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**Museum of New Zealand Te Papa Tongarewa  
Statement of Intent 2012/13, 2013/14, 2014/15**

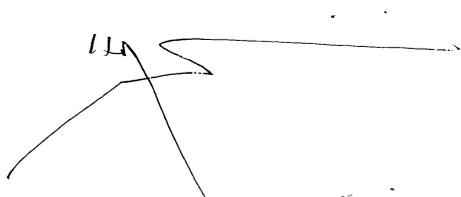


# Museum of New Zealand Te Papa Tongarewa Statement of Intent 2012/13, 2013/14, 2014/15

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 2015 is presented to the House of Representatives.

The purpose of this Statement of Intent is to promote public accountability. It sets out Te Papa's intentions for the three-year planning period, including its planned outputs for 2012/13, and provides measures for reporting on 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.



Sir Wira Gardiner KNZM

**Chairman**  
26 June 2012



Christopher Parkin CNZM

**Board Member**  
26 June 2012



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## Glossary

Many te reo Māori language terms are used throughout this document. Simple translations have been used throughout the text to enable understanding, and fuller translations are provided below.

**Hapū** A sub-tribe. Most iwi are comprised of two or more hapū. Hapū also means pregnant.

**Hiranga** Excellence. Te Papa strives for the pursuit of excellence in all that it does including being world class, leading edge, professional, relevant, innovative, and commercially successful.

**Iwi** An iwi is a Māori tribe descended from a common named ancestor or ancestors, and is usually comprised of a number of hapū.

**Kaitiaki** Guardian or custodian. One who looks after something of value.

**Kaitiakitanga** To care for, look after, guard and protect. This encompasses wise management, spiritual and cultural care and protection. Te Papa acknowledges that it holds collections in trust for the people of Aotearoa New Zealand and the responsibility to protect and care for them for present and future generations. Te Papa acknowledges and respects the whakapapa (genealogical) relationships between taonga and their communities and the knowledge that arises from them.

**Kōiwi tangata** Human remains. Te Papa does not consider kōiwi tangata to be collection items. Te Papa negotiates with overseas museums for the return of Māori and Moriori human remains and works closely with iwi for their return home. Kōiwi tangata are treated with the utmost respect at all times.

**Mana** Authority, power and prestige. Mana refers to an extraordinary power, essence or presence that may be inherited through genealogical connections, or acquired through actions. Te Papa should show leadership and act with integrity at all times.

**Manaakitanga** Manaakitanga is looking after and caring for others including their physical, psychological and mental well being. Te Papa recognises that manaakitanga is an important value and whether they are hosts or guests will show our respect in every possible way.

**Mana taonga** Mana taonga recognises that taonga, which includes objects, narratives, languages, as well as all forms of cultural expression have mana; that taonga have whakapapa relationships with their source communities, as well as connections to the environment, people and places. Mana taonga recognises the authority derived from these relationships and the innate spiritual values associated with them. Respecting and expressing knowledge, worldviews and learning systems including matauranga Māori - the views, explanations and perspectives of the nature of the world, as known and informed by Māori, is an important dimension of mana taonga. The principle is an empowering one that enables Te Papa to acknowledge the richness of cultural diversity and to design and disseminate models of co-operation, collaboration and co-creation that shares authority and control with iwi and communities, whilst recognising, embracing and representing the changing demographics of Aotearoa New Zealand.

**Mātauranga Māori** is a dynamic and evolving system of knowledge used by Tangata Whenua to explain, interpret and understand the world in which they live. It is framed by whakapapa (genealogy) and whanaungatanga (relationships) between all things and is evidenced through kōrero-ā-whānau, ā-hapū, ā-iwi (narratives and history of whānau, hapū and iwi), karakia (prayer/incantation), waiata (songs) and knowledge arising from interaction with Te Ao Tū Tonu (the universe) and Te Ao Tūroa (the natural environment/world). Te Papa works closely with Māori to share knowledge and experiences.

**Tangata whenua** The indigenous or first people of the land. Māori are regarded as the tangata whenua of Aotearoa, New Zealand.

**Taonga** Treasure or property that holds value. Taonga embraces any cultural items of significance or value and can include a diverse range of material, from the most highly prized tribal taonga - such as ancestral carvings, personal ornaments, garments, and weaponry - to 'worked' material such as fragments of flaked stone from archaeological excavations, bird bone, mammal bones, and shell. Language, waiata (songs) and karakia (incantations, prayers) are also regarded as important taonga.

**Toi moko** Preserved tattooed Māori heads. Also referred to as mokomokai.

**Whānau** Family or extended family.

**Whanaungatanga** Relationships. Whanaungatanga embraces whakapapa (genealogy) and focuses on relationships, and support people give to each other. Te Papa works collaboratively with colleagues and communities, internally and externally, respecting and honouring each others mana (integrity), expertise and perspectives.

## Introduction

The Museum of New Zealand Te Papa Tongarewa and its Board were established by an Act of Parliament in July 1992 and Te Papa opened to the public on 14 February 1998. Te Papa provides a stimulating, inspiring experience which gives New Zealanders and international visitors an understanding of the wider world and is consistently the most visited museum site in Australasia. We welcome over 1.3 million visitors every year, and we recently celebrated our 20 millionth visitor to the Museum. Our narrative-based, interdisciplinary, and interactive approach has attracted international attention, as has our commitment to recognising tangata whenua (original people of New Zealand) and all other peoples who have made Aotearoa New Zealand home. As a key tourism and visitor attraction, Te Papa makes an important economic contribution to Wellington and New Zealand – contributing \$136 million to national GDP last year.

Te Papa provides a forum where all New Zealanders can engage with their history, national pride and identity. In addition to creating exhibitions, Te Papa provides education and public programmes and works to preserve and research the national collection. The Museum's online presence and touring exhibitions allow people all over the country and internationally to access and enjoy our collections. Collections are at the heart of our museum, and research allows us to tell their stories.

This Statement of Intent describes the activities to be carried out over the period 2012/13, 2013/14, and 2014/15. It is in three parts. Part One describes our place within the cultural sector; Part Two sets out our longer-term goals, specific activities, and performance measures; and Part Three describes our planned revenue and the investments we will make.

Te Papa is an organisation undergoing significant change. This is made up of the following components:

- Te Papa is currently completing its ten year strategic plan
- Te Papa will undertake a programme of organisational change to support the achievement of the strategic plan
- major projects are likely to be approved in the 2012/13 financial year
- insurance costs may increase significantly but have not yet been renegotiated.

As a result, financial projections have been done on the basis that in the short term (current financial year), costs will be contained. In the medium term, forecasts will be revised to reflect outcomes of the Envisioning the Future process.



## Strategic context: Envisioning the Future

Much of 2011/12 has been taken up with developing a new long term strategy for the next ten years. This has involved many conversations with Te Papa's staff, stakeholders, and audiences, which has guided the development of new programmes and activities. The remainder of 2012 will see the completion of the planning framework and finalisation of Te Papa's performance measurement framework. The Vision, Values and Philosophies have been finalised, and underpin all activities. Strategic priorities appear as headings throughout the document showing where our focus will be for the next ten years to achieve the vision.

**Vision** E huri ngākau ana. E huri whakaaro ana. E huri oranga ana.  
Changing Hearts, Changing Minds, Changing Lives

The Museum's role is to act as a forum for change in Aotearoa New Zealand. It can help people form ideas about the world, through experiencing and sharing different perspectives so they can take action from an informed position. We can change hearts through inspiring emotion. We can change minds through sharing knowledge and learning. And through changing hearts and minds we can change lives.

### Philosophies

At the heart of Te Papa's vision and long-term strategy are its three key philosophies: Mana Taonga, Te Papa as a Learning Organisation, and Museology. These underpin everything Te Papa does.

#### Mana Taonga

Mana taonga recognises that taonga, which includes objects, narratives, languages, as well as all forms of cultural expression have mana; that taonga have whakapapa relationships with their source communities, as well as connections to the environment, people and places. Mana taonga recognises the authority derived from these relationships and the innate spiritual values associated with them. Respecting and expressing knowledge, worldviews and learning systems including mātauranga Māori - the views, explanations and perspectives of the nature of the world, as known and informed by Māori, is an important dimension of mana taonga. The principle is an empowering one that enables Te Papa to acknowledge the richness of cultural diversity and to design and disseminate models of co-operation, collaboration and co-creation that shares authority and control with iwi and communities, whilst recognising, embracing and representing the changing demographics of Aotearoa New Zealand.

#### Museology

Te Papa recognises the role of communities in enhancing the care and understanding of collections and taonga, which drives our approach to access and research. Collections are seen as part of living cultures that provide a gateway to understanding how other people live and uniquely view their world. Te Papa works in collaboration with communities and individuals to deliver exhibitions and experiences that are current, meaningful and relevant nationally and globally.

