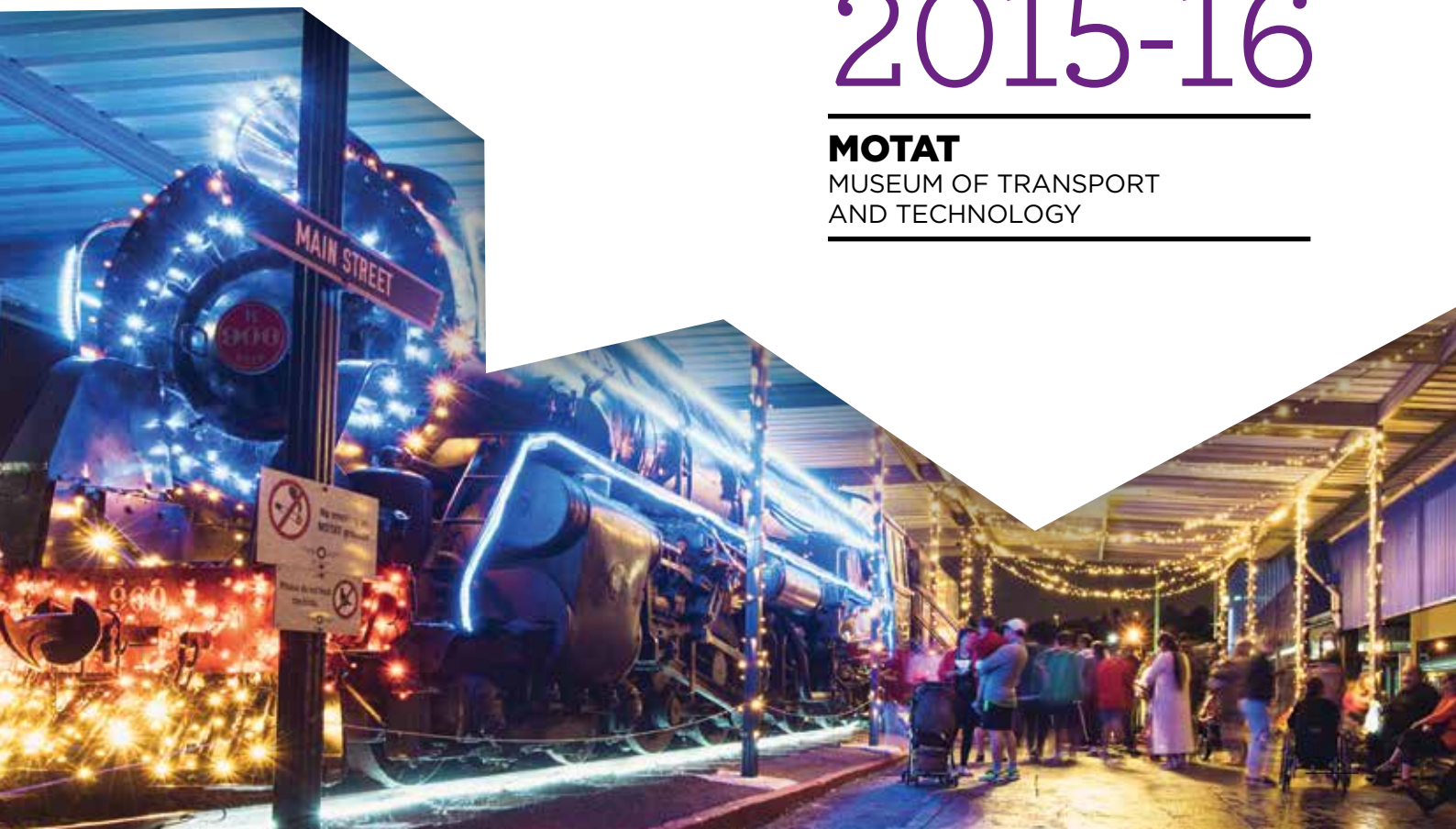




ANNUAL REPORT 2015-16

MOTAT

MUSEUM OF TRANSPORT
AND TECHNOLOGY



Mō Te Pai Nui

THE WAY WE WORK

Our decisions and actions which contribute to the greater good of the Museum, and the way in which we implement the Strategy.

OUR VISION

To be the
“must experience” venue

that uses New Zealand's heritage, Kiwi ingenuity, transport, technology and the associated stories in a creative, interactive and hands-on way to educate and inspire the innovators of tomorrow.

Our Values

COLLABORATION
INTEGRITY
CREATIVITY
STEWARDSHIP

Whakahorohoro

THE WAY WE THINK

To challenge established thinking, provoke and positively confront in order to seek change

*Hapaitia te ara tika pū mau ai te
rangatiratanga mo ngā uri whakatipu*

*Foster the pathway of knowledge to strength,
independence and growth for future generations*

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OUR VISION

To be the “must experience” venue that uses New Zealand’s heritage, Kiwi ingenuity, transport, technology and the associated stories in a creative, interactive and hands-on way to educate and inspire the innovators of tomorrow.

Our Values

COLLABORATION is the way we work together internally and externally as a team that respects and supports one another, sharing ideas, knowledge and skills so that we achieve our full potential.

INTEGRITY is the foundation on which our relationships, reputation and authority are built. We will act morally, ethically and with respect and transparency at all times.

CREATIVITY is the quality that allows us to be courageous and to try new things so as to inspire those we interact with.

STEWARDSHIP is our individual and collective duty as custodians to manage, develop and preserve MOTAT's collection, skills and knowledge and to pass them onto the next generation.

Our Approach

In order to inspire and engage with our visitors and each other we will:

MAKE IT SIMPLE: easy to understand, remember and use.

MAKE IT PERSONAL: relevant and meaningful so that it stimulates thought, conversation and debate.

MAKE IT ACTIVE: a hands-on, multi-dimensional experience.

MAKE IT CONNECT: put the collection and the associated information into context in a way that connects people, concepts and ideas.

MAKE IT HAPPEN: deliver what is promised in accordance with the Strategy and the Annual Plan.

Sustainability

To us, sustainability is not just limited to reducing our impact on the environment and reducing our use of non-renewable resources; it is also

about preserving Auckland and New Zealand's heritage, the associated skills and knowledge and passing those on to the next generation.



MOTAT Chair and Chief Executive Overview

This report covers our 2015/16 financial year and the second year of our strategy which was launched in July 2014. If you want to know what we are currently doing or what we are planning to do, you should refer to our 2016/17 and 2017/18 Annual Plans respectively.

Our strategy is founded on the Māori proverb of “Kia whakatōmuri te haere whakamua/my past is my present is my future, I walk backwards into the future” and is aimed at meeting Dame Cheryll Sotheran’s challenge to transform MOTAT from being “a collection of things” to a “lightbulb institution”. We are doing this by using our heritage collection to highlight past, present and future focus on kiwi technology and innovation in a way that inspires the innovators of the future.

This rich history of technology and innovation and the associated Kiwi’s and their stories defines who we are and where we are going, and started with the tangata whenua. To this end we have been working with Ngāti Whātua Ōrākei, Ngapuhi, and Hoani Waititi Marae amongst others. This is to ensure that tangata whenua technology and innovations and the associated stories, together with the customs, culture and principles are “interwoven” into

MOTAT’s fabric. Our objective is to highlight that tangata whenua heritage and the associate technology and innovation is equally inspiring and important as our European heritage.

Our strategy has enabled us to develop technology and science based fairs, events and symposia that have resulted in our visitors, educators, students, researchers and the associated industries who provide us with inspiration and support, seeing MOTAT in a new light. As a consequence, our facilities are being increasingly used by these parties for networking, collaboration, debate and the creation of new concepts and ideas. A good example of this is the games being created and tested by the New Zealand Gaming Association within our Idea Collective installation.

This approach and the incorporation of art (murals and statues), music (for example the live bands at our Mother’s Day event) and theatre (for example our Halloween event)



into our museum is in line with the principles and expectations outlined in the Auckland Plan (2012) and the Toi Whānui Arts and Culture Strategic Action Plan (2015). This approach ensures that we are playing our part in making art, culture and heritage easily accessible in the world's most liveable city.

We have been working with Regional Facilities Auckland and our neighbours (which include the Auckland Zoo, Western Springs Stadium, Western Springs College, TAPAC and Auckland Parks) on the development of a Western Springs Precinct Strategy. It is generally recognised that by working together we can make the area a more vibrant and interesting place to visit, work and play in and thereby significantly increase the number of people who engage with the area from its current level of approximately 1.2 million visitors per annum.

The last 12 months have seen many significant changes at the

Museum. We began with the opening of a new exhibition area Get Smart – NZ Wired in the Digital World, in July 2015. This area showcases how various forms of technology have evolved over the years and how that is now encompassed in the smartphone (e.g. the gramophone), and focuses on the Kiwi innovators and entrepreneurs who have contributed to the digital age. This space incorporates many interactive and hands-on elements so as to maximise the visitor experience and culminates in our “selfie tower” which was designed and built for us by a Kiwi innovator. The “selfie tower” has pride of place in the centre of the exhibition space and shows how your “selfie” becomes part of the world wide social network when it is posted. This concept transcends all age groups, genders and nationalities and has proven such a success that we have had several requests from other institutions to replicate it.

We also opened our refurbished and upgraded Walsh Memorial Library in July 2015. The library now has better display, storage and visitor facilities including a climate controlled environment which will ensure that our photos, glass plate negatives, books and other material are preserved for generations to come.

In December 2015 we opened the Innovation Hub, a retrofit and renaming of the main building on our Great North Road site. This building includes a large temporary exhibitions hall and The Idea Collective.

