to the high calibre of skilled museum staff delivering world class products and services domestically and internationally.

At the same time, Te Papa must continue to meet government’s increasing expectations of public sector management. Te Papa also needs to be an active and credible player in the public sector and management labour markets as well as the creative economy labour markets.

Te Papa’s workforce is characterised by a range of professions, skills and people such as researchers, designers, conservators, and hospitality staff, with ethnic diversity, so our workforce development plan must take into account the mix of talent.

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, as well as to operate a highly successful tourist destination, and to reach out to diverse audiences in innovative ways. With current static funding, however, priorities have been set based on ensuring the value of the Government capital investment is maintained.

Te Papa is also responsive to the assessment of its auditors, to ensure that it follows best practise 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 comprising Board Members and senior management monitors this accountability.

To address these and other areas of development Te Papa will focus on the following capability building projects:

- Build leadership to support creativity and innovation
- Ensure a diverse highly skilled and motivated workforce capable of delivering world class museum services
- Promote a strong learning environment with investment in professional development
- Invest in the technology infrastructure to deliver services, and improve the alignment of business systems and processes
- Adopt sound financial and risk management practices
- Enhance stakeholder engagement
- Strengthen biculturalism.

Summary of Key Initiatives and Objectives

There is a need to have a number of key streams of concurrent and consequential activity. Work is required that reflects the organisation as an entity, employee life cycle, and that intentionally builds the organisational culture.

KEY INITIATIVE 1 FURTHER DEVELOPMENT OF THE REMUNERATION PROJECT

To address recruitment and retention issues, a new remuneration structure has recently been introduced at Te Papa. The new remuneration system has introduced a range of occupationally based job families and will enable Te Papa to address specific remuneration pressures that arise from time to time across these occupational groups, as well as recognise the broad range of skills of staff employed.

This year mechanisms will be developed to enable staff to move through salary ranges, and to ensure that the desired market position and recruitment and retention of staff can be sustained to meet Te Papa's business needs within available resources.

KEY INITIATIVE 2 PERFORMANCE DEVELOPMENT SYSTEM

The introduction of the new remuneration system and improved business planning processes provides an opportunity to strengthen the alignment between individual/team performance and Te Papa's business strategy, and to ensure it is a focused and high performing organisation.

This project will build upon our current performance management methodology and processes to clarify the links between the organisation strategy, business unit plans and individual performance goals. The project also includes reviewing

existing measurement tools, behavioural indicators and performance standards. The rewards for staff include greater job and career success and increased job satisfaction.

KEY INITIATIVE 3 LEVERAGING TECHNOLOGY – HUMAN RESOURCES INFORMATION SYSTEM (HRIS)

There are a range of opportunities for improvement of human resources services at Te Papa through technology. The enhanced management of employee data tracking and analysis will improve employee information and therefore assist with management reporting and decision making. Staff rosters, health and safety, and the recruitment function have been identified for on-line automation. Longer term, the performance management and remuneration functions have been identified for process redesign and automation.

KEY INITIATIVE 4 LEARNING AND DEVELOPMENT

Establishing a targeted learning and development framework is critical to maintaining Te Papa's status as a world class museum. Opportunities will continue to be provided through the Corporate Training Programme to build core generic skills essential for the effective functioning of the organisation. The need to build on current management and leadership skills, as well as enhance capability in the areas of project and financial management has already been identified as a priority, as has

the need to provide staff and managers with the knowledge and skills needed for Te Papa to remain a safe and healthy workplace.

Supporting individual professional development is a priority for Te Papa to maintain the capability it requires to deliver cutting edge products and services. The scheduled redesign of the performance management system will ensure that learning and development is closely aligned with Te Papa's strategic objectives.

KEY INITIATIVE 5 BUSINESS PLANNING AND REPORTING FRAMEWORK

Te Papa continues to review and refine its internal reporting processes to improve management information flows. This document reflects a new set of priorities that are audience focussed, linked to initiatives with an explicit hierarchy of outcomes and clearer performance measures.

Business planning processes are being modified to provide a stronger link between business and financial planning. This will help ensure that budgets, expenditure, and measured outputs are properly aligned.

“The potential role of museums, in the knowledge and the creative economy, has been magnified by the rapid advance of the internet into businesses and homes.”