#### Learning

Te Papa encourages experimentation that allows us to try new ideas and generate new knowledge, upon which we reflect and adapt our beliefs and actions, change behaviours and enhance our performance. The development of a 'learning organisation' can provide benefits at three levels. First organisationally, the benefits are in relation to being equipped to adapt to an ever-changing environment. Secondly for staff, there are benefits in terms of Continuing Professional Development (CPD) and improved knowledge and skills. Finally, for the public, the 'learning organisation' should provide greater responsiveness to public needs and an improved ability to meet these needs.

## Values

Our values describe what we stand for and how we will work together. When we live up to them, we show leadership, enhance the mana (authority and prestige) of the Museum of New Zealand Te Papa Tongarewa, and manifest the mana of the land and its people. In developing the vision and long-term strategy, Te Papa recognises that it is operating in a dynamic and diverse country. All Te Papa's activities are informed by awareness of the value and significance of tangata whenua (original people of the land) and all other peoples who have made Aotearoa New Zealand home.

**Mātauranga | Knowledge & Learning** – we actively seek and share knowledge, value intellectual rigour, learn from our experiences and mistakes, and promote questioning and debate among ourselves and our communities.

**Whanaungatanga | Relationships** – caring for each other: we work collaboratively with colleagues, both internally and externally, respecting and honouring each other's mana, expertise, and perspectives.

**Kaitiakitanga | Guardianship** – caring for our collections: we care for and promote access to our collections, acknowledging that we hold them in trust for all New Zealanders and nourishing the whakapapa (relationships) between taonga (treasures) and their communities.

**Manaakitanga | Community responsibility** – caring for our communities: we welcome, include, inspire, respond to, and collaborate with our communities, championing the importance of culture, heritage, and natural history.

**Hiranga | Excellence** – we aspire to be first-class, professional, innovative, ground-breaking, relevant, engaging, and commercially successful.

## Part 1: Statutory Responsibilities and Accountability

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 preserves, protects, acquires and provides access to collections that are part of New Zealand's artistic, cultural, and natural heritage. As the national museum, Te Papa takes a leadership role in coordinating and providing assistance to other organisations with shared goals.

### Museum of New Zealand Te Papa Tongarewa Act 1992

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 Te Papa's functions as to:

- 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 Te Papa
- 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 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.

### Consultation and reporting to the Minister

Te Papa must carry out its statutory functions using funds provided primarily, but not exclusively, by Parliamentary appropriation through Vote: Arts, Culture and Heritage (Museum Services output class). The Minister for Arts, Culture and Heritage is accountable to Parliament for funding and performance of Te Papa and for its obligations under the Crown Entities Act. We must comply with the reporting requirements of the Crown Entities Act. Vote funds are administered and monitored by the Ministry for Culture and Heritage.

As an autonomous Crown Entity, Te Papa must have regard to government policy when directed by the Minister, but the Minister may not direct Te Papa on cultural matters. The Minister informs Te Papa's strategic direction through the development of the Statement of Intent. During the course of the year, Te Papa reports every six months on progress against this Statement of Intent to the Minister, with results reported back to Parliament in the Annual Report. Regular meetings and reporting to the Minister and the Ministry ensure that the Minister is fully informed of all significant risks, achievements and developments.



## Part 2: Outcomes, Outputs and Performance Measures

### Operating environment

In addition to the long term strategic planning process described in the Introduction, some of the major external factors and trends that directly influence Te Papa's operations and capability are:

- decreasing international tourist arrivals and spend
- continuing uncertainty about the economic situation, particularly in Europe, a key international tourism market for Te Papa
- reduced ability of corporations and individuals to support sponsorships
- the ongoing effects of the Christchurch earthquakes on the New Zealand economy; and
- demographic changes in New Zealand society and the population concentration north of Taupo.

Over the last three years, these factors have resulted in trends of a lower proportion of international visitors to Te Papa than in previous years and a higher demand for Te Papa's services in and around Auckland. While Te Papa has an excellent track record of generating commercial revenue, in the current economic environment, some Te Papa businesses have found it more difficult to maintain and increase this contribution.

### Canterbury earthquake response

Te Papa is providing assistance to earthquake affected Christchurch institutions, and it is expected that this support will continue for some years to come as the rebuild begins. Te Papa's response to the Canterbury earthquakes is focused on:

- providing institutional support through practical recovery assistance, advice and expertise
- capturing the historical context and telling the stories associated with the earthquakes, and
- building and maintaining community morale and resilience through prioritising the delivery of cultural content (e.g. exhibitions and other experiences).

Te Papa's approach recognises its national responsibilities while collaborating with and respecting the roles of the primary cultural institutions in Canterbury.

### Seismic risk

A significant project is underway to ensure that Te Papa is as well prepared as possible in the event of a major earthquake. The Canterbury earthquakes have resulted in considerable advances in earthquake understanding and engineering. This knowledge is being applied as Te Papa carries out assessments and remedial actions to mitigate risk to its buildings, collections and people. Appropriate levels of insurance are being examined as part of this project.

### Art at Te Papa

Te Papa is New Zealand's leading cultural institution. Our focus over the coming years will be a major project to develop Te Papa as the premier national art institution which is also recognised as being internationally significant. This will be based on Te Papa's unique collections and expertise, spanning Maori, Pacific, European and New Zealand fine and decorative arts, design, photography, sculpture, craft, fashion, textiles and furniture. We will seek to broaden partnerships with cultural institutions and communities to tell local stories and re-connect people with their heritage and ancestry, supported by Te Papa's knowledge and expertise in curatorship, conservation and content.

### **Partnerships with sponsors**

Te Papa receives generous grants, bequests, gifts and contributions from private individuals and organisations for scientific research projects, exhibitions and collection acquisitions. It also has a number of longstanding mutually beneficial partnerships with corporate and government organisations and philanthropic trusts, complemented by shorter term partnerships around specific exhibitions, projects and events. Te Papa will carefully maintain current sponsor partnerships, and develop new relationships and partnerships based on a clearly articulated value proposition. Board members have an active role in seeking additional funding and sponsorship.

### **Partnerships with communities**

Partnerships with communities, iwi (tribes), organisations and individuals are critical to Te Papa's success both in terms being able to deliver our services and to fulfil our role as kaitiaki (guardians) of the nation's taonga (treasures), collections and stories.

Te Papa has developed extensive partnerships with iwi and Māori groups which contribute to a greater understanding and sharing of knowledge about taonga, and helps Te Papa to be an effective kaitiaki. Iwi participation is guided by Te Papa's iwi relationship strategy.

### **Partnerships across the cultural sector, museums and galleries**

The Museum has a legislated function to co-operate with other museums, and provide a national service. To support this outcome, Te Papa provides capability development through National Services Te Paerangi, loans extensively from its collections, and tours exhibitions which disseminate Te Papa's collections and knowledge while supporting other museums' exhibition programmes.

Within Te Papa, the National Services Te Paerangi team will continue to work with museums, galleries, iwi, and related organisations to build capability and skills. Strong relationships and innovative partnerships with universities and Crown Research Institutes further Te Papa's scientific research goals. Te Papa is establishing a more formal partnership with Creative New Zealand to achieve shared goals in sector training and with regard to the Venice Biennale. Te Papa lends and tours objects and exhibitions throughout New Zealand and internationally, furthering research and sharing knowledge and its collections. Recent examples are the partnerships between the City Gallery Wellington and Te Papa to stage the *Oceania* exhibitions, the touring Rita Angus and Brian Brake exhibitions, and Auckland Museum's development of Te Papa's *The Poisoners* exhibition concept.

Auckland War Memorial Museum, Canterbury Museum, Otago Museum and Te Papa are working on a series of initiatives that will see increased sharing of systems, knowledge and training across all New Zealand's museums. Some of this has been delayed due to the impact of the Canterbury earthquakes. Te Papa and the Auckland War Memorial Museum have begun a series of reciprocal professional exchanges and development opportunities. These partnerships complement National Services Te Paerangi's delivery of specialist speakers, workshops, training, networking opportunities, and expert exchanges.

Te Papa works with the Department of Internal Affairs, through the National Library of New Zealand and Archives New Zealand, in areas of mutual interest. These national institutions have a common responsibility for collecting, preserving and providing access to the nation's art, culture and heritage collections. Te Papa will continue to work collaboratively with the Department to achieve a joint understanding of the needs of users, improve sharing of standards and interoperability, and support each other in developing shared capability.

## Strategic Framework

The relationship between the government's outcomes and Te Papa's impacts and outputs is set out in the Strategic Framework diagram (over).

### **Relationship of Sector Outcomes to Annual Outputs**

Te Papa aligns its outcomes and outputs with the government's outcomes for the cultural sector, which are described in more detail in the Ministry for Culture and Heritage Statement of Intent.