The Idea Collective is a dynamic innovation space and community, featuring pop-up installations, murals, events, workshops and a makerspace office for innovators-in-residence. It is an edgy, interactive space developed on the idea of Whakahorohoro (to provoke, challenge or confront) where visitors and industry groups explore ideas around innovation, technology, and

creativity. Rather than being a static project, the installation will evolve and develop over time as a focal point for discussing ideas and innovation in Auckland and New Zealand. The New Zealand Game Developers Association are the current residents, and are able to test their games on our visitors before they are launched in the market. This space also demonstrates to our visitors how a social activity like gaming can lead to national and global job opportunities.

During the course of the year we increased the frequency and type of live demonstrations we undertook using our heritage collection like our steam train and tram, military vehicles and the Pumphouse. We also enhanced or added new activations to our calendar including Mother's Day, Science Street Fair, and Fire and Rescue Day, thereby making MOTAT a busier, noisier and a more exciting place to visit.

School students remain an important and growing audience for MOTAT. Throughout the financial year we focused on development and digitisation of educational experiences which ensure that our Ministry of

Education supported Learning Experiences Outside the Classroom programme remains cutting edge and attracts high participation. We are also active in capturing students' imagination outside of school hours with new programmes run in collaboration with third party providers such as Bubbledome, and programmes run with industry-based volunteers such as Code Club Aotearoa (after school gaming and coding programmes).

We were also proud to become part of the Pan-Pacific village and radio station base for the increasingly popular Pasifika Festival. This was the first time we actively participated in the event and this not only led to an increase in visitor numbers, but it introduced the Museum to an audience that we had not necessarily engaged with in the past.

One of our big projects was the transformation of the Athfield Plan into a Masterplan which outlines in more detail how we intend to redevelop our buildings and infrastructure so that we provide an enjoyable and inspiring environment to our visitors and team.



We commenced some of the 'quick wins' outlined in the Athfield Plan

While the development of the Masterplan is ongoing we were able to achieve a number of quick and effective upgrades during the year including the installation of more attractive and effective security fencing along the Great North Road and Stadium Road boundaries. We opened up the MOTAT Village to make it more attractive and inviting and we incorporated a number of murals and other art to add to the colour and vibrancy of the site. In response to visitors' feedback that navigating around our two sites was an issue, we also introduced new Wayfinding signage in English and Te Reo.

We were hoping to have started the carpark renewal at the Meola Road site during the year but, the complexity of the drainage system, and the supply and demand for building materials in the current climate, meant that the cost of the project was significantly more than we were expecting. Subsidence issues at MOTAT 2 also led to some unplanned budget expenditure, so we have incorporated the development of the carpark at Meola Road into our Masterplan timeframe.

Our three hubs (i.e. Collections, Museum Experience and Business Services) will provide greater detail for each area of operation. We would like to close our overview by acknowledging one of our

collection highlights for the year, namely the donation by Ivan and Beth Hodge of their famous 1961 Volkswagen Beetle. We are honoured to become the custodian of arguably one of New Zealand's most iconic cars. Both the Hodge's story of international travels made in the car, and the VW Beetle's overall significance in New Zealand's cultural and automotive history, make this a highly significant addition to MOTAT collections and adds to New Zealand's remarkable history of endurance, innovation and trailblazing.

Finally, the Auckland Council's Funding and Performance Committee requested in March 2016 that our funding and governance structure, and by definition our legislation (i.e. the Museum of Technology And Transport Act 2000) be reviewed. We have had a number of meetings with Regional Facilities Auckland and the Ministry of Arts, Culture and Heritage on how to improve our governance and funding structure for the benefit of Auckland and visitors and those discussions are continuing.

Mā whero, mā pango
ka oti ai te mahi.



A handwritten signature in black ink, appearing to read 'Michael Frawley'.

Michael Frawley | CHIEF EXECUTIVE OFFICER



A handwritten signature in black ink, appearing to read 'Lesley McTurk'.

Dr Lesley McTurk | BOARD CHAIR



OUR YEAR

Business Services Hub Overview

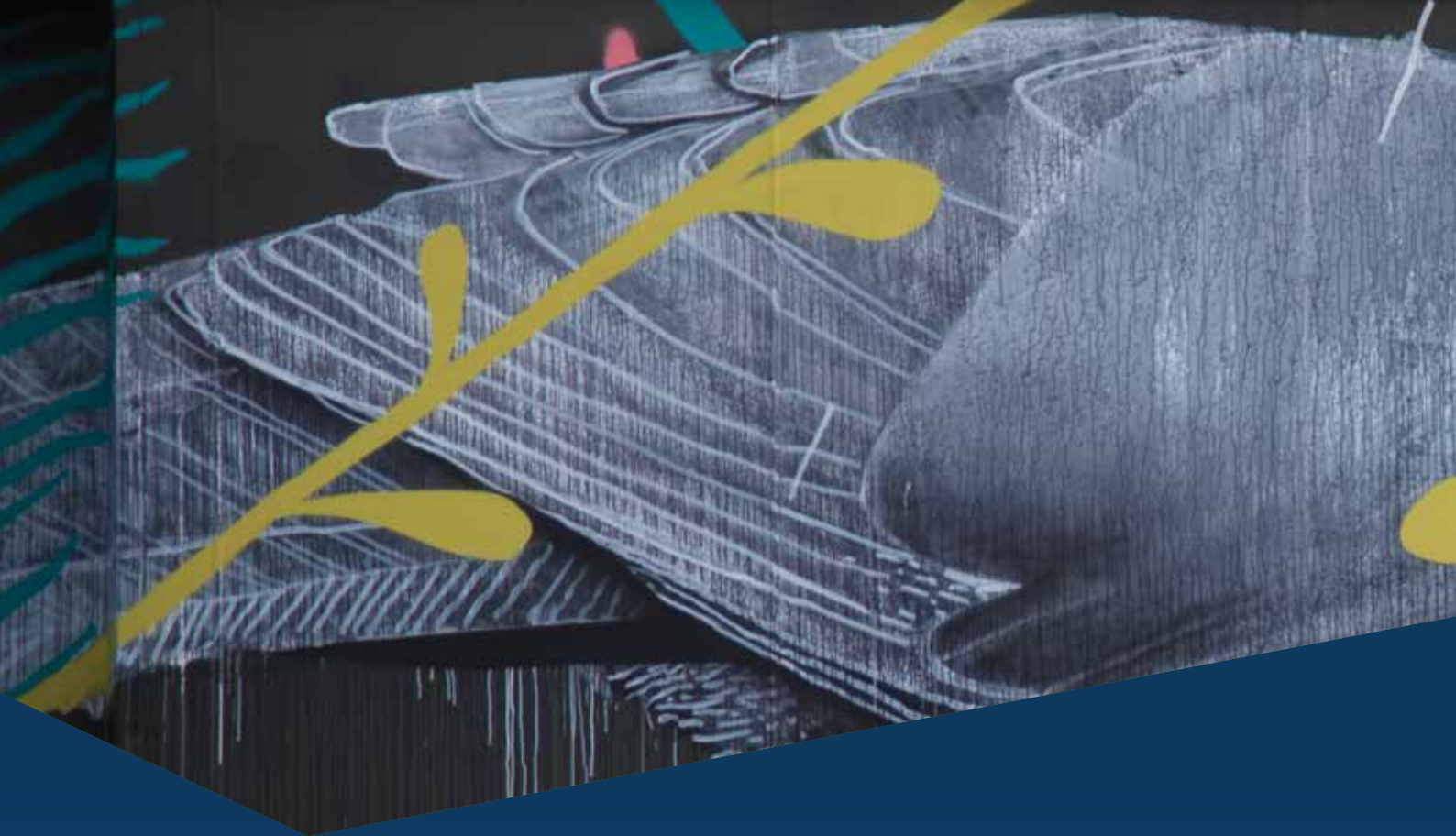
The Business Services Hub has continued its focus on improving MOTAT's structures and systems and empowering the MOTAT team (i.e. the employees and volunteers) to ensure we have the right foundation to fulfil the Museum's vision. To these ends, we have undertaken engagement surveys and contract reviews to support, develop and grow the MOTAT Team; developed new leadership programmes; and worked to maintain and upgrade MOTAT's buildings and infrastructure. The refurbishment and upgrading of the Walsh Memorial Library has been a significant milestone in providing fit-for-purpose spaces for our collections, the MOTAT Team, visitors and researchers, as has opening the new Innovation Hub. This dynamic new space for events, displays and changing exhibitions is an expression of our changing role in Auckland as a centre for debate, learning and innovation.



BUSINESS SERVICES HUB

The Business Services Hub consists of the People and Performance, Finance and IT, Environment and Infrastructure, and Health and Safety (including Regulation and Compliance) teams. The primary purpose of the Hub is to support the other two Hubs and ensure that we operate MOTAT in an efficient, safe and compliant manner, and that the MOTAT Team is continually upskilling themselves for the roles they perform. Here is a summary of achievements and highlights for the year.

ADDING COLOUR AND VIBRANCY TO OUR
BUILDINGS
HAS BEEN A SIGNIFICANT MILESTONE



HEALTH & SAFETY

We have improved our Health and Safety Management System by revising and updating the following documentation: induction documents; Serious Incident Investigation Report template; Injury and Hazard/Near Miss/Incident reporting forms; injury and incident database; new risk management documentation including Risk Matrix, Hierarchy of Control and Risk Assessment; and Movement of Vehicles on Site policy.

As part of our Regulatory and Compliance responsibilities we completed the draft of MOTAT's combined rail and tram Safety Case and submitted the document to NZTA for approval.