Part four
**Prospective
Financial
Statements**

Introduction

Te Papa's Statement of Intent covers the period 1 July 2009 to 30 June 2012. 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 to 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 6 May 2009 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 2008 Budget.
2. Interest income on cash holdings is calculated at three 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 1.250 million in 2009/10 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 effects of the current economic downturn are unknown and have not been quantified within these prospective statements.
7. Museum service levels are outlined in Part B 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. A redevelopment of the Museum's Tory Street research and collection storage facility is also in progress and due for completion in 2009/10. Projected costs and timing of expenditure for these developments are based on project plans and quotations current when these forecasts were prepared.
10. Te Papa periodically undertakes revaluations for its Collections and Land & Buildings. The forecast numbers do not include any changes for any changes 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 2009/10 and out years on 6 May 2009. The budget figures have been prepared in accordance with New Zealand 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.

Standards, amendments and interpretations issued that are not yet effective and have not been early adopted

Standards, amendments and interpretations issued but not yet effective that have not been early adopted, and which are relevant to Te Papa include:

- NZ IAS 1 Presentation of Financial Statements (revised 2007) replaces NZ IAS 1 Presentation of Financial Statements (issued 2004) and is effective for reporting periods beginning on or after 1 January 2009. The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. The statement of comprehensive income will enable readers to analyse changes in equity resulting from non-owner changes separately from transactions with the Crown in its capacity as "owner". The revised standard gives Te Papa the option of presenting items of income and expense and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of comprehensive income). Te Papa intends to adopt this standard for the year ending 30 June 2010.
- NZ specific amendment to NZ IAS 2 Inventories. In November 2007 the New Zealand Accounting Standards Review Board approved an amendment to NZ IAS 2 Inventories, which requires public benefit entities to measure inventory held for distribution at cost, adjusted when applicable for any loss of service potential. Prior to the amendment, public benefit entities were required to measure inventories held for distribution at the lower of cost and current replacement cost. Application of the amendment was mandatory for reporting periods beginning on or after 1 January 2008. Te Papa will adopt the amended standard for the year ending 30 June 2009 and expects the impact of adopting the new standard to be minimal.

Significant Accounting Policies

Revenue

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

REVENUE FROM THE CROWN

Te Papa is primarily 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 sheet 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 object 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 Papas' 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 re-measurement 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 & 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 re-valued 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 re-valued 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 off-sets 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 re-valued 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, which ever 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%)
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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 re-valued 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 re-valued amount, the total impairment loss is recognised in the statement of financial performance.

The reversal of an impairment loss on a re-valued 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 re-valued 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

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.

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; and

- 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 Kiwi saver 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 using 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 probably that the benefits will be realised.

Changes in Accounting Policies

These prospective financial statements 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

for 2009/10 to 2011/12

	PROSPECTIVE			ESTIMATED ACTUAL 2008/09 \$000	BUDGET 2008/09 \$000
	2009/10 \$000	2010/11 \$000	2011/12 \$000		
<i>Museum Services Output Costs</i>					
Operating	47,267	47,814	48,328	46,995	47,875
Capital	11,858	15,509	6,356	14,722	16,884
	59,125	63,323	54,684	61,717	64,759
<i>Museum Services Revenue</i>					
Operating	46,245	45,261	46,387	47,166	46,281
Capital	9,000	9,000	9,000	10,000	10,000
	55,245	54,261	55,387	57,166	56,281

Prospective Statement of Financial Performance

for 2009/10 to 2011/12

	NOTE	PROSPECTIVE			ESTIMATED ACTUAL 2008/09 \$000	BUDGET 2008/09 \$000
		2009/10 \$000	2010/11 \$000	2011/12 \$000		
Revenue						
Crown Revenue		23,574	23,574	23,574	23,574	23,574
Commercial revenue		14,052	14,321	14,610	14,234	14,585
Donations and Sponsorship		3,187	3,187	3,187	3,388	3,380
Other Revenue		5,024	3,770	4,608	5,165	4,591
Special Purpose Funds Revenue		–	–	–	–	151
Total Operating Revenue		45,837	44,852	45,979	46,361	46,281
Cost of services						
Cost of services		46,858	47,405	47,920	46,191	47,875
Special Purpose Funds Expenditure		–	–	–	–	–
Net before Depreciation and Amortisation		(1,021)	(2,553)	(1,941)	170	(1,594)
Depreciation and Amortisation						
Depreciation and Amortisation	1	12,442	12,410	13,805	11,552	13,741
Net Deficit for the Year		(13,463)	(14,963)	(15,746)	(11,382)	(15,335)

NOTE

¹ The Government provides funds for capital expenditure by way of a capital injection as presented in the Statement of Financial Position and does not fund Te Papa for depreciation.