## OUTCOMES FRAMEWORK

<b>Government's goal for the cultural sector</b>	New Zealand's distinctive culture enriches our lives
<b>Ministry for Culture and Heritage Cultural Sector outcomes</b>	<b>Create</b> Cultural activity flourishes <b>Preserve</b> Culture can be enjoyed by future generations <b>Engage</b> Engagement in cultural activities is increasing
<b>Te Papa outcomes</b>	More New Zealanders are active participants in cultural activities Important taonga and traditions are increasingly protected and visible Our culture is increasingly visible and valued, both here and abroad

<b>Te Papa impacts</b>	<b>Te Papa impact measures</b>
<p>New Zealanders are more engaged in cultural and contemporary issues through participation in Te Papa events, exhibitions and activities</p> <p>Collections are developed and preserved for present and future users</p> <p>Iwi (tribes) and communities are increasingly engaged with their histories, traditions, taonga and collections in partnership with Te Papa</p> <p>Visitors have a better understanding of Aotearoa New Zealand's heritage and culture through Te Papa's collections, knowledge and research</p>	<p>More people experience Te Papa around New Zealand</p> <p>Collections are developed in accordance with policy and cared for to recognised international standards</p> <p>Active partnerships<sup>1</sup> with iwi and communities increases knowledge sharing and improves management of collections</p> <p>Percentage of adult New Zealand visitors indicating they have learned something new about New Zealand during their visit</p>

<b>Te Papa strategic priorities and outputs</b>	<p><b>Accessing all areas:</b> Te Papa will share its collections, skills and knowledge with diverse communities across Aotearoa New Zealand and overseas</p> <ul style="list-style-type: none"> <li>• exhibitions (international, long term, short term and touring), loans and Collections Online</li> <li>• lifelong learning programmes and skill sharing through training</li> <li>• publications for all audiences</li> </ul> <p><b>Housing the treasures:</b> Taonga (treasures) within the guardianship of Te Papa will be at the heart of the Museum's activities</p> <ul style="list-style-type: none"> <li>• developing, caring for and researching collections</li> <li>• deliver the Karanga Aotearoa Repatriation Programme</li> </ul> <p><b>Being a forum for the future:</b> As a cultural and intellectual leader Te Papa will signpost pathways to the future by initiating, hosting and engaging in debates that explore a wide range of contemporary issues.</p>
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<sup>1</sup> An active relationship is defined as one where there has been a significant level of activity in, for example, exhibition development, partnership projects, provision of expertise and advice, repatriation projects and other activities.

## Forecast Service Performance

Te Papa measures its performance to assess progress toward its goals and objectives.

### Why are these measures chosen?

The measurements take account of quality, quantity, and coverage. Quality measures reflect a standard of delivery, customer satisfaction, or demand for Te Papa products and services. Coverage measures assess 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.

Some of Te Papa's measures, particularly of quantity, 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 used mainly for visitation and Te Papa's revenue-generating commercial activities. For this reason, Te Papa counts the total number of visitors and interviews a sample to monitor the quality of their visit.

The annual output levels provided are for 2012/13, 2013/14 and 2014/15.

## Main measures

The primary services (outputs) we provide are exhibitions, events, research, learning programmes, and debates. People all over New Zealand and the world can enjoy and benefit from these services, whether they are at Te Papa in Wellington, visiting a touring exhibition in a regional or international centre, or tapping into online resources. The amount of time that people spend at Te Papa and reported learning experiences demonstrate their level of engagement and the quality of their experiences. In order to provide many of these services, Te Papa must continue building and caring for its collections, and developing knowledge around them to share with general and specialised audiences.

The declining trend in visitation and hours spent by visitors at Te Papa reflects the need for the long term exhibitions to be renewed. It is expected that these measures will show improvement once the Level 5 art experience refreshment is redeveloped this year, followed by other long term exhibition renewals over the next 3-5 years.

Performance Measure	2009/10 actual	2010/11 actual	2011/12 projected	2012/13 – 2014/15
Visits to Te Papa's Cable Street site	1.4 million	1.35 million	1.35 million	1.35 million
Time spent at Te Papa (hours)	2.9 million	2.5 million	2.4 million	2.5 million
Total number of people who experience a Te Papa exhibition around New Zealand <sup>2</sup>	1.5 million	1.39 million	1.4 million	1.5 million
Percentage of adult New Zealanders indicating they have learned something new about New Zealand during their visit	80%	80%	85%	85%
% of collection on display over the previous five years (by collection area)	new measure	new measure	will be reported in the annual report	will be reported in the annual report

<sup>2</sup> This figure is an estimate only, as many museums and galleries which host touring exhibitions do not have auditable visitor counting systems.

## **Accessing all areas: Te Papa will share its collections, skills and knowledge with the diverse communities across Aotearoa New Zealand and overseas.**

### **Making collections and knowledge accessible**

As a museum, Te Papa is a collecting institution, and collections are at the heart of what we do. We need to make sure we collect for the future, and care for our collections to the highest museological standards. Sharing the knowledge about those collections, and using them as the basis for stimulating discussion and debate is equally important.

Te Papa recognises that culture is contemporary and historic, intangible and tangible. Collection development policies are changing to recognise this more explicitly. The events programme creates and shares music, dance, and other traditions, highlighting contemporary and traditional cultures from New Zealand's diverse communities and around the world.

### **Visitors**

Te Papa's visitor experience is unique. Its continuing popularity is testament to the success of a visitor focused, engaging approach to learning. Since Te Papa opened in 1998, more than 20 million visits have been made to Te Papa's Wellington site, but these people are not the only ones to have had a Te Papa experience. People can access Te Papa in many different ways – in person at Te Papa in Wellington, seeing a Te Papa exhibition or collection item on loan at another museum or gallery, or online experiences and interaction via a range of media such as Youtube, the Te Papa website, Collections Online, or Facebook. We will keep working to improve access to our collections, skills and knowledge for all New Zealanders using these methods, and explore new ways of sharing them with the nation.

Te Papa's events programme showcases New Zealand and international talent for visitors, and is a key driver of visitation. Events range from children's activities to scholarly lectures to cultural performances. Some recent examples include:

- Working with the *Our Far South* expedition to provide expert input on biodiversity, and develop outreach material for schools and public-oriented talks
- Expansion of the *Forum for the Future* lectures and panels to cover constitutional issues and matters of public concern such as child poverty and MMP
- *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
- *Matariki Festival (Māori New Year)*: More than 50,000 people visited Te Papa over the 18 days of the 2011 Matariki Festival, and around 5,000 people watched Matariki events online
- Video conferences for education programmes, whereby Te Papa shares expert knowledge with schools around the country

In response to the diversity of people in New Zealand, Te Papa is developing its services to attract new audiences and incorporate new channels of communication. The Te Papa National Audience Segmentation Study (NASS) completed in 2011/12 is a milestone in the development of Te Papa's 10 year strategy. It will help ensure Te Papa creates visitor experiences, exhibitions and other products and services that are relevant and appealing to a diverse, national audience. It will inform content development; external communications and marketing; collection development and research priorities; the brand strategy and the positioning of Te Papa; and interpretive strategies for exhibitions and other visitor experiences.

Different audiences are being targeted through a range of experiences including events, which are marketed to attract diverse audiences including youth and non-traditional visitors and services and products for specific market segments and under-represented audiences. Delivering them requires collaboration with a range of organisations and communities, with particular emphasis on cross-cultural relationships within New Zealand and internationally.

Performance Measure	2011/12 target (previous year)	2012/13 target	2013/14 2014/15 output level
Visits to Te Papa Cable Street per year	1,350,000	1,350,000	1,350,000
New Zealanders from outside the Wellington region	350,000 (26%)	350,000 (26%)	350,000 (26%)
Visitors from overseas	550,000 (40%)	550,000 (40%)	550,000 (40%)
The age, ethnicity and gender profile of domestic visitors is similar to the general population	Achieved	Achieved	Achieved-
Percentage of adult visitors reporting a satisfaction rating of 'good' to 'excellent'	95%	95%	95%
Repeat New Zealand visitors to Te Papa (%)	new measure	a minimum of 3.75 repeat visits by New Zealanders every year	a minimum of 3.75 repeat visits by New Zealanders every year

## Sharing collections

Organisations and individuals can access and utilise Te Papa's collections in a number of ways. Exhibitions are one of the main ways that Te Papa shares collections and knowledge. They may be at Te Papa, at a regional museum or gallery around New Zealand, or touring internationally. In addition to exhibitions, Te Papa provides physical access (often to back-of-house collection stores) for researchers, tertiary education groups, whānau (families), special interest groups, public tours, and staff from other organisations who wish to borrow items. Loans allow collections to be used for exhibition and research. Online access to information about Te Papa's collections and exhibitions is steadily increasing as more information is made available and more people use the internet as a research and information tool.