PEOPLE AND PERFORMANCE

A significant achievement of the People and Performance team during the year included working with our volunteers to increase the diversity within the team, but also engaging volunteers on short term, non-traditional projects (e.g. Code Club, Volunteer Coordinator). In line with the Annual Plan objectives, the demographic makeup of the volunteer team is now 14% female, 34% under 60 years of age, and comprised of volunteers from over twelve different countries and we have increased the volunteer team by 51 members over the year.

ENGAGEMENT SURVEYS

We undertook two Employee Engagement Surveys, one to provide a baseline for improvement at the beginning of the year and another to measure success. We saw an increase by up to 22% in key areas of focus in the survey, namely – action, reward and recognition, and collaboration. As an outcome of this, a small number of new benefits were added to MOTAT's benefits package, the first in a number of years, marking a shift in MOTAT's approach to reward and recognition.

Our first Volunteer Engagement Survey was also undertaken towards the end of the year to provide a baseline for future improvement and a resource to inform and enhance the experience of volunteering at MOTAT.

LEADERSHIP DEVELOPMENT PROGRAMME

We developed and rolled out a Leadership Development Programme and phase one of the training commenced for all team leaders. This is a significant investment in developing our Leadership Team, and providing them with the right tools and techniques to effectively lead and manage their teams during a period of significant change at MOTAT. This training programme continues throughout the 2016/2017 year.



ENVIRONMENT AND INFRASTRUCTURE

The key project in this period was the Space Changes Project which upgraded our main exhibition building into the Innovation Hub. The project redeveloped the building into three different exhibition spaces, consistent with the technology aspect of our strategy. The building is now able to house large exhibitions as well as an innovation space for visitors called The Idea Collective.

The Walsh Memorial Library was refurbished and upgraded into a museum-standard, climate-controlled environment for the proper storage and care of our library and pictorial collections.

An audit was carried out to assess utility services placement in the historic village. Working alongside Auckland Council, we improved power and plumbing services, whilst also installing underground ducts and conduit ready for the proposed upgrades under the MOTAT Masterplan. Three new large sewer/water pump stations were installed as part of this work.

SECURITY

We continued with the upgrading and improvement of our security infrastructure and systems, with the installation of new, more modern security fencing around the boundary line of our Great North Road site; the installation of new external security lighting; and the improvement of the camera, access and alarm systems. Our new security fencing has also improved the look and feel of our site on Great North Road.

FINANCE AND IT

The Finance and IT team oversaw significant upgrades to our IT infrastructure, including installation of new fibre connections to critical buildings, upgraded switches and new servers into the network. Whilst these initiatives replace end-of-life equipment, and provide a more secure and stable IT infrastructure to support our business operations, they also increase our ability to support the growth and enhancement of the digital experience of our visitors.

Collections Hub Overview

The Collections Hub has continued its focus on managing and growing a collection that tells the story of transport, technology, ingenuity, and New Zealand's innovators. We have provided for greater protection, improved handling and storage of our collections, and successfully secured funding for the final two years of the Collection Inventory and Digitisation project. Some of the highlights include 477 objects added to the collection including the much publicised 1961 Volkswagen Beetle donated by Ivan and Beth Hodge; over 4,000 new images of our collection objects attached to our records in Vernon; supplying a number of items for Air New Zealand's high-profile 75th Anniversary exhibitions; and an increase in visitor numbers and external researchers to the reopened Walsh Memorial Library.

COLLECTIONS HUB

The Collections Hub is responsible for the storage, handling, documentation, operation and display of MOTAT's collection. We have worked to improve the quality of the collection and its care; grown our knowledge and expertise in relation to our collection; and supported the Museum Experience Hub in developing and implementing exhibitions, events and activities. Here are some of the collection's highlights for the year.

...MUCH PUBLICISED

1961

VOLKSWAGEN BEETLE
DONATED BY
IVAN AND BETH HODGE

UPDATED PROCEDURES AND POLICIES

We updated and developed several procedures and policies to better manage our collections, including our Donation Agreement, Incoming and Outgoing Loan Agreement Forms, with new acquisition procedures and forms drafted to formalise the activities of the Acquisition and Disposal Committee.

COLLECTION ITEMS

As outlined above we had 477 additions to our collection, including the much publicised 1961 Volkswagen Beetle donated by Ivan and Beth Hodge, and a complete Vickers projecting microscope used for teaching and research by the University of Auckland in the 1950s and 60s. We supported both Te Papa and Auckland War Memorial Museum by supplying a number of collection items for Air New Zealand's 75th Anniversary exhibition as it toured the country.

DIGITISATION

With the support of the Fundraising team, we successfully secured funding for the final two years of the Collection Inventory and Digitisation projects. Over 4,000 new images of our collection objects have been attached to our records in Vernon, and over 1,000 collection records and their associated images have been uploaded to MOTAT's Collection Online.

COLLECTION REVIEW

We reorganised storage space at our offsite facility and established an office area to accommodate the Collection Inventory team. In preparation for the Collection Review pilot in 2016/2017, we have established templates, processes and a collections framework. Collection areas are being redefined and modernised. We have developed an Acquisitions Framework, and established Significance Criteria to aid collection acquisitions and disposals, research and interpretation. Our staff had training on Collection Significance from one of the world's foremost experts in the discipline, Roslyn Russell, co-author of Significance 2.0.

WALSH MEMORIAL LIBRARY

We reopened the reconfigured and upgraded Walsh Memorial Library in July 2015 and for the first time

have climate-controlled facilities for our library and photographic collection. We exceeded projections for numbers of items to be digitised in significant collections, and enhanced records at item level allowing users to identify individual images, or pieces of information within a collection. With these improvements, and publicity generated from it, we have seen an increase in visitor numbers and external researchers.

SUNDERLAND AND SOLENT AIRCRAFT

Utilising external experts International Conservation Services to assist the MOTAT Team, we commenced planning for the conservation (including preservation and restoration) of the Sunderland and Solent aircraft, with the plans peer-reviewed by expert representatives from other museums.

MAINTAINING HISTORIC BUILDINGS

We lodged an application for resource consent for maintenance and upgrade work to the Engineer's Cottage, and started plans for maintenance on the Pumphouse and for an independent external review of the Beam Engine and its maintenance and operation.

NEW EXHIBITIONS

We supported the new exhibitions spaces Get Smart, The Idea Collective and Innovation Hub, as well as providing collection items to the various new and enhanced events run throughout the year.

TRAMWAY

Collection Projects during the year focused mainly on the tramway, with major restoration to the tower wagon, to it to get it back into operational use, and the replacement of twelve overhead poles.

COLLABORATION WITH EXTERNAL GROUPS

It was a privilege to support Museums Aotearoa during the year by providing leadership in the development of Operating Heritage Collections Guidelines, and hosting the Museums Australasia Conference welcome function in our Aviation Display Hall.



477

ADDITIONS
TO OUR
COLLECTION

MUSEUM EXPERIENCE HUB OVERVIEW

The 2015/2016 year was an incredibly busy and rewarding one for the Museum Experience Hub. We not only had more visitors through the door, thanks in part to our involvement in Pasifika but we got positive feedback on the various changes that had been implemented around the museum. Our primary focus was on maximising the visitor experience across the museum and we developed many new and innovative events and programmes, as well as enhancing a number of our existing and popular visitor offerings. A number of our events also attracted new and under-represented audiences to MOTAT for the first time.

MUSEUM EXPERIENCE HUB OVERVIEW

The Experience Hub manages the Museum's exhibitions, commercial events, education programmes, digital engagement and marketing activities. Its mandate is to transform MOTAT into a lightbulb institution that inspires its visitors and makes it an exciting place to engage with and the following is a summary of the Hub's highlights for the year.

20,000+ VISITORS
TO MOTAT NIGHTS, CHRISTMAS LIGHTS

248,668
TOTAL MOTAT VISITORS

MORE EXHIBITIONS

We opened our major new exhibition area Get Smart – NZ Wired in the Digital World in July 2015, which was greeted by the NZ Herald as “... sure to send brains on a magical mystery ride.” Get Smart showcases consumer technology and communications, and includes a 10m tall ‘selfie tower’.

Our temporary exhibition calendar included the popular Sounds Amazing and Body in Action exhibitions from Te Manawa Museum, and Science on the Move from Questacon in Australia. And, in partnership with the University of Auckland, we opened Eyetrackers, an exhibition about the ground-breaking ‘Actigaze’ technology, which allows people with agility impairment to click links on their browser with their eye movements. Partnering with institutions like the University of Auckland is part of our ongoing focus to highlight and celebrate New Zealand technology, innovation and ingenuity.

As part of our WW100 programme, we opened the exhibition First of the Few in the Walsh Memorial Library to commemorate the achievements of New Zealand’s first flying school and its pilots.

INNOVATION HUB

Another major development was the opening of our installation and event space the Innovation Hub in December 2015. This area includes a temporary exhibitions hall and The Idea Collective – a dynamic, collaborative project and event space for innovators, artists, designers, and technologists to work on cutting-edge displays and experiences that celebrate New Zealand’s vibrant innovation culture.

ADDING COLOUR AND VIBRANCY TO THE GROUNDS

We transformed exterior spaces around MOTAT with the installation of a colourful new wayfinding system in English and Te Reo and several new murals by local and international artists. Navigating around the museum is now easier and more enjoyable for our visitors and we knew from our visitor feedback that this was an area that needed to be addressed.

MORE VISITOR ENGAGEMENT

We have not only increased the number of live/demo days but we have focused on making our street and event experiences a lot more hands-on and interactive. Some of our new experiences include: Weekends of Imagination, MOTAT Mother’s Day which was themed around vintage 1950’s, a refresh of Military Day (complete with Warbirds flyovers), and a number of new agile, pop-up style events, like #LeadingTheCharge, the electric vehicle campaign.