Prospective Statement of Movements in Equity

for 2009/10 to 2011/12

	NOTE	PROSPECTIVE			ESTIMATED ACTUAL 2008/09 \$000	BUDGET 2008/09 \$000
		2009/10 \$000	2010/11 \$000	2011/12 \$000		
Equity at Beginning of the Year		1,022,416	1,017,953	1,011,990	1,023,798	1,023,798
Net Operating Deficit		(13,463)	(14,963)	(15,746)	(11,382)	(15,335)
Total Recognised Revenues and Expenses for the Year		(13,463)	(14,963)	(15,746)	(11,382)	(15,335)
Crown Capital Injection		9,000	9,000	9,000	10,000	10,000
Equity at End of the Year	2	1,017,953	1,011,990	1,005,244	1,022,416	1,018,463

Prospective Statement of Financial Position

as at 30 June 2010 to 30 June 2012

	NOTE	PROSPECTIVE			ESTIMATED	BUDGET
		30 JUNE 2010 \$000	30 JUNE 2011 \$000	30 JUNE 2012 \$000	ACTUAL 30 JUNE 2009 \$000	30 JUNE 2009 \$000
Equity						
Capital	2(a)	438,898	447,898	456,898	429,898	429,898
Accumulated Losses	2(b)	(148,042)	(163,005)	(178,751)	(134,579)	(138,532)
Asset Revaluation Reserve	2(c)	152,205	152,205	152,205	152,205	152,205
Collection Revaluation Reserve	2(d)	572,068	572,068	572,068	572,068	572,068
Restricted Revenue Reserves	2(e)	2,824	2,824	2,824	2,824	2,824
Total Equity		1,017,953	1,011,990	1,005,244	1,022,416	1,018,463
<i>Represented by:</i>						
Current Assets						
Cash and Cash Equivalents		15,173	6,161	6,914	19,000	15,073
Loans and Receivables		2,592	2,592	2,592	2,592	2,592
Other Financial Assets		449	449	449	449	449
Inventory - Current		1,158	1,158	1,158	1,158	1,158
Publications Work in Progress		196	196	196	196	196
Total Current Assets		19,568	10,556	11,309	23,395	19,468
Non-Current Assets						
Property Plant and Equipment		386,053	385,852	375,103	389,939	390,582
Collections		621,995	624,995	627,995	618,995	618,326
Intangible Assets		1,310	1,560	1,810	1,060	1,060
Total Non-current Assets		1,009,358	1,012,407	1,004,908	1,009,994	1,009,968
Total Assets		1,028,926	1,022,963	1,016,217	1,033,389	1,029,436
<i>Less:</i>						
Current Liabilities						
Accounts Payable		5,294	5,294	5,294	5,294	5,294
Employee Entitlements		2,348	2,348	2,348	2,348	2,348
Other Liabilities		3,159	3,159	3,159	3,159	3,159
Total Current Liabilities		10,801	10,801	10,801	10,801	10,801
Non-Current Liabilities						
Employee Entitlements		172	172	172	172	172
		—	—	—	—	—
Net Assets		1,017,953	1,011,990	1,005,244	1,022,416	1,018,463