## Loans

Each year, Te Papa lends approximately 1,700 items to 100 other institutions nationally and internationally. The loans programme assists other museums, galleries and researchers to create exhibitions and carry out research. It follows best international guidelines on matters such as negotiations, loan agreements, and facility reports.

## Exhibitions at Te Papa

Te Papa offers a mix of long and short-term exhibitions.

- *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. The art experience on Level 5 will have a major redevelopment in early 2013 as the first step in developing Te Papa as New Zealand's premier institution for the display of art and New Zealand's creativity.
- *Short-term Exhibitions:* Te Papa presents a range of short term exhibitions – every 6 months in the Ilott Room (*Kate Coolahan Fashion Drawings*, *Buller's Birds* and *Picturing Samoa* in 2012/13) and every year in the Eyelights Gallery (*Uniformity: Cracking the Dress Code*), and the Platinum VISA Gallery upcoming exhibitions on Māori cloaks, albatross, and the Aztecs.
- *The Iwi Exhibition Programme:* This programme gives iwi the chance to present their taonga and stories in a national forum. Iwi work collaboratively with Te Papa to design the exhibitions for the iwi gallery. Each exhibition is open for around two years. The Iwi Exhibition Programme is an important expression of mana taonga – the role of communities in the understanding and care of collections. The Tainui Waka Alliance iwi exhibition will run until 2014. The next iwi in residence is Ngāti Toa.
- *Community Gallery:* Te Papa's Community Gallery tells the stories of the many communities that make up New Zealand. Every 18 months to two years, another community is given the opportunity to present its story: to date, the Chinese, Dutch, Indian, Italian, and Scottish communities have featured. Te Papa develops each exhibition in close cooperation with the chosen community. The current exhibition is *The Mixing Room: Stories from young refugees in New Zealand*.

Te Papa's master planning exercise will address refreshment of long term exhibitions, many of which are now over ten years old, and maintaining a short-term programme to encourage repeat visits:

Performance Measure	2011/12 target (previous year)	2012/13 target	2013/14 2014/15 output level
Short term exhibitions presented at Te Papa to increase understanding of New Zealand's place in the world	7	7	8
% of collection on display over the previous five years (by collection area)	new measure	to be reported in the annual report	to be reported in the annual report

### Te Papa around New Zealand

Te Papa's touring programme reaches a large proportion of the population and provides access to audiences who would not normally visit Te Papa. These enable New Zealand audiences to share the Te Papa experience and are designed for both traditional and new museum audiences. This year, it is planned that *Brian Brake: Lens on the World and Kahu Ora: Living Cloaks* will tour to metropolitan and major regional museums and galleries, and *Gericault to Gauguin: French Prints from 19th Century, Dutch Etchers in a Golden Age: Rembrandt and his peers, European Masterprints: Bishop Monrad's gift to New Zealand, and Speed and Colour: British Linocuts from the 1930's* will travel to provincial and regional art galleries. This is subject to change as venues are added.

Performance Measure	2011/12 target (previous year)	2012/13 target	2013/14 2014/15 output level
Number of exhibitions toured to New Zealand venues (to increase access for New Zealanders)	6	6	6
Number of regions Te Papa touring exhibitions visit (to provide broader access <sup>3</sup> )	7	7	7

### Te Papa around the world

Te Papa exhibitions tour internationally as a way of providing a waharoa (gateway) to New Zealand's natural and cultural heritage for overseas audiences. International touring enhances Te Papa's international reputation and develops relationships with major overseas museums, enabling the sharing of expertise and creating potential for future exhibition exchanges. This year, *Whales/Tohorā* will continue its successful North American tour in Cleveland and New York, and *E Tū Ake: Standing Strong* will be shown at the National Museum in Mexico and the Musée de la civilisation in Quebec, Canada. New partnerships with the National Museum of China will see *Brian Brake: Lens on China and New Zealand* and *Pounamu* shared with audiences in Beijing.

Te Papa's international strategy is under development, and will focus on key strategic priorities identified by the government (e.g. China, India and Asia Pacific), as well as our more traditional and commercially successful markets of Europe and North America. Through its international activities, Te Papa promotes understanding and contributes to New Zealand's influence in Asia by showcasing the nation's identity and values, its creativity, uniqueness, quality of thought and skills.

### Online and on screen

#### *Collections Online*

Collections Online (object images and information provided via Te Papa's internet site) enables online visitors to explore and learn about the collections, all around New Zealand and the world. Even more online visitors will be attracted as we improve the information they can find in Collections Online by:

- creating new records in 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. Clearance may need to be obtained from copyright owners or iwi to allow images to be published on Collections Online

<sup>3</sup> Te Papa uses the Statistics NZ definition of a region. There are 16 regions in New Zealand.

- creating narrative context by adding 'stories' about the collection items
- linking in with other digital portals such as *Matapihi* to share material.

Te Papa is a partner in the New Zealand virtual herbarium project, developed in collaboration to provide an online tool for specialists and the public to display detailed inventories of plant collections from Te Papa and other major herbarium collections,.

*The Google Art Project:* A number of Te Papa's art works, objects and taonga are now available in the Google Art Project alongside iconic works from other major institutions around the world. The extremely high resolution means that people all over the world can explore Colin McCahon paintings, taonga Maori and Pacific Island treasures such as tapa cloth and cloaks at a level of detail previously impossible.

*OurSpace* is a multimedia interactive exhibition space that uses technology, photographic images, and video footage to explore New Zealand's national identity. The interface is user-directed and draws on popular online technologies.

The television series *Tales from Te Papa* is another avenue Te Papa uses to give as many people as possible access to its collections. These short segments, featuring items from the collection, can be viewed on public television, the Te Papa website, and YouTube. An ongoing partnership with TVNZ 7 and Vero has made it possible to continue developing *Tales from Te Papa*, and an education resource was launched early in April. This initiative has been very successful; with more targeting to schools, more of our taonga and their stories can be spread throughout New Zealand. A book will be released later in 2012.

Performance Measure	2011/12 target (previous year)	2012/13 target	2013/14 2014/15 output level
Visits to the Te Papa website	1,096,200*	1,100,000	1,100,000
Visits to Collections Online (indicating ease of access to collections and knowledge by a geographically spread audience)	438,840*	410,000	450,000
Repeat visitors to Collections Online	>10% of visitors are return visitors	>10% of visitors are return visitors	>25% of visitors are return visitors
% of total collection available online by collection area	new measure	new measure	new measure

\* More detailed 'Google Analytics' measures were adopted partway through 2011/12. These were forecast for the 2011/12 SOI using Webtrends criteria. 2011/12 figures have been reforecast using Google Analytics so they are consistent with future projections and provide a useful comparison.

## Sharing skills

### National Services Te Paerangi

Te Papa works to strengthen the sector by providing practical and strategic help through formal and informal advice to museums, galleries and iwi throughout New Zealand. National Services Te Paerangi is the team within Te Papa that leads this work, developing partnerships, cross-sector initiatives and joint work-plans with other institutions and agencies to effectively share resources. Best practice is supported and skills developed through targeted training, workshops and the New Zealand Museums Standards Scheme. Museums, galleries and iwi can access support, advice and expertise through the Museum and Iwi Development Officer service, grants programmes, the 0508 helpline, hardcopy and online resources, the provision of placements and internships, and access to experts in the field.

A particular focus is supporting colleagues in Canterbury as post earthquake recovery continues.

### Case studies

Te Papa is an active member of the museum and academic community and seeks to contribute to a lively discourse, informally through blogs and conference discussions and more formally through publication of case studies and methodology across all areas.

Performance Measure	2011/12 target (previous year)	2012/13 target	2013/14 2014/15 output level
Workshops, including targeted workshops on caring for	44	44	44

taonga, delivered by National Services Te Paerangi (to support and provide expertise for museums, galleries and iwi)			
Projects developed by National Services in partnership (to support museums, galleries and iwi)	45	45	45

## **Housing the treasures: Taonga within the guardianship of Te Papa will be at the heart of the Museum's activities.**

### **Collections**

Te Papa's collections and knowledge must be well cared for and accessible. Investing in collections and research enables us to build knowledge and reach diverse audiences through exhibitions, publications and other channels.

### **Developing Collections**

Te Papa follows best practice principles of acquisition, kaitiakitanga (guardianship), de-accessioning and disposal, and declaring conflicts of interest. Te Papa's kaitiakitanga responsibility requires not only international standards of care and preservation, but also strong relationships in upholding mana taonga.

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.