We added Science in a Sec to our school holiday interactive programmes, which included a series of pop-up experiment booths. This attracted an increase in the number of group bookings over the school holidays and many more people were able to interact with the project when we took it down to the Cloud over Queens Birthday weekend which had over 21,000 visitors.

MORE CONNECTIONS

We have tried to embed a digital component into everything we now do at MOTAT including the installation of public Wi-Fi with an exponential opportunity for enhanced research, social connection and exploration online for our visitors while they are at the museum.

GROWING COMMERCIAL OPPORTUNITIES

We increased our fundraising efforts through a new fundraising calendar and by applying for a number of grants.

Our functions team repositioned our events to a more premium offering, achieving a 65% increase in revenue and gaining a reputation for excellence in the Auckland function and events market. This expertise was displayed to its full by Dining in the Skies, our charity fundraising dinner for the restoration of the Solent flying boat.

Our retail and café offerings were also reviewed and repositioned with a 35% increase in sales.

Strategic planning for our partnerships programme commenced including the development of a three year Partnerships Strategy and supporting documents.

CONTRIBUTING TO OUR COMMUNITY

We supported two large charity events during the year: Blue September and Camp Quality as well as supporting Starship Foundation and Auckland Women's Refuge with Christmas gifts from our Christmas Lights event.

In addition to supporting a large number of community groups in their fundraising efforts, we were invited to host the pan Pasifika village and radio station for the Pasifika Festival in March 2016.

A BIGGER MARKETING IMPACT

In line with our strategic objectives, the marketing team have worked hard to increase public awareness of MOTAT activities. These efforts led to being selected as a category finalist for "Excellence in Marketing" at the 2015 Westpac Auckland Central Business Awards. This achieved the Museum a PR value of \$2,260,395, with an audience reach of 58,357,579 (Source: iSentia Media Monitoring). The museum was also a finalist in the "Strategy" category.

INNOVATION IN EDUCATION

We aligned our new school programmes with the Ministry of Education's priority areas and saw an increase in attendance. In addition to term-time programmes, we developed several new afterschool and school holiday opportunities for children including Learn to Code@MOTAT, a free afterschool coding/programming club, supported by Code Club Aotearoa.

We also held a number of Minecraft Technology Camps in collaboration with Future Genius Ltd (operated under license by Bubbledome). Participants worked in a team-based multiplayer environment – a 'MOTAT World' – where collaboration and cooperation between participants was crucial.

We upgraded our Science Street Fair, with stands from various local tertiary institutes to raise the awareness of science and technology as a career option. We had a record public attendance of 1,300 high school students, leading to a large number of enquiries from various institutes looking to participate in our event next year.

MOTAT LEADERSHIP

Senior Management Team



**MICHAEL
FRAWLEY,**

Chief Executive Officer/
Museum Director



**MALCOLM
ANDERSON,**

General Manager
Museum Experience



**WAYNE
SCHACHE**

General Manager
Business Services



STEVEN FOX

General Manager
Collections

Current MOTAT Board

DR LESLEY MCTURK (CHAIR)

MIKE SPRAGGON (DEPUTY CHAIR)

LINDSAY CORBAN

BRUCE HOWAT

RICHARD JEFFERY

JOHN MCELHINNEY

GRAEME OSBORNE

BILL RAYNER

HON. JUDITH TIZARD

SUE WOOD

GOVERNANCE

Board Sub-Committees

The Board established the following sub-committees to ensure that it can effectively govern and monitor our financial, legal, social and health and safety obligations:

AUDIT AND RISK COMMITTEE

Chair: **Mike Spraggon**

Committee members: **Graeme Osborne, Judith Tizard**

This Committee was established in June 2006 to assist the Board with its statutory and overseeing responsibilities in relation to financial monitoring and reporting, risk assessment and audit and regulatory compliance. The Committee seeks input and guidance from independent external advisors (e.g. the Museum's auditors and insurance brokers) as and when required.

APPOINTMENTS PERFORMANCE AND REMUNERATION COMMITTEE

Chair: **Bruce Howat**

Committee members: **Lindsay Corban and Lesley McTurk**

The Annual Performance Review Committee oversees the performance and remuneration of the Museum's Chief Executive Officer/Museum Director and Senior Management Team. The Committee seeks independent advice on performance management and remuneration as and when required.

HEALTH AND SAFETY

Board Representative: **Bruce Howat**

The Board has a representative on the MOTAT's Health and Safety Committee which meets every month.

DEVELOPMENT REVIEW GROUP

(PREVIOUSLY PROJECT CONTROL GROUP COMMITTEE)

Board Representative: **Bill Rayner**

The Development Review Group oversees any significant projects in relation to the Museum's buildings and infrastructure and it seeks independent legal and other advice as and when required.

STRATEGY AND FUNDING COMMITTEE

(PREVIOUSLY STRATEGY)

Chair: **Lindsay Corban**

Committee members: **John McElhinney, Richard Jeffery and Sue Wood**

The Strategy Committee is responsible for overseeing the implementation of the Museum's strategy and the development of the long term plans so that they can be considered by the Board as a whole.



FINANCIAL STATEMENTS

For the year ended 30 June 2016

ANNUAL ACCOUNTS 2015-2016

We are pleased to report that we received an unqualified audit opinion for 2015/2016. The numbers presented in the audited accounts were sound and there were no material issues. This confirms that we are financially stable and well positioned to progress our strategy and implementation of the MOTAT Masterplan.

We recorded a \$2.019 million surplus for the year as shown in the Statement of Comprehensive Revenue and Expenditure. Consistent with previous years, our surplus was reinvested in the Museum, particularly into larger capital projects including our new Wayfinding initiative - enabling visitors to easily navigate their way around the Museum, the continued upgrade of the security fence and camera system, the remodelling of the Idea Collective and the initial costs associated with design and tendering of the carpark.

In relation to the carpark project, market forces impacting the cost of materials and labour, along with more complex design requirements than initially expected, resulted in the final cost of the carpark being greater than the funds set aside for the project. As a result, the Board decided to delay the project to the 2017/2018 financial year, and allocated the funds to bring forward projects that the Board considers will progress our strategic objectives. These projects will be completed in the 2016/2017 financial year.

One of our large exhibitions - 'Baby X' did not proceed as a result of third party delays. These funds have been allocated to new exhibition projects in the 2016/2017 financial year.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2016

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016	2015
Revenue from non-exchange transactions			
Levies from Territorial Authorities		12,287,000	11,987,000
Grants and Donations	2	414,203	498,563
Rent - Donation	1(a)	528,750	528,750
		13,229,953	13,014,313
Revenue from exchange transactions			
Interest Received		231,186	283,057
Other Operating Income	3	1,848,160	1,694,279
		2,079,346	1,977,336
Total Revenue		15,309,299	14,991,648
Expenses			
Employee Benefits Expense		5,385,364	4,652,327
Depreciation and Amortisation Expense	4	1,425,686	1,222,847
Finance Expense		63,187	115,141
Rent - Expense	1(c)	528,750	528,750
Other Expenses	5	5,887,336	6,448,353
		13,290,323	12,967,418
Surplus		2,018,977	2,024,230
Other comprehensive revenue and expenditure			
Movement in revaluation reserve	8b	805,425	3,669,500
Total Comprehensive Revenue and Expenditure		2,824,402	5,693,730

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	Projects Reserve	Asset Revaluation Reserve	Retaining Earnings	Total Equity
Balance as at 1 July 2015	175,578	4,494,580	52,722,206	57,392,364
Surplus			2,018,977	2,018,977
Transfer to/(from) Project Reserve	38,847		(38,847)	-
<i>Other Comprehensive Revenue and Expenditure</i>				
Asset revaluation reserve		805,425		805,425
Total Comprehensive Revenue and Expenditure	38,847	805,425	1,980,130	2,824,402
Balance as at 30 June 2016	214,425	5,300,005	54,702,336	60,216,766
	Projects Reserve	Asset Revaluation Reserve	Retaining Earnings	Total Equity
Balance as at 1 July 2014	175,015	825,080	50,698,539	51,698,634
Surplus	563	-	2,023,667	2,024,230
<i>Other Comprehensive Revenue and Expenditure</i>				
Asset revaluation reserve	-	3,669,500	-	3,669,500
Total Comprehensive Revenue and Expenditure	563	3,669,500	2,023,667	5,693,730
Balance as at 30 June 2015	175,578	4,494,580	52,722,206	57,392,364

The accounting policies and notes to these financial statements form part of, and should be read in conjunction with these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note	2016	2015
CURRENT ASSETS			
Cash and Cash Equivalents	7	2,908,414	1,271,538
Receivables from exchange transactions		74,814	74,494
Prepayments		99,260	32,411
Shop Inventory		92,070	71,156
GST Receivable		158,758	181,905
		3,333,315	1,631,504
NON CURRENT ASSETS			
Intangible Assets		64,160	102,086
Property, Plant and Equipment	8a	30,675,217	30,609,816
Collections	8b	28,823,651	27,993,226
		59,563,028	58,705,128
TOTAL ASSETS		62,896,343	60,336,632
CURRENT LIABILITIES			
Payables under exchange transactions	9	1,374,461	1,518,868
Other accounts payable		14,179	14,950
Current portion of RFA Term Loan	10	71,185	67,798
Hire Purchase < 1 Year	10	7,710	7,221
Traction Engine Loan	10	58,699	70,000
Income in advance	6	321,672	304,821
		1,847,906	1,983,658
NON CURRENT LIABILITIES			
RFA Term Loan	10	824,177	895,359
Hire Purchase > 1 Year	10	7,495	15,211
Traction Engine Loan	10	-	50,040
		831,672	960,610
TOTAL NET ASSETS		60,216,766	57,392,364
EQUITY			
Retained Earnings		54,702,336	52,722,206
Asset Revaluation Reserve		5,300,005	4,494,580
Projects Reserve	11	214,425	175,578
TOTAL EQUITY		60,216,766	57,392,364