Prospective Statement of Cash Flows

for 2009/10 to 2011/12

	PROSPECTIVE			ESTIMATED	BUDGET
	30 JUNE 2010 \$000	30 JUNE 2011 \$000	30 JUNE 2012 \$000	ACTUAL 30 JUNE 2009 \$000	30 JUNE 2009 \$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	13,552	14,021	14,410	13,134	13,676
Donations and Sponsorship	3,187	3,187	3,187	3,388	3,380
Special Purpose Funds Revenue	–	–	–	–	151
Interest Income	500	300	200	1,100	909
Other Revenue	5,024	3,770	4,608	5,165	4,591
	45,837	44,852	45,979	46,361	46,281
<i>Cash was disbursed to:</i>					
Payments to Employees	25,345	25,455	25,109	24,780	25,357
Payments to Suppliers	21,462	21,900	22,761	21,359	22,467
Special Purpose Funds Expenditure	–	–	–	–	–
Net Cash Flows from Operating Activities	(970)	(2,503)	(1,891)	222	(1,543)
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	8,356	12,009	2,856	10,553	13,384
Purchase of Intangible Assets	500	500	500	500	500
Purchase of Collections	3,002	3,000	3,000	3,669	3,000
	11,858	15,509	6,356	14,722	16,884
Net Cash Flows Used in Investing Activities	(11,858)	(15,509)	(6,356)	(14,722)	(16,884)
Cash Flows from Financing Activities					
<i>Cash was provided from:</i>					
Capital Grant for General Purposes	9,000	9,000	9,000	10,000	10,000
Sir Peter Blake Memorial Capital Fundraising	–	–	–	(3,449)	(3,449)
Net Cash Flows from Financing Activities	9,000	9,000	9,000	6,551	6,551
Net Increase/(Decrease) in Cash Held	(3,828)	(9,012)	753	(7,949)	(11,876)
Add Opening Cash Brought Forward:					
Cash and Cash Equivalents	19,002	15,174	6,162	26,951	26,951
Closing Cash Carried Forward	15,174	6,162	6,915	19,002	15,075
Represented by:					
Cash and Cash Equivalents	15,174	6,162	6,915	19,002	15,075
	15,174	6,162	6,915	19,002	15,075

Notes to the Prospective Financial Statements

1 Cost of Services is spread over the following activities:

	PROSPECTIVE			ESTIMATED	BUDGET
	30 JUNE 2010 \$000	30 JUNE 2011 \$000	30 JUNE 2012 \$000	ACTUAL 30 JUNE 2009 \$000	30 JUNE 2009 \$000
Experience	10,399	11,187	11,513	10,010	10,625
Commercial	10,351	10,620	10,908	10,631	10,883
Marketing and Communications	2,121	2,120	2,120	2,189	1,996
Art and Collection Services	2,800	2,843	2,840	2,821	2,874
History and Pacific Cultures	942	942	942	937	941
Mātauranga Māori	786	781	776	821	821
Natural Environment	1,598	1,602	1,608	1,556	1,633
National Services	881	886	891	893	930
People and Strategy	3,414	2,996	2,989	3,613	3,514
Corporate Services	11,390	11,290	11,016	10,073	10,772
Other	2,176	2,139	2,317	2,647	2,887
Cost of Services	46,858	47,406	47,920	46,191	47,876

2 A reconciliation of Equity is as follows:

	PROSPECTIVE			ESTIMATED	BUDGET
	30 JUNE 2010 \$000	30 JUNE 2011 \$000	30 JUNE 2012 \$000	ACTUAL 30 JUNE 2009 \$000	30 JUNE 2009 \$000
(a) Capital					
Opening Balance	429,898	438,898	447,898	419,898	419,898
Plus Crown Capital Injection	9,000	9,000	9,000	10,000	10,000
Less Return of Capital (Blake)	–	–	–	–	–
Closing Balance	438,898	447,898	456,898	429,898	429,898
(b) Accumulated Losses					
Opening Balance	(134,579)	(148,042)	(163,005)	(123,197)	(123,197)
Net Operating Deficit	(13,463)	(14,963)	(15,746)	(11,382)	(15,335)
Transfer to Restricted Reserves	–	–	–	–	–
Closing Balance	(148,042)	(163,005)	(178,751)	(134,579)	(138,532)
(c) Asset Revaluation Reserve					
Opening Balance	152,205	152,205	152,205	152,205	152,205
Revaluations	–	–	–	–	–
Closing Balance	152,205	152,205	152,205	152,205	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	1,017,953	1,011,990	1,005,244	1,022,416	1,018,463

The asset and collection revaluation reserves arise on the revaluation of land and buildings and collections

The restricted revenue reserves arise on funds received that are subject to restrictions in use.

The available-for-sale revaluation reserve arises on the revaluation of available-for-sale financial assets.

3 Te Papa's prospective financial statements for the three years ending 30 June 2011 comply with Financial Reporting Standard No. 42: Prospective Financial Statements.

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