<b>Performance Measure</b>	<b>2011/12 target (previous year)</b>	<b>2012/13 target</b>	<b>2013/14 2014/15 output level</b>
Percentage of items acquired in accordance with Te Papa policy and procedure	100%	100%	100%
Value of acquisitions acquired by gift or other external funds	new measure	new measure	new measure

### **Care and Management of Collections**

Te Papa seeks to ensure that collections are secure, in stable condition, protected from deterioration and damage, and accessible. We understand that when exhibiting or working with collections, on occasion, they may be damaged. As a result, we have internal measures to record, track and review any handling or display incidents that may compromise the care of collections.

Natural Environment collections must also be able to meet various biosecurity compliance standards (such as CITES, the Convention on International Trade in Endangered Species of Wild Fauna and Flora, and New Zealand biosecurity requirements) when specimens are imported from overseas or transferred on loan to other institutions.

Ensuring Te Papa is adequately prepared and insured for a disaster is a critical part of collection care. As noted on page 13 a major project is underway to assess and mitigate risk to collections in the event of an earthquake, incorporating lessons learned from the Canterbury earthquakes.

<b>Performance Measure</b>	<b>2011/12 target (previous year)</b>	<b>2012/13 target</b>	<b>2013/14 2014/15 output level</b>
Quality of care and preservation of Te Papa's collection demonstrated by no irreparable losses or damage caused as a result of handling by staff	0	0	0
Te Papa's collection preserved by minimal cases of irreparable damage occurring as a result of public access	<4	<4	<4
% of collections on display over previous five year period, by collection area	new measure	new measure	will be reported in the annual report

**Being a forum for the future: As a cultural and intellectual leader Te Papa will signpost pathways to the future by initiating, hosting and engaging in debates that explore a wide range of contemporary issues.**

**Sharing knowledge: Research**

Te Papa seeks to engage with a wide audience that reflects the changing New Zealand population, new media, and contemporary culture. Exhibitions, learning programmes, research and events informed by Te Papa’s research activity aim to challenge, inform and inspire visitors, subject matter experts and colleagues in the sector, at Te Papa, online and around the world. Te Papa is committed to increasing the profile of its research activities and ensuring it participates actively in the research community.

Partnerships with Crown Research Institutes such as NIWA, GNS Science and Landcare Research, universities and museums in New Zealand and Australia allow high calibre research to be carried out. Te Papa is a partner in the CEISMIC Canterbury Research Consortium, which is building a comprehensive digital archive of video, audio, documents and images related to the Canterbury earthquakes of 2010 and 2011. Te Papa’s natural environment team is carrying out research that adds to knowledge about New Zealand’s environment, past and present. This research builds on our reputation as an independent and trusted leader in New Zealand biodiversity research. Some recent Te Papa research includes:

- Research on fossil vertebrates is helping us to understand what used to live in New Zealand. New Zealand has lost 25 percent of its pre-human bird fauna, such as moa, since human colonisation. Research on the collections is helping to document these human interactions and providing new information for wildlife managers working on threatened species recovery programmes.
- Fish curators and researchers are working on projects in the Ross Sea, the deep ocean and the New Zealand Exclusive Economic Zone. Specimens collected for the National Fish Collection are adding to a growing understanding the biodiversity of the world’s oceans.
- The botany team’s research programme includes describing new species, updating previous taxonomic treatments of particular plant groups, and studying the evolution of New Zealand’s plants. These are available through the New Zealand Virtual Herbarium online resource, as well as through the New Zealand Electronic Flora, to which Te Papa botanists have been major contributors.
- Through our partnership with Ngai Tahu, we became aware of the need to assess the toxic effects of radioactive contaminants in the Sea of Japan and its potential health effects from consumption of titi (muttonbirds) from New Zealand sites. A collaborative study between Rakiura muttonbirding families, Te Papa researchers and Landcare Research, meant that iwi could be assured that 2012 muttonbirds could be safely harvested and consumed.

We share this research by publishing in popular and refereed journals and in 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 exhibitions and collections or cover specific areas of interest.

<b>Performance Measure</b>	<b>2011/12 target (previous year)</b>	<b>2012/13 target</b>	<b>2013/14 2014/15 output level</b>
Original publications by Te Papa Press for specialist and non-specialist audiences	2	5	5
Published articles			
• Peer reviewed (to meet academic quality standards)	36	40	40
• Popular (to appeal to a diverse audience)	34	40	40
Papers that include mātauranga Māori <sup>4</sup>	8	8	8
Professional talks sharing knowledge and skills <sup>5</sup>	new measure	70	70
Percentage of adult domestic visitors indicating they have learned something new about New Zealand during their visit	75%	85%	85%

<sup>4</sup> Mātauranga Māori encompasses knowledge systems and perspectives, tangible and intangible. Mātauranga Māori is holistic and reflects Māori concepts, values, themes, or perspectives are apparent.

<sup>5</sup> Conference presentations, lectures, professional seminars

## Karanga Repatriation programme

The Karanga Aotearoa Repatriation Programme is funded by central government to return *toi moko* (preserved tattooed heads) and *kōiwi tangata* (skeletal remains) from overseas institutions. Māori and Moriori believe that through the return of *kōiwi tangata* and *toi moko* to their homelands, the dead and their living descendants will retrieve their dignity. Repatriated *kōiwi tangata* and *toi moko* are held at Te Papa until enough information is known to return them to their communities. As part of the process of domestic repatriation, each *iwi* (tribe) is given a research report containing provenance information such as the *kōiwi tangata*'s museological and collection history, archaeological records and maps, and related *mātauranga Māori*. The Karanga Aotearoa Repatriation Programme is currently consulting with *iwi* on options for *kōiwi tangata* which cannot be provenanced.

## Lifelong learning

Te Papa supports formal education through programmes which are delivered in-house and through digital channels. Curriculum-linked programmes related to collections and exhibitions are designed to meet the needs of early childhood, primary, secondary and tertiary students. 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, the curriculum, and teacher needs.
- *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 activities in four areas at Te Papa - *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	2011/12 target (previous year)	2012/13 target	2013/14 2014/15 output level
Percentage of teachers who rate education programmes as 'good' to 'excellent'	95%	95%	95%
Educator-led programmes	600	600	600
<i>Hours of student contact</i>	new measure	13,800	13,800
Teacher Professional Development workshops delivered	new measure	3	3
<i>Hours of teacher contact</i>	new measure	445	445
Discovery Centre National Outreach programmes	6	6	6
<i>Hours of student contact</i>	new measure	120	120

# Part 3: Our Investments: Organisational Health and Capability and Forecast Financial Statements

## Overview

Since opening in 1998, Te Papa is an internationally-recognised museum that consistently attracts high levels of visitors. Its success can be attributed to the high calibre of skilled museum staff delivering world-class products and services domestically and internationally. The Museum has been a pioneer in bicultural management and provides a model for the public service, as well as for national and international museums and galleries. This model was recognised in the Waitangi Tribunal report *Ko Aotearoa Tenei: A Report into Claims Concerning New Zealand Law and Policy Affecting Maori Culture and Identity* as a working example.

Te Papa must develop outstanding people, process and technology programmes that allow it to engage creatively with its audiences and stakeholders. Te Papa needs to ensure that the organisation has the right design to implement programmes and initiatives arising from the *Envisioning the Future* process, and some realignment will be implemented to achieve this. Scholarship and research are cornerstones of the future development of Te Papa’s collections and exhibitions, and the identification of research and scholarship priorities is a key part of the visioning process. Te Papa plans to implement these changes over the next two to three years.

This section describes Te Papa’s key focus areas and work streams and what we need to develop internally to achieve our vision.

### **Saving the Planet: Te Papa will engage and excite by conducting leading edge research and by modelling environmentally responsible practices that are smart, accessible and inspiring.**

Te Papa’s natural environment team is carrying out and sharing research that adds to knowledge about New Zealand’s environment, past and present. This is covered on page 23.

#### *Energy efficiency*

Te Papa has won a number of awards for energy management and strives to achieve international best practice for galleries, museums, and exhibition areas in matters of sustainability. The Museum has benchmarked status under the Green Globe Company Standard and carries out an environmental action plan in line with the requirements of this programme.

Extensive energy efficiency measures have been carried out. The result has been a downward trend in energy consumption despite enlarged gallery space and increased use of Te Papa as a venue – both of which have required more electrical equipment. Energy savings since opening have resulted in greenhouse gas emissions being reduced by almost 14,000 tonnes of CO<sup>2</sup> equivalents. We are investigating the prospect of using more sustainable sources of energy (e.g. solar, wind and photovoltaic cells). Lessons learned will form case studies for other businesses and across the cultural sector.