BOARD MEMBER

L.H. Turk

DATE 20 October 2016

BOARD MEMBER

Shirley

DATE 20 October 2016

The accounting policies and notes to these financial statements form part of, and should be read in conjunction with these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016	2015
Cash from Operating Activities			
Cash was provided from:			
Levies from Territorial Authorities		12,287,000	11,987,000
Grants and Donations		389,203	324,162
Receipts from operations		1,797,842	1,770,852
Interest income		231,186	302,005
Cash was disbursed to:			
Payments to Suppliers, Employees and others		11,478,828	10,840,290
Borrowing costs paid		11,301	187,993
Net Cashflow from/(applied to) Operations		3,215,102	3,355,736
Cashflow from Investing Activities			
Cash was applied to:			
Payments for property, plant and equipment		1,453,162	2,308,338
Payments for heritage assets		50,040	64,101
Net Cash (applied to)/from Investing Activities		(1,503,202)	(2,372,439)
Cash flow from Financing Activities			
Cash was provided from:			
Proceeds from borrowings		-	-
Cash was applied to:			
Repayment of borrowings		75,023	4,042,136
Net Cash (applied to)/from Financing Activities		(75,023)	(4,042,136)
Net Increase/ (Decrease) in cash held		1,636,876	(3,058,839)
Opening Cash Balance		1,271,538	4,330,377
Closing Cash Balance		2,908,414	1,271,538
Represented by:			
Cash and Cash Equivalents	7	2,908,414	1,271,538

The accounting policies and notes to these financial statements form part of, and should be read in conjunction with these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

The Museum of Transport and Technology Board (MOTAT) is an entity established under the Museum of Transport and Technology Act 2000 which came into force on 1 April 2000. The Board has been established exclusively for charitable purposes. The museum registered as a charitable entity under the Charities Act 2005 on 30 June 2008, registration number CC30945. It is also a public entity as defined by the Public Audit Act 2001.

The Museum is spread over the two geographical sites at M1 (805 Great North Road), and M2 (Motions Road), Western Springs, Auckland.

MOTAT's goal is to move away from being a museum that predominantly focuses on its objects to an institution that uses its collection and its focus on Kiwi ingenuity, transport, technology and the associated stories in a creative and interactive way that motivates and inspires the innovators of tomorrow. By doing this MOTAT will provide a multi-dimensional experience that its visitors will find rewarding and will make them want to return for more on a regular basis.

The financial statements were authorised for issue by MOTAT on the date as evidenced as signed on the Statement of Financial Position. Once issued, members of the Board do not have the power to amend these financial statements.

STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

For financial reporting purposes, MOTAT is considered a public sector Public Benefit Entity. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand. They comply with Tier 2 Public Benefit Entity Standards (PBE Standards) that have been authorised for use by the External Reporting Board. The entity is able to and has elected to apply Tier 2 PBE Standards on the basis that it does not have public accountability and it is not considered large. In preparing these financial statements, the Board has taken advantage of all applicable Reduced Disclosure Regime (RDR) disclosure concessions.

The Financial Statements are prepared in accordance with the Museum of Transport and Technology Act 2000 and include results of the Board for the year ended 30 June 2016.

The financial statements are presented in New Zealand dollars rounded to the nearest dollar.

The measurement base adopted is that of historical cost, except for specific policies outlined below that adopt fair value accounting.

SUMMARY OF ACCOUNTING POLICIES

The following accounting policies, which materially affect the measurement of comprehensive revenues and expenses, cash flows, and items in the Statement of Financial Position of the Board, have been applied. The policies have been consistently applied to all the years presented.

(a) REVENUE RECOGNITION

Revenue from non-exchange transactions

Levies

All levy revenue received by MOTAT is in accordance with the MOTAT Act 2000. Levy revenue is recognised as the revenue is received. This is from Auckland Council. The Auckland Council has an Advisory and Management agreement with Regional Facilities Auckland. The levy revenue is now received from the Regional Facilities Auckland.

Grants and Donations

Grants and donations are recognised as income when they become receivable unless MOTAT has a liability to repay the grant if the conditions of the grant or donation are not fulfilled. A liability is recognised to the extent that such conditions are unfulfilled at the end of the reporting period.

Rent Donation

The land on which MOTAT operates is leased at subsidised rates from the Auckland Council. The rent donation is not directly received in cash by MOTAT and equates to the deemed expense for using the land. This notional income is recognised as income in the period in which MOTAT uses the land.

Revenue from exchange transactions

Gate Revenue

Gate admissions are recognised at the time cash is received or an invoice is issued.

Sale of Goods

Revenue from the sale of goods is recognised when MOTAT has transferred to the buyer the significant risks and rewards of ownership of the goods.

MOTAT Mates Passes

Revenue from the annual pass is recognised monthly, over the period of the membership.

Interest and Dividend Income

Interest is recognised in the Statement of Comprehensive Revenue and Expenditure as it accrues, using the effective interest method. Dividend income is recognised in the Statement of Comprehensive Revenue and Expenditure when the right to receive payment is established.

(b) EMPLOYEE ENTITLEMENTS

Annual leave is measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and annual leave earned to, but not yet taken, at balance date.

After the completion of five years continuous service an employee, who is under collective agreement with The Northern Amalgamated Workers Union, shall receive a special one off additional holiday of 5 days.

(c) RENT EXPENSE

The property from which MOTAT operates is owned by the Auckland Council. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes. This is a non-cash expense recognised in the period that MOTAT uses the land.

(d) PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment are initially stated at cost less accumulated depreciation and accumulated impairment losses as outlined below. Maintenance costs are recognised as an expense as incurred in the Statement of Comprehensive Revenue and Expenditure.

Depreciation

Depreciation is provided on a straight line basis on all Property, Plant and Equipment at rates that will write-off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Depreciation is recognised and charged to the Statement of Comprehensive Revenue and Expenditure.

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

Furniture and Fittings	20%
Leasehold Improvements	3%
Motor Vehicles	10%
Computers and Software	40%
Plant and Equipment	17.5%

Redevelopment costs relate to costs incurred in the planning stage of the redevelopment of MOTAT 2 and other ongoing projects. Costs incurred to date represent work in progress and therefore have not been depreciated. Once the asset becomes available for use, the costs associated to that asset will be transferred to the appropriate asset category and depreciated accordingly. Any redevelopments in progress that are abandoned are written off.

Additions

The cost of an item of Property, Plant and Equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to MOTAT and the cost of the item can be measured reliably.

In most instances, an item of Property, Plant and Equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition.

Donated assets are recorded at fair value less any impairment costs.

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 reported net in the Statement of Comprehensive Revenue and Expenditure.

Impairment

All items of Property, Plant and Equipment owned by MOTAT have been deemed by the Board to be non-cash generating as the primary objective for holding those assets is not to generate a commercial return.

All items of Property, Plant and Equipment including collection assets are reviewed to identify any indicators of impairment at each balance date. Where there is an indicator of impairment the asset's recoverable service amount is measured, being the higher of the asset's fair value less costs to sell and value in use. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount.

Value in use is the present value of the asset's remaining service potential. Fair value is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties.

If an asset's carrying amount exceeds its recoverable service amount, the asset is impaired and the carrying amount of the asset is reduced to its recoverable service amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the Statement of Comprehensive Revenue and Expenditure.

For assets not carried at a revalued amount, the total impairment loss is recognised in the Statement of Comprehensive Revenue and Expenditure.

Where the asset does not generate cash flows that are independent from other assets, MOTAT estimates the recoverable amount of the cash generating unit to which the asset belongs.

(e) COLLECTIONS

MOTAT has an extensive collection acquired over a long period of time. The Board has developed a full register and catalogue of the collection. From this register, all assets with a value in excess of \$5,000 were identified and valued as at 30 June 2010 by appropriate independent experts. This valuation has been accepted by the Board as deemed cost. Categories of significant collection assets are revalued by appropriate independent experts on a five year rolling basis, with the first cycle having commenced in 2012, and will be subject to an annual assessment for any potential impairment. For a period of three years starting from 01 July 2014 independent valuations of items not previously

identified within the collection will be made. This is to ensure that within the three-year period all significant heritage asset collections belonging to MOTAT are valued. The collections will then be subject to the rolling five year valuations.

The other low value assets in the collection have not been included in the financial statements as the Board believes the cost of valuing and reporting these assets outweighs the benefit to the readers of the financial statements.

The cost of acquisition of collection items, or in the case of donated assets the deemed cost of those assets, will be recognised in the Statement of Financial Position.

In the Board's opinion, as the collections tend to have an indefinite useful life and are generally not of a depreciable nature, depreciation is not considered applicable. Collection assets are reviewed annually at balance date by the Board and management for indicators of impairment.

(f) 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 MOTAT are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Computer software is a finite life intangible asset and is recorded at cost less accumulated amortisation and impairment losses. It is amortised over 2.5 years on a straight line basis.

(g) INVENTORIES

Inventories are stated at the lower of cost, using the first in, first out basis and net realisable value. Allowance has been made for deterioration and obsolescence based on age, condition and sale value of the various items.

(h) GST

All balances are presented net of goods and service tax (GST), except for receivables and payables, which are presented inclusive of GST.