Performance Measure	2011/12 target (previous year)	2012/13 target	2013/14 2014/15 output level
Change in total energy consumption over last 12 months	New measure	to be reported in the annual report	to be reported in the annual report
Green Globe Standard maintained	Achieved	Achieved	Achieved

**Connecting with People: Te Papa will be a waharoa, making learning a playful and entertaining experience. Te Papa will set the highest possible standards for an integrated experience.**

A large part of the success of Te Papa has been based on its visitor experience – one that is visitor focussed and based on clear learning outcomes for all ages. Interactive displays and technology in addition to static displays offers visitors a variety of ways to experience Te Papa. Initiatives underway in this area include developing a digital programme to deliver Te Papa as a learning organisation so that we can learn from our experiences and continually improve the visitor experience

Success in this area is measured in Part 2 under education, visitor experience and satisfaction.

**Sharing Authority: Te Papa will share decision-making with iwi, communities and individuals with respect to management and understanding of their taonga (treasures, narratives and stories).**

As noted on page 14 strong relationships and effective partnerships are critical to achieving our goals. The range of relationships Te Papa enters into with others relates to:

- increasing understanding of and access to collections
- collection acquisitions and loans
- relationships with iwi through exhibitions
- repatriation of toi moko (preserved tattooed heads) and kōiwi tangata (skeletal remains)
- iconic Māori cultural events such as Matariki and performing artists
- training and resources for iwi on the care of taonga, and on digital photography

Performance Measure	2011/12 target (previous year)	2012/13 target	2013/14 2014/15 output level
Active relationships <sup>6</sup> appropriately maintained with iwi or Māori organisations (to increase understanding of and access to taonga Māori)	35	40	40
Iwi satisfaction survey to be carried out every three years	new measure	new measure	new measure

**Going Digital: Te Papa will become known worldwide for the innovative application of digital technology to the realisation of its vision for the future.**

Te Papa has been a world leader in the use of interactive technology. Integrating digital interactives and web-based activities into exhibition programming is now standard practice for museums around the world. In order to stay relevant and meet audience expectations, we need to respond to trends such as the rapid rise of the internet as an information, entertainment and socialising medium, increased use of mobile technologies and audience involvement in creation of content. The Museum is developing a digital programme of work to develop greater integration of digital technology into museum practice.

Te Papa will be establishing ways of measuring success in this area over the coming year.

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<sup>6</sup> An active relationship is defined as one where there has been a significant level of activity in, for example, exhibition development, partnership projects, provision of expertise and advice, repatriation projects and other activities.

**Keeping Fit: Te Papa recognises that every experience is an opportunity for shared learning and that its future will depend on developing the capability of its staff.**

Developing the talents of existing staff through experience and training is a priority. Creating a culture of learning will ensure Te Papa continues to provide a world-class museum experience. Over the next three years, Te Papa aims to transform itself into a learning organisation with a strong ethos of continuous improvement, business excellence, and high ethical standards.

Te Papa is committed to following best practice in its accountabilities and to addressing practices, policies and procedures which need to be improved. Incorporating lessons into business practice as we learn them and sharing experience and best practice will help us to achieve this. An Assurance and Risk Committee made up of board members and senior management monitors this accountability. The focus for the current year continues to be on positively changing Te Papa’s organisational culture around:

- Project Management (building skills and knowledge)
- Procurement (building skills and knowledge)
- Capital Asset Management Plan (enabling a sustainable long term financial strategy)

Performance Measure	2011/12 target (previous year)	2012/13 target	2013/14 2014/15 output level
Staff turnover (unplanned)*	16%	14%	14%
Staff learning survey: % of staff who report that Te Papa supports learning **	new measure	68%	70%

\* Permanent staff unplanned turnover  
 \*\* weighted average of staff who responded to the survey

**Staying in Touch: Te Papa will be aware that communication is two-way, and built on trust and transparency**

Engagement and partnership with our communities and stakeholders is crucial to Te Papa’s success. We are proud of the relationships that we have with iwi, the wider museum sector, funders, sponsors and communities. We seek to gain a better understanding of our visitors and stakeholders through rigorous visitor studies, and by maintaining and building strong relationships with all our partners. The organisation needs to foster open communication, seek feedback and be transparent about the opportunities and challenges that it faces in fulfilling its mandate.

Internally, the Museum is looking to improve communication within and across the organisation. The strategic planning process has been, and will continue to be, a key focus area for discussions and engagement with staff.

Performance Measure	2011/12 target (previous year)	2012/13 target	2013/14 2014/15 output level
Visitor satisfaction survey	95%	95%	95%

**Building Sustainable Leadership: Te Papa will be flexible, nimble and proactive in its systems, processes and decision-making**

As noted above, Te Papa is working to develop the skills and utilise the talents of its workforce. The Museum has a talented and high performing team, but can do more to improve processes and systems to ensure they are efficient and effective. The Museum’s commitment to learning, along with its distributed decision-making processes, will enhance succession planning and senior management development and capability for the future of Te Papa. We will develop specific, targeted professional development plans for all managers to support the implementation of new strategies. Supporting managers in this way will have positive effects throughout the organisation.

Success will be measured under the *Keeping Fit* measures above. We will continue to develop measures of success over the coming year.

### **Telling Our Story: Te Papa will be a persuasive and inspiring advocate on its own behalf.**

We need to be able to tell the story of the difference that Te Papa makes by measuring and describing Te Papa's economic, social and cultural contribution. We are working to understand our audiences better in order to meet their needs and improve services. We will do this by:

- continuing to develop our understanding of visitors through the National Audience Segmentation Study, which analyses audience motivations and expectations
- raising Te Papa's profile and engaging existing and new audiences
- creating a culture of developing philanthropic and commercial opportunities which includes Board members, staff and stakeholders
- seeking opportunities to act as an ambassador for New Zealand internationally
- evolving our brand, stakeholder and communications strategies.

<b>Performance Measure</b>	<b>2011/12 target (previous year)</b>	<b>2012/13 target</b>	<b>2013/14 2014/15 output level</b>
Brand awareness survey	New measure	Achieved	Achieved
International touring venues	New measure	5	5

### **Getting down to Business: Te Papa will be commercially positive, entrepreneurial by nature and disciplined with its business processes**

Te Papa has a range of commercial activities including functions, conference facilities, carparking, shops and cafés. All provide essential revenue to support activities which are free of charge. Commercial services are affordable, operated to a high standard and efficient. The functions business hires out facilities and provides catering services to clients for events ranging from conferences to weddings. Te Papa Press 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 the Museum's mission for audiences and to generate a net return to support museum programmes.

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

- successful commercial products and services
- creating a commercially positive culture across the organisation
- growing targeted sponsorship and fundraising

<b>Performance Measure</b>	<b>2011/12 target (previous year)</b>	<b>2012/13 target</b>	<b>2013/14 2014/15 output level</b>
Percentage of revenue is derived from non-Crown sources (not including depreciation funding which was transferred to operational in 2011/12)	>=50%	>=50%	>=50%
Continued sponsorship of the exhibitions in the Level 4 short term gallery to support the quality of visitor experience	Achieved	Achieved	Achieved
Customer satisfaction levels in all commercial enterprises as part of quality of visitor experience (scale is from 1 to 11)	7.5	8	8

# Prospective Financial Statements

## Introduction

Te Papa's Statement of Intent covers the period 1 July 2012 to 30 June 2015. The financial information contained in the Statement of Intent is a forecast for the purposes of International Financial Reporting Standard (IFRS) 42.

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

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. No changes to Te Papa's principal functions are expected in the period of this Statement of Intent.

Te Papa is a public benefit entity for the purposes of financial reporting.

The prospective financial statements were authorised for issue on 8 June 2012 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

The users of these forecast financial statements should note that actual results achieved may differ from these statements in material ways, as a number of assumptions have been made in compiling these statements.

All significant assumptions relating to expenditure have been based on historical data, existing business practices, or actual business plan projections for each financial year. The most significant assumptions are:

1. Te Papa is an organisation undergoing significant change. Te Papa is currently completing its ten year strategic plan and will undertake a programme of organisational change to support this process. In addition, some major projects are likely to be approved in the 2012/13 financial year. Insurance costs may increase significantly but have not yet been renegotiated. As a result, financial projections have been done on the basis that in the short term (current financial year), costs will be contained at current levels. In the medium term, forecasts will be revised to reflect outcomes of the Envisioning the Future process.
2. Annual government operating and capital funding levels are consistent with those agreed in the 2012 Budget.
3. Estimated year end information for 2011/12 is used as the opening position for the 2012/13 forecasts.
4. Interest income on cash holdings is initially calculated at approximately 5 percent. Interest income has been maintained at a similar level as investment yields are anticipated to rise despite reducing cash balances.
5. A consistent level of donation income has been assumed.
6. Forecasts for commercial revenues are influenced by visitor numbers. Te Papa is assuming visitor numbers of 1.35 million in 2012/13 and subsequent years.
7. 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.

8. The lasting effects of the global financial crisis are unknown and have not been quantified within these prospective statements. Significant changes to economic conditions will have flow on impacts to Te Papa's operating conditions and financial performance.
9. Museum service levels are outlined in Part 2 of this Statement of Intent. Te Papa's forecast cost of services reflects that costs will be constrained to current levels in the delivery of these services.
10. 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.
11. 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.
12. During 2012 Te Papa continues to develop its detailed asset management plan which will inform future planned maintenance and capital replacement costs. As this work is still underway the results cannot yet inform changes to these forecasts.
13. Te Papa periodically undertakes revaluations for its Collections and Land & Buildings. The forecast numbers do not include any impacts resulting from future revaluations.

## Prospective Output Costs

	Estimated Actual	Budget	Prospective <sup>7</sup>		
	30 June 2012	30 June 2012	30 June 2013	30 June 2014	30 June 2015
	\$000	\$000	\$000	\$000	\$000
<b>Museum Services</b>					
<b>Revenue</b>					
Operating	53,514	53,169	53,533	53,533	53,533
Capital	3,000	3,000	3,000	3,000	3,000
	<b>56,514</b>	<b>56,169</b>	<b>56,533</b>	<b>56,533</b>	<b>56,533</b>
<b>Output Costs</b>					
Operating	59,254	60,369	60,106	60,106	60,106
Capital	9,000	8,240	12,000	12,000	9,000
	<b>68,254</b>	<b>68,609</b>	<b>72,106</b>	<b>72,106</b>	<b>69,106</b>
<b>Surplus/(Deficit)</b>					
Operating	(5,740)	(7,200)	(6,573)	(6,573)	(6,573)
Capital	(6,000)	(5,240)	(9,000)	(9,000)	(6,000)
	<b>(11,740)</b>	<b>(12,440)</b>	<b>(15,573)</b>	<b>(15,573)</b>	<b>(12,573)</b>

<sup>7</sup> Please refer to assumptions on page 31

## Prospective Statement of Comprehensive Income

	Estimated Actual	Budget	Prospective		
	30 June 2012	30 June 2012	30 June 2013	30 June 2014	30 June 2015
	\$000	\$000	\$000	\$000	\$000
<b>Income</b>					
Revenue from Crown	29,574	29,574	29,574	29,574	29,574
Fundraising and Donations	4,002	4,002	4,002	4,002	4,002
Other Revenue	18,857	17,876	18,857	18,857	18,857
Interest	1,081	1,717	1,100	1,100	1,100
<b>Total Income</b>	<b>53,514</b>	<b>53,169</b>	<b>53,533</b>	<b>53,533</b>	<b>53,533</b>
<b>Expenses</b>					
Personnel	24,740	25,464	24,740	24,740	24,740
Operating	21,941	21,652	22,793	22,793	22,793
Loss on disposal of fixed assets		4			
Depreciation and amortisation expenses	12,573	13,249	12,573	12,573	12,573
<b>Total Expenses</b>	<b>59,254</b>	<b>60,369</b>	<b>60,106</b>	<b>60,106</b>	<b>60,106</b>
<b>Net Deficit for the Year</b>	<b>(5,740)</b>	<b>(7,200)</b>	<b>(6,573)</b>	<b>(6,573)</b>	<b>(6,573)</b>
Other Comprehensive Income	-	-	-	-	-
<b>Total Comprehensive Income</b>	<b>(5,740)</b>	<b>(7,200)</b>	<b>(6,573)</b>	<b>(6,573)</b>	<b>(6,573)</b>

## Prospective Movements in Equity

	Estimated	Budget	Prospective		
	Actual				
	30 June				
	2012	2012	2013	2014	2015
	\$000	\$000	\$000	\$000	\$000
<b>Equity at Beginning of the Year</b>	<b>1,153,744</b>	<b>1,119,245</b>	<b>1,151,004</b>	<b>1,147,431</b>	<b>1,143,858</b>
Net Operating Deficit	(5,740)	(7,200)	(6,573)	(6,573)	(6,573)
<b>Total Recognised Revenues and Expenses for the Year</b>	<b>(5,740)</b>	<b>(7,200)</b>	<b>(6,573)</b>	<b>(6,573)</b>	<b>(6,573)</b>
Crown Capital Injection	3,000	3,000	3,000	3,000	3,000
<b>Equity at End of the Year</b>	<b>1,151,004</b>	<b>1,115,045</b>	<b>1,147,431</b>	<b>1,143,858</b>	<b>1,140,285</b>

## Prospective Financial Position

	Estimated Actual	Budget	Prospective		
	30 June 2012	30 June 2012	30 June 2013	30 June 2014	30 June 2015
	\$000	\$000	\$000	\$000	\$000
<b>Equity</b>					
Capital	450,898	450,898	453,898	456,898	459,898
Accumulated Losses	(162,782)	(164,867)	(169,355)	(175,928)	(182,501)
Asset Revaluation Reserve	140,326	152,205	140,326	140,326	140,326
Collection Revaluation Reserve	719,738	674,078	719,738	719,738	719,738
FX Revaluation Reserve	47		47	47	47
Restricted Revenue Reserves	2,777	2,682	2,777	2,777	2,777
<b>Total Equity</b>	<b>1,151,004</b>	<b>1,114,996</b>	<b>1,147,431</b>	<b>1,143,858</b>	<b>1,140,285</b>
<i>Represented by:</i>					
<b>Current Assets</b>					
Cash and Cash Equivalents	9,843	22,304	6,843	3,843	3,843
Loans and Receivables	2,183	2,183	2,183	2,186	2,186
Other Financial Assets	647	647	647	647	647
Inventory - Current	1,218	1,218	1,218	1,218	1,218
Publications Work in Progress	145	145	145	145	145
<b>Total Current Assets</b>	<b>14,036</b>	<b>26,497</b>	<b>11,036</b>	<b>8,039</b>	<b>8,039</b>
<b>Non-Current Assets</b>					
Financial Assets	15,171	-	15,171	15,171	15,171
Property Plant and Equipment	351,144	363,972	347,571	343,995	337,422
Collections	779,903	733,777	782,903	785,903	788,903
Intangible Assets	1,691	1,691	1,691	1,691	1,691
<b>Total Non-current Assets</b>	<b>1,147,909</b>	<b>1,099,440</b>	<b>1,147,336</b>	<b>1,146,760</b>	<b>1,143,187</b>
<b>Total Assets</b>	<b>1,161,945</b>	<b>1,125,937</b>	<b>1,158,372</b>	<b>1,154,799</b>	<b>1,151,226</b>
<i>Less:</i>					
<b>Current Liabilities</b>					
Accounts Payable	4,788	4,788	4,788	4,788	4,788
Employee Entitlements	2,722	2,722	2,722	2,722	2,722
Other Liabilities	3,053	3,053	3,053	3,053	3,053
<b>Total Current Liabilities</b>	<b>10,563</b>	<b>10,563</b>	<b>10,563</b>	<b>10,563</b>	<b>10,563</b>
<b>Non-Current Liabilities</b>					
Employee Entitlements	378	378	378	378	378
<b>Net Assets</b>	<b>1,151,004</b>	<b>1,114,996</b>	<b>1,147,431</b>	<b>1,143,858</b>	<b>1,140,285</b>

## Prospective Cash Flows

	Estimated Actual	Budget	Prospective		
	30 June 2012	30 June 2012	30 June 2013	30 June 2014	30 June 2015
<b>Cash Flows from Operating Activities</b>					
<i>Cash was provided from:</i>	\$000	\$000	\$000	\$000	\$000
Government Grants	29,574	29,574	29,574	29,574	29,574
Sale of Goods and Services	12,526	11,586	12,526	12,526	12,526
Donations and Sponsorship	4,002	4,002	4,002	4,002	4,002
Interest Income	1,081	1,717	1,100	1,100	1,100
Other Revenue	4,931	6,518	6,331	6,331	6,331
	52,114	53,397	53,533	53,533	53,533
<i>Cash was disbursed to:</i>					
Payments to Employees	24,740	25,464	24,740	24,740	24,740
Payments to Suppliers	20,400	21,934	22,793	22,793	22,793
<b>Net Cash Flows from Operating Activities</b>	<b>6,974</b>	<b>5,999</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>
<b>Cash Flows from Investing Activities</b>					
<i>Cash was provided from:</i>					
Sale of Financial Assets	-	4	-	-	-
<i>Cash was disbursed to:</i>					
Purchase of Financial Assets	15,000	-	-	-	-
Purchase of Property, Plant and Equipment	6,000	4,874	9,000	9,000	6,000
Purchase of Intangible Assets	-	500	-	-	-
Purchase of Collections	3,000	2,870	3,000	3,000	3,000
	24,000	8,244	12,000	12,000	9,000
<b>Net Cash Flows Used in Investing Activities</b>	<b>(24,000)</b>	<b>(8,240)</b>	<b>(12,000)</b>	<b>(12,000)</b>	<b>(9,000)</b>
<b>Cash Flows from Financing Activities</b>					
<i>Cash was provided from:</i>					
Capital Grant for General Purposes	3,000	3,000	3,000	3,000	3,000
<b>Net Cash Flows from Financing Activities</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>
<b>Net Increase/(Decrease) in Cash Held</b>	<b>(14,026)</b>	<b>759</b>	<b>(3,000)</b>	<b>(3,000)</b>	<b>-</b>
<b>Add Opening Cash Brought Forward:</b>					
Cash and Cash Equivalents	23,869	21,558	9,843	6,843	3,843
<b>Closing Cash Carried Forward</b>	<b>9,843</b>	<b>22,317</b>	<b>6,843</b>	<b>3,843</b>	<b>3,843</b>
Represented by:					
Cash and Cash Equivalents	9,843	22,317	6,843	3,843	3,843
	<b>9,843</b>	<b>22,317</b>	<b>6,843</b>	<b>3,843</b>	<b>3,843</b>