(i) ACCOUNTS RECEIVABLE

Debtors and other receivables for both exchange and non-exchange transactions 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.

(j) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and deposits held at call with domestic banks. Short term investments include highly liquid investments with original maturities of three months or less and which are subject to an insignificant risk of changes in value.

(k) TAXATION

The Board has been granted charitable status and as such receives an exemption from Income Tax. MOTAT registered as a charitable entity under the Charities Act 2005 on 30 June 2008. MOTAT's registered charity number is CC30945.

(l) CREDITORS AND ACCRUALS

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

Accruals are made for benefits accruing to employees in respect of wages and salaries, annual leave, and alternative leave when it is probable that settlement will be required and they are capable of being measured reliably. Accruals made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Accruals made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by MOTAT in respect of services provided by employees up to reporting date.

(m) INCOME IN ADVANCE

MOTAT receives grants from organisations for specific capital projects. Funds are recognised as revenue when the conditions of the contracts have been met. An income in advance liability reflects funds that are subject to conditions that, if unfulfilled, are repayable until the condition is fulfilled. MOTAT Mates annual pass income in advance represents unearned receipts as noted in note 1(a).

(n) LEASES

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Operating lease payments are recognised as an expense in the Statement of Comprehensive Revenue and Expenditure.

(o) STATEMENT OF CASH FLOWS

The following are the definitions of the terms used in the statement of cash flows:

1. Cash is considered to be cash and cash equivalents.
2. Operating activities include cash received from all income sources and cash payments made for the supply of goods and services that are not investing or financing activities.
3. Investing activities are those activities relating to acquisition and disposal of non-current assets.
4. Financing activities include activities that change the equity and debt capital structure.

(p) CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

The areas where the most critical estimates and assumptions apply are in relation to:

Valuation of Collection assets – whereby independent valuers are used to estimate fair values (refer note 8 b).

Depreciation – whereby management makes an estimate of the useful lives of depreciable assets (refer policy d).

(q) FINANCIAL INSTRUMENTS

Financial instruments are recognised in the Statement of Financial Position when the entity becomes party to a financial contract. They include cash balances, bank overdrafts, receivables, payables, investments in and loans to others, and term borrowings.

Receivables and Payables

Receivables and payables are initially recorded at fair value and subsequently carried at amortised cost using the effective interest method. Due allowance is made for impaired receivables (doubtful debts). The resulting carrying amount for receivables is not materially different from estimated realisable value.

Borrowings

Borrowings (comprising the RFA loan and traction engine loan) are initially recorded at fair value net of transaction costs incurred, and subsequently at amortised cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the borrowings or, where appropriate, a shorter period, to the net carrying amount of the borrowings.

Borrowings are classified as current liabilities unless MOTAT has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

Borrowing costs are capitalised over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalisation ceases when construction of the asset is complete. Further borrowing costs are charged to the Statement of Comprehensive Revenue and Expenditure.

2. GRANTS AND DONATIONS

GRANTS	2016	2015
Donated Collection Assets	25,000	174,401
Ministry of Education Grant	135,099	135,099
Auckland Airport	10,000	-
Trillian Trust	-	15,000
New Zealand Lottery Board	202,891	156,691
New Zealand Communities Trust	-	15,000
Other Donations and Grants	41,213	2,372
	414,203	498,563

3. OTHER OPERATING INCOME

	2016	2015
Gate and Tram Admission	1,229,976	1,179,949
Hirage, Events and Functions	323,170	245,448
Other Income	44,509	25,107
Shop Sales	250,504	243,774
	1,848,160	1,694,279

4. DEPRECIATION EXPENSE

	2016	2015
Leasehold Improvements	1,105,289	1,035,070
Furniture and Fittings	25,058	19,877
Vehicles	11,527	12,305
Computers and Software	105,538	53,382
Display Equipment	15,399	10,842
Plant and Equipment	124,951	91,372
Intangible Assets	37,926	-
	1,425,687	1,222,847

5. OTHER EXPENSES

	2016	2015
Acquisitions - Library	2,745	2,356
Amenities	4,906	6,061
Audit	64,100	41,000
Bank /Merchant + EFTPOS Fees	22,069	32,663
Board - associated/remuneration	153,048	156,382
Catering and Functions	147,964	114,284
Conservation	41,834	41,528
Consultancy/ Legal Fees	422,561	352,290
Cost of Shop Sales	143,564	116,525
Courier/Postage	17,289	15,440

5. OTHER EXPENSES CONTINUED...

	2016	2015
Research Database	10,419	9,535
Energy / Fuel	130,318	183,792
Events/ Exhibitions/Signage	1,094,509	1,046,789
Expendable Programme Resources	1,679	4,990
Fees, subscriptions, permits and licences	46,865	61,658
Fixed Assets Expenses (<\$500)	4,711	5,286
Insurance – premiums	161,341	179,969
Internet Connection/ IT Support	257,099	317,434
Loss on Disposal	-	46,000
Maintenance expenses	646,884	955,426
Travel/ Accommodation/Vehicle Hire	11,545	36,141
Miscellaneous expenses	12,367	3,178
Marketing	413,359	387,719
Off-site Storage	429,757	449,761
Payroll/Staff, Stakeholder Care/Development	337,452	406,188
Care/Development	2,829	2,905
Photocopying and Printing/Stationery	43,817	67,217
Promotions	8,402	3,007
Publications Costs	-	14,741
Rates – land/water	39,972	54,281
Redevelopment Expenses	97,804	126,293
Restoration Expenses	414,084	678,315
Safety/Security	578,438	388,871
Subscriptions/Memberships	50,490	77,581
Telephones	73,115	62,748
	5,887,336	6,448,353

6. INCOME IN ADVANCE

	2016	2015
New Zealand Lottery Board	185,000	191,025
Other	42,345	18,787
MOTAT Mates Annual Pass Liabilities	94,327	95,009
	321,672	304,821

7. CASH AND CASH EQUIVALENTS

	2016	2015
Cheque Account	149,987	274,292
Business Saver Account	2,751,051	989,871
Imprest Account	7,375	7,375
Total	2,908,414	1,271,538

Cash and Cash Equivalents include items that have a maturity date of less than three months and other liquid items such as cash floats. The utilisation of these funds is for the day to day operations of the museum.

8 a) PROPERTY PLANT AND EQUIPMENT

MUSEUM OF TRANSPORT AND TECHNOLOGY PROPERTY PLANT AND EQUIPMENT FOR THE YEAR ENDED 30 JUNE 2016

Current Year (2015/2016)

	Building & Leasehold improvements	Redevelopment Costs	Furniture & Fittings	Motor Vehicles	Computer & Hardware	Display Equipment	Plant & Equipment	Total
	2016 (\$)	2016 (\$)	2016 (\$)	2016 (\$)	2016 (\$)	2016 (\$)	2016 (\$)	
Opening Balance 1 July	29,705,091	-	77,486	59,197	234,785	69,112	464,144	30,609,816
Add: Additions during the year	799,650	191,182	32,440	-	314,830	31,976	83,084	1,453,162
Less: WIP Transfer from	-	-	-	-	-	-	-	-
Add: WIP Transfer to	-	-	-	-	-	-	-	-
Less: Disposal during the year	-	-	-	-	-	-	-	-
Less: Depreciation	1,105,289	-	25,058	11,527	105,538	15,399	124,951	1,387,761
Closing balance 30 June	29,399,452	-	84,868	47,670	444,077	85,689	422,278	30,675,217
Reconciled to:								
Cost	36,098,505	191,182	499,703	161,467	1,398,533	181,489	1,562,974	40,093,852
Less: Accumulated depreciation	6,699,052	-	414,835	113,797	954,455	95,800	1,140,696	9,418,634
Net Book Value	29,399,452	191,182	84,868	47,670	444,077	85,689	422,277	30,675,217

Previous Year (2014/2015)

	Building & Leasehold improvements	Redevelopment Costs	Furniture & Fittings	Motor Vehicles	Computer & Software	Display Equipment	Plant & Equipment	Total
	2015 (\$)	2015 (\$)	2015 (\$)	2015 (\$)	2015 (\$)	2015 (\$)	2015 (\$)	
Opening Balance 1 July	28,181,199	843,016	67,459	71,502	171,623	72,454	331,992	29,739,247
Add: Additions during the year	1,715,946	-	29,903	-	116,545	7,500	223,524	2,093,418
Less: WIP Transfer from	-	843,016	-	-	-	-	-	843,016
Add: WIP Transfer to	843,016	-	-	-	-	-	-	843,016
Less: Disposal during the year	-	-	-	-	-	-	-	-
Less: Depreciation	1,035,070	-	19,877	12,305	53,382	10,842	91,372	1,222,847
Closing balance 30 June	29,705,091	-	77,486	59,197	234,785	69,112	464,144	30,609,816
Reconciled to:								
Cost	35,298,854	-	467,263	161,467	1,083,703	149,513	1,479,889	38,640,689
Less: Accumulated depreciation	5,593,763	-	389,777	102,270	848,917	80,401	1,015,745	8,030,874
Net Book Value	29,705,091	-	77,486	59,197	234,785	69,112	464,144	30,609,816

The amount of Borrowing costs capitalised during the period is \$Nil (2015-\$Nil).

Impairment

Management and the Board have reviewed all fixed assets at the balance date and have not identified any indicators of impairment, except for the following:

The MOTAT 2 site experienced a subsidence event in March 2016 of which there was only minimal damage. After consultation with Structural Engineers it is not considered to have any impairment, but will be monitored and reconsidered if the circumstances change.



8 b) COLLECTION ASSETS

Current Year (2015/2016)

	Rail	Aviation	Industrial Heritage	Road	Social History	Trams	Comms	Health Science	Military & Medals	Library and 2D Works	Total
	2016 (\$)	2016 (\$)	2016 (\$)	2016 (\$)	2016 (\$)	2016 (\$)	2016 (\$)	2016 (\$)	2016 (\$)	2016 (\$)	2016 (\$)
Opening Balance 1 July 2015	3,208,000	5,443,450	6,455,000	2,962,000	3,854,850	3,450,000	383,000	-	623,901	1,613,025	27,993,226
Add : Revaluation Gains	-	370,160	-	283,700	-	-	107,550	44,015	-	-	805,425
Add : Additions during the year	-	-	-	25,000	-	-	-	-	-	-	25,000
Less : Disposals											
Closing balance 30 June 2016	3,208,000	5,813,610	6,455,000	3,270,700	3,854,850	3,450,000	490,550	44,015	623,901	1,613,025	28,823,651
Reconciled to :	3,208,000	5,443,450	6,455,000	2,962,000	3,854,850	3,450,000	383,000	-	623,901	1,613,025	27,993,226
Opening Balance 1 July 2015											
Net Changes during the year	-	370,160	-	308,700	-	-	107,550	44,015	-	-	830,425
Net Book Value	3,208,000	5,813,610	6,455,000	3,270,700	3,854,850	3,450,000	490,550	44,015	623,901	1,613,025	28,823,651

Previous Year (2014/2015)

	Rail	Aviation & Aviation Engines	Steam & Agriculture	Road	Village Buildings, Contents & Textiles	Trams	Telecoms, Printing & Audio Visual	Health Science	Military & Medals	Library and 2D Works	Total
	2015 (\$)	2015 (\$)	2015 (\$)	2015 (\$)	2015 (\$)	2015 (\$)	2015 (\$)	2015 (\$)	2015 (\$)	2015 (\$)	2015 (\$)
Opening Balance 1 July 2014	3,208,000	4,941,950	5,625,000	2,127,000	3,854,850	2,240,000	160,000	-	431,500	1,607,025	24,195,325
Add : Revaluation Gains	-	501,500	830,000	871,000	-	1,220,000	158,000	-	89,000	-	3,669,500
Add : Additions during the year	-	-	-	-	-	-	65,000	-	103,401	6,000	174,401
Less : Disposals	-	-	-	36,000	-	10,000	-	-	-	-	46,000
Closing balance 30 June 2015	3,208,000	5,443,450	6,455,000	2,962,000	3,854,850	3,450,000	383,000	-	623,901	1,613,025	27,993,226
Reconciled to :											
Opening Balance 1 July 2014	3,208,000	4,941,950	5,625,000	2,127,000	3,854,850	2,240,000	160,000	-	431,500	1,607,025	24,195,325
Net Changes during the year	-	501,500	830,000	835,000	-	1,210,000	223,000	-	192,401	6,000	3,797,901
Net Book Value	3,208,000	5,443,450	6,455,000	2,962,000	3,854,850	3,450,000	383,000	-	623,901	1,613,025	27,993,226

Historically, collection assets have represented all assets under MOTAT ownership that have been assessed as having a significant value. A large number of collection assets have previously been excluded from the financial statements as their collective value was not thought to be large. A new strategy has been put in place commencing in the 2015 financial year, to incorporate and value the remaining non-valued collection holdings, many of which had been identified during the digitising project. In 2015-2016, assets were recognised for the first time in the following collection areas:

1. Aviation – Propellers (37 objects) Civil Aviation (1118 objects) and Commercial Airline Furniture (16 objects)
2. Audiovisual – Cameras, Projectors, Gramophones, Radios, Sound Playing Equipment, TV and Video and Sound Mixing (584 objects)
3. Road Transport – Non Motorised Vehicles (3 objects) and Cycles (26 objects)
4. Health Science – (46 objects)

In addition to the above collection areas being added for valuation in FY 2015-2016 there were items added to the existing valued collection area

1. Road Transport (2 added items by way of donation)

The new collection areas and additional objects recognised for the first time in the 2016 financial year have added \$805,425 in additional value to the collection.

During the year, valuations of those assets recognised for the first time, were performed by the below valuer and on the following basis:

Mossgreen-Webb's valuation services valued, using current market value, the aforementioned new collection areas (numbering 1845 objects) on 31 May and 1 June 2016.

Collection assets are valued based on an estimated market value being the amount for which an asset is likely to be exchanged between a willing buyer and willing seller in an arm's length transaction. The very limited and specialised market for these assets means that, in most instances, there are few transactions on which a value can be reliably based. The recorded values are therefore the best estimates of the valuers based on their knowledge of transactions of similar assets.

Collection assets not recognised in these financial statements have been considered by the Board to have values that are not significant in comparison to the total value of the collection that has been recorded. Assets not currently recorded in the financial statements have no reliable information on which a valuation can be based.

To conform to museum worldwide current practice, some collection asset categories have been merged and renamed as follows:

Steam and Agriculture are now **Industrial Heritage**

Audio Visual, Telecoms and Printing are now **Communication**

Village Buildings, Village Buildings contents and Textiles are now **Social History**.

The previous and following year of valuation is as follows:

Area of Collection	Previous Year of Valuation	Next Year of Valuation
Agriculture	2012	2017
Audio Visual	2016	2021
Aviation-planes	2014	2019
Aviation-engines	2015	2020
Aviation-furniture	2016	2021
Aviation-civil aviation	2016	2021
Aviation-propellers	2016	2021
Computers	2015	2020
Health Science	2016	2021
Library	2014	2019
Medals	2015	2020
Military	2013	2018
Printing	2013	2018
Rail	2014	2019
Road Transport-cars/tractors	2013	2018
Road Transport-motorcycles/bus/fire and emergency	2015	2020
Road Transport-non motorised/cycles	2016	2021
Steam	2015	2020
Telecoms	2011	2017
Textiles	2014	2019
Trams	2015	2020
Village	2014	2019
Village Buildings	2015	2020

As well as the above listed collection areas to be valued in 2017, MOTAT will also be valuing items already held in our collection in the following areas: Pictorial, Domestic Technology, Industrial Heritage and Social History.

9. PAYABLES UNDER EXCHANGE TRANSACTIONS

	2016	2015
Trade Creditors	714,533	619,076
Sundry Creditors	440,902	680,922
Employee Entitlements – Holiday Pay	219,026	218,870
	1,374,461	1,518,868

10. LOAN

Current	2016	2015
Secured RFA Loan	71,185	67,798
Hire Purchase	7,710	7,221
Traction Engine Loan	58,699	70,000

Non Current	2016	2015
Secured RFA Loan	824,177	895,359
Hire Purchase	7,495	15,211
Traction Engine Loan	-	50,040

MOTAT has a loan from Regional Facilities Auckland which is secured by first mortgage over the lease of MOTAT's land. This loan was renegotiated with effect from 1 July 2003 at an interest rate of 5% p.a. MOTAT will repay the loan in monthly instalments of \$9,663 (\$115,956 per year consisting of principal and interest) for a period of 22 years.

The hire purchase relates to the lease of a forklift. Security is held by the lessor over the leased assets.

During the year ended 30 June 2013 MOTAT purchased two traction engines with payment being deferred over five years. Repayments of the vendor loan will be \$70,000 each year with final repayment being in 2017. The loan is interest free and unsecured.

11. PROJECTS RESERVE

	2016	2015
DC3 NAC Repaint Reserve	1,350	1,350
Engineers Cottage Reserve	11,932	11,932
KA and LA Locomotives	9,390	9,390
Lancaster Restoration	171,855	133,009
Mosquito Restoration	2,000	2,000
Stewart Family Memorial Trust	7,500	7,500
Tram #17 Fund	10,397	10,397
	214,425	175,578

Funds are collected for various restorations and other projects that the Museum undertakes from time to time. These funds have been previously collected and recognised by the Museum in the project reserve account until they are utilised on the intended project. Further funds received and expenditure incurred are recognised through the Statement of Comprehensive Revenue and Expenditure as Revenue and Expenditure and the related net surplus is transferred between the project reserve and retained earnings.

12. LEASE COMMITMENTS

All significant operating lease commitments relate to:

- Rental of off-site storage facilities with a right of renewal from 1 August 2018 to 31 July 2021.

Non-cancellable operating lease rentals are payable as follows:

	2016	2015
Not later than one year	395,834	393,030
Later than one year and not later than five years	800,000	888,660
Total	1,195,834	1,281,690

13. AUDIT FEES

Current	2016	2015
RSM Hayes Audit contracted during the period:		
- Audit of financial statements and statement of service performance	45,000	44,000
- Loan staff assistance	-	1,975
- Accounting Assistance	10,000	-

14. CONTINGENCIES AND CAPITAL COMMITMENTS

As at 30 June 2016 MOTAT had no capital commitments (2015: Nil).

At balance date there were no known contingent liabilities (2015: Nil)

15. RELATED PARTIES

MOTAT has a loan from the Regional Facilities Auckland of \$1,027,725 (Current portion: \$71,185, Noncurrent portion: \$824,176). This is being repaid as per the agreement terms. The total interest paid on the loan during the year was \$48,158 (2015: \$51,386). MOTAT also received levies from the Regional Facilities Auckland of \$12,287,000 (2015: \$11,987,000). The Regional Facilities Auckland are considered related due to their ability to appoint board members.

During the year, MOTAT paid \$40,179 (2015: - \$64,691) to the MOTAT Society pursuant to the terms of a Memorandum of Understanding dated 22 August 2014 to cover the Society's administration costs and publication of The Driving Wheel magazine. The MOTAT Society are considered related due to their ability to appoint board members.

During the year, work was undertaken by Kerry Jimson, who is a partner of a former MOTAT employee. The value of work during the year was \$27,008.77 (2015 - \$58,769.20). Balance outstanding at year end \$Nil (2015 - \$Nil).

During the year, work was undertaken by Freds Panel Shop, who is a relative of a MOTAT employee. The value of work during the year was \$12,810.00 (2015 - \$5,855.00). Balance outstanding at year end \$Nil (2015 - \$Nil).

During the year, payments amounting to \$56,806.03 were made to a company called Phineas Phrog Productions Ltd, who has a shareholder who is a MOTAT employee. Balance outstanding at year end \$Nil.

Key Management Personnel Compensation	2016	2015
Executive Management Team		
Salaries and other short-term employee benefit	807,140	805,801
Redundancy payments	110,015	-
	917,155	805,801
Number of persons classified as executive management	4	5
Board Remuneration		
Board fees	136,250	169,129
Number of board members	10	10
Total key management personnel compensation	1,053,405	974,930

Key management personnel include both board and senior management.

The above transactions were on an arms-length basis and the related interests were declared and approved by the Board. Other than the related party transactions identified above, there were no other transactions with related parties including those with key management personnel in the year ended 30 June 2016.

16. GOING CONCERN

As at 30 June 2016 the Board operates with significant general equity. The Board has prepared these financial statements on a going concern basis taking into account the ability of the Board in terms of the Museum of Transport and Technology Act 2000 to make a levy against Regional Facilities Auckland for the purposes of funding the Board's activities under the Act. For the year commencing 1 July 2016, the Board has received levies from Regional Facilities Auckland totalling \$13,100,000 (1 July 2015 - \$12,287,000).

Accordingly, these financial statements have been prepared with the continued use of the going concern assumption.

17. OWNERSHIP OF BUILDINGS

MOTAT has leases for the land it occupies from Regional Facilities Auckland. MOTAT 1 (Great North Road site) has a 21-year lease expiring on 31 August 2027 for an amount of 10 cents per year. MOTAT 2 (Meola Road site, also called Motions Road) has a lease to 28 February 2044, with a right of a renewal for a further 33 years, for an amount of \$1 per year.

The buildings are considered under the control of the MOTAT Board who are responsible for their ongoing maintenance and upkeep.

Under the terms of the property lease if MOTAT ceases to exist then the buildings on the site are required to be passed to Regional Facilities Auckland.

18. POST-BALANCE DATE EVENTS

The Board has received levies from Regional Facilities Auckland totalling \$13,100,000 for the year commencing 1 July 2016.

Objective 1: Maximise the Visitor Experience

We will focus on increasing the number of people we directly and indirectly engage with by ensuring that our exhibitions, events, website and social media are aligned to our Vision.



WHAT WE WILL DO	OUR TARGET	PROGRESS	
<ul style="list-style-type: none"> Develop and deliver a comprehensive museum experience programme that has a wide appeal and attracts a diverse audience to the Museum 	<ul style="list-style-type: none"> At least one themed exhibition opened to the public increasing to three by 2019 	<ul style="list-style-type: none"> Achieved: <ul style="list-style-type: none"> Get Smart - Interactive exhibition showcasing the evolution of household technology The Idea Collective - Installation showcasing NZ innovation, cutting edge technologies and new media Eyetrackers - A highly innovative exhibition that explores the fascinating borderland lying between visual art and visual exhibition Body in Action - Travelling exhibition exploring the amazing workings of your body Science on the Move - Travelling exhibition with intriguing scientific interactives Hōne Heke's Flag - Temporary installation of a nationally significant object, highlighting the NZ Flag Referendum For Love and a Beetle - Display of MOTAT's latest vehicle acquisition - the Hodge's VW Beetle 	✓
	<ul style="list-style-type: none"> Overall visitor satisfaction level 85% increasing in subsequent years to 90% by 2019 Increase in paying visitors by 8% Increase Gold Card Holder attendance by 5% Secure at least 1 sponsor for each themed exhibition 	<ul style="list-style-type: none"> Achieved - June 2016 = 85% satisfied Not achieved - 248,668 paying visitors compared to 244,994 the previous year = 1.5% increase. Not achieved - 8,608 vs 8,457 last year = 3% increase. Achieved - Sponsorship from Ricoh for The Idea Collective exhibition 	<div>✓</div> <div>✗</div> <div>✗</div> <div>✓</div>
<ul style="list-style-type: none"> Maintain LEOTC and Early Learning programmes and develop new learning and experience programmes that: <ul style="list-style-type: none"> Are aligned to MOTAT's Vision Leverage off the museum's exhibitions and collection Are developed in conjunction with one or more learning institution Increase the reach of MOTAT's education programmes to non traditional audiences (e.g. at risk youth) 	<ul style="list-style-type: none"> Maintain and build on: <ol style="list-style-type: none"> 25,000 children visits to MOTAT as part of the LEOTC programme 3,000 children participate in Early Childhood programme Develop at least one work readiness programme in partnership with a Training Institution 	<ul style="list-style-type: none"> Achieved - 25,451 LEOTC student admissions Not achieved - ECE participation rate is 1,377 Achieved - Working with AUT on Innovations/Makerspace concept Achieved - Learn to Code@MOTAT established to teach programming skills 	<div>✓</div> <div>✗</div> <div>✓</div> <div>✓</div>
<ul style="list-style-type: none"> Increase our relevance in the community by delivering Outreach programmes (Kete Toanga) that broaden our learning offering beyond the boundaries of the Museum - both physically and via alternative means, (e.g. online Webinar or You Tube) 	<ul style="list-style-type: none"> At least three outreach programmes Established benchmark of 400+ participants for Outreach attendance numbers to meet 	<ul style="list-style-type: none"> Achieved - New developments including Makerspaces concept, Geek Girls Camp and Education Outreach Not achieved <ul style="list-style-type: none"> Ongoing - Benchmark to be established Attendance numbers were less than 400 for the Outreach programme 	<div>✓</div> <div>✗</div>

Objective 2: Empower the MOTAT Team

MOTAT will ensure that it has the right structure and people to achieve the objectives outlined in its Strategy and to ensure that each member of the MOTAT Team embraces the Museum's values, policies and procedures and is prepared to be held accountable and responsible for what they do.



WHAT WE WILL DO	OUR TARGET	PROGRESS
<p>▶ Annual surveys of both staff and volunteers to assess engagement and culture</p>	<p>▶ Average rating 3 or above (40%)</p>	<p>✓ Achieved:</p> <ul style="list-style-type: none"> Employee Engagement Survey completed in July 2015 with 78% participation and 53% engagement 2016 Engagement Survey completed in April 2016 to allow for results to be analysed and to inform planning for the new financial year, facilitating continuous improvement. Engagement remains at 53%. Participation amongst full time employees has increased by 10% and key areas of focus from last year showing improved results of up to 20% 2016 Volunteer Engagement Survey completed in April to provide baseline for improved engagement in 2016/17
	<p>▶ Average rating 3 or above (40%)</p>	<p>● Partly Achieved:</p> <ul style="list-style-type: none"> New Employee Survey has been updated to be consistent with other employee surveys as it would not have been possible previously to measure success of the onboarding process due to the initial format of the survey
	<p>▶ Establish benchmarks for surveys</p>	<p>✓ Achieved:</p> <ul style="list-style-type: none"> Exit Survey updated to be consistent, where possible, with the Engagement Survey Exit Survey data showing improvements of up to 8% in some areas, in particular in relation to work-life balance and enablement Six-month summary report provided to Senior Management and Board to provide baseline for improvement. Further report being collated for January 2016 – June 2016
<p>▶ Develop a volunteer recruitment programme that appeals to a broader range of prospective volunteers by age, gender, skills and cultural background</p>	<p>▶ 50 new volunteers join MOTAT</p>	<p>✓ Achieved:</p> <ul style="list-style-type: none"> 63 volunteers have started since 1 July 2015. Some of these volunteers were recruited for specific projects, and other new volunteers also chose not to continue in their roles. The net increase over the year was 51 86% male, 14% female 34% under 60, 12% between 60 and 70, 26% over 70 and 28% not specified Main Areas: 31% Tram Workshop and Drivers, 17% Aviation, 12% Rail, 11% Printing, 7% Military, 6% Hosts, 4% Business Services, 4% Communications, 4% Road Transport, 3% Library & Archives, 2% Interpretation, and 1% Steam
<p>▶ Effective communication of Health & Safety Protocols across all areas of the museum operation including communication channels that meet the needs of a 7 day operational museum on multiple sites</p>	<p>▶ 100%</p>	<p>✓ Achieved:</p> <ul style="list-style-type: none"> All new team members, volunteers and employees completed Health & Safety induction Newly appointed Health & Safety Manager completed review of H & S induction to ensure a more structured framework for the induction
	<p>▶ At least 12 Health & Safety Meetings</p>	<p>✓ Achieved:</p> <ul style="list-style-type: none"> 11 Health & Safety Team meetings held since 1 July 12 Health & Safety Committee meetings since 1 July 1 Emergency Response Team Meeting on 7 April

Objective 3: Improve the Quality of the Collection and its Care

We will use our heritage objects to demonstrate Kiwi technology, transport, ingenuity and innovation and to highlight the associated history, stories and scientific principles.



WHAT WE WILL DO	OUR TARGET	PROGRESS
<ul style="list-style-type: none"> Review, update and align the Museum's collection policies with the Museums Aotearoa Code of Ethics (as amended to meet MOTAT's requirements) and where appropriate with similar institutions to MOTAT (e.g. Auckland War Memorial Museum, Air Force Museum and Maritime Museum) so as to reflect the specific needs and requirements of an operational museum 