## Notes to Prospective Financials

	Estimated	Budget	Prospective		
	Actual				
	30 June 2012 \$000	30 June 2012 \$000	30 June 2013 \$000	30 June 2014 \$000	30 June 2015 \$000
<b>Cost of Services*</b>					
Business Group	13,683	13,893	13,933	13,933	13,933
Collections and Research Group	6,615	6,716	6,735	6,735	6,735
Corporate Services Group	9,734	9,883	9,911	9,911	9,911
Experience Group	9,739	9,888	9,916	9,916	9,916
Governance and Finance Group	1,968	1,998	2,004	2,004	2,004
Ngā Manu Atarau	1,886	1,915	1,920	1,920	1,920
Other	3,057	3,104	3,113	3,113	3,113
<b>Cost of Services</b>	<b>46,681</b>	<b>47,397</b>	<b>47,533</b>	<b>47,533</b>	<b>47,533</b>

*\*These costs exclude depreciation and amortisation expenses*

## Reconciliation of Equity

	Estimated Actual	Budget	Prospective		
	30 June 2012	30 June 2012	30 June 2013	30 June 2014	30 June 2015
<b>(a) Capital</b>	\$000	\$000	\$000	\$000	\$000
Opening Balance	447,898	447,898	450,898	453,898	456,898
Plus Crown Capital Injection	3,000	3,000	3,000	3,000	3,000
Closing Balance	450,898	450,898	453,898	456,898	459,898
<b>(b) Accumulated Losses</b>					
Opening Balance	(157,042)	(157,618)	(162,782)	(169,355)	(175,928)
Net Operating Deficit	(5,740)	(7,249)	(6,573)	(6,573)	(6,573)
Closing Balance	(162,782)	(164,867)	(169,355)	(175,928)	(182,501)
<b>(c) Asset Revaluation Reserve</b>					
Opening Balance	140,326	152,205	140,326	140,326	140,326
Revaluations	-	-	-	-	-
Closing Balance	140,326	152,205	140,326	140,326	140,326
<b>(d) Collection Revaluation Reserve</b>					
Opening Balance	719,738	674,078	719,738	719,738	719,738
Revaluations	-	-	-	-	-
Impairment movement	-	-	-	-	-
Closing Balance	719,738	674,078	719,738	719,738	719,738
<b>(e) Restricted Reserves</b>					
Opening Balance	2,777	2,682	2,777	2,777	2,777
Movement	-	-	-	-	-
Closing Balance	2,777	2,682	2,777	2,777	2,777
<b>(f) FX Reserves</b>					
Opening Balance	47	-	47	47	47
Movement	-	-	-	-	-
Closing Balance	47	-	47	47	47
<b>Total Public Equity at End of the Year</b>	<b>1,151,004</b>	<b>1,114,996</b>	<b>1,147,431</b>	<b>1,143,858</b>	<b>1,140,285</b>

## 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

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

The reporting period covered by these prospective financial statements are the years ended 30 June 2013, 30 June 2014, and 30 June 2015. The prospective financial statements were approved by the Board on 8 June 2012

### Basis of preparation

#### Statement of Compliance

These prospective financial statements 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 IFRSs, and other applicable Financial Reporting Standards, as appropriate for public benefit entities. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### 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 collections, 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.

#### Changes in Accounting Policy

There have been no changes in accounting policies in the 2012 prospective financial statements.

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

NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following 3 main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting.

Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in NZ IAS 39.

The new standard is required to be adopted for the year ended 30 June 2014. Te Papa has not yet assessed the effect of the new standard and expects it will not be early adopted.

#### Use of accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires the Board to exercise judgement in the application of the entity's accounting policies. Estimates and associated assumptions are based on historical experience and other factors, as appropriate to the particular circumstances.

## **Non-government grants**

Te Papa must exercise judgement when recognising grant income to determine if conditions of the grant contract have been satisfied. This judgement will be based on the facts and circumstances that are evident for each grant contract.

## **Significant Accounting Policies**

### **Revenue**

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

### **Revenue from the Crown**

Te Papa is partially 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 and which are subject to an insignificant risk in changes in value.

### **Financial Instruments**

#### **Debtors and other receivables**

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method less any provision for impairment. A provision for impairment is established when objective evidence of collection is doubtful. When a debtor is considered uncollectible, it is written-off against the provision.

## Financial assets at fair value through the surplus or deficit

Financial assets are recognised at fair value through the surplus or deficit. 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 the comprehensive income statement or loans and receivables. The classification depends on the purpose for which the investments were acquired.

## Derivative financial instruments

Te Papa uses derivative financial instruments to hedge its exposure to foreign exchange movements. In accordance with its Foreign Exchange Management policy, Te Papa does not hold or issue derivative financial instruments for trading purposes. Te Papa has not adopted hedge accounting. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date. Movements in the fair value of derivative financial instruments are recognised in the surplus or deficit. The full fair value of a foreign exchange derivative is classified as current if the contract is due for settlement within 12 months of balance date. Otherwise, foreign exchange derivatives are classified as non-current.

## Bonds

Te Papa has invested in fixed-rate bonds defined as:

“a fixed rate bond is a type of debt instrument with a fixed coupon (interest) rate that is payable at specified dates before bond maturity. Due to its fixed nature, the fixed-rate bond is not susceptible to fluctuations in interest rates, and is therefore viewed as a security that does not possess a significant amount of interest rate risk”

Under the restrictions stated in the Crown Entities Act 2004 paragraph 161 the “Restrictions on acquisition of securities are as follows:

- 1) A Crown entity must not acquire securities other than –
  - a) a debt security denominated in New Zealand dollars that is issued by a registered bank, or by any other entity, that satisfies a credit-rating test that is specified in either regulations made under this Part or a notice in the *Gazette* published by the Minister of Finance:
  - b) a public security:
  - c) as provided in section 160.
- 2) This section does not apply to any money, security, or credit balance in a bank account held by a Crown entity on trust for any purpose or for another person.
- 3) This section does not prohibit a Crown entity from acquiring subsidiaries or shares if section 96 or, as the case may be, section 100 allows the acquisition.”

## Inventories

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 through the surplus or deficit 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 through the surplus or deficit.

## Property, plant and equipment

Property, plant and equipment asset classes consist of land, non-residential buildings, land improvements, furniture and fittings, plant & equipment, motor vehicles, computer hardware 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. Specialised asset classes are carried at depreciated replacement 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 comprehensive income. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised through the surplus or deficit will be recognised first in the statement of comprehensive income 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 through the surplus or deficit. When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to general funds.

## 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 remaining 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 to 90 years	(1.1% - 20%)
Leasehold improvements	5 to 10 years	(10% - 20%)
Furniture and Fittings	3 to 15 years	(6.67% - 33%)
Plant and Equipment	5 to 50 years	(2% - 20%)
Computer Hardware	3 years	(33%)
Long-term Exhibitions	2.5 to 15 years	(6.67% to 40%)
Motor vehicles	5 years	(20%)

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

## Intangible Assets

### 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 on computer software are recognised through the surplus or deficit when incurred. Costs associated with the maintenance of Te Papa's website are recognised through the surplus or deficit 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 through the surplus or deficit. 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 are recorded 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. 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 through the surplus or deficit. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised through the surplus or deficit will be recognised first through the statement of comprehensive income up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

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 through the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised through the surplus or deficit. 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 through the surplus or deficit, a reversal of the impairment loss is also recognised through the surplus or deficit.

## **Creditors and other payables**

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate 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 prospective statement of financial position.

## **Superannuation schemes**

### *Defined contribution schemes*

Contributions to Kiwisaver and Government Superannuation Fund are recognised as personnel expenses through the surplus or deficit 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.

## **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.

## **Goods and Services Tax (GST)**

All items in the prospective 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 prospective 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.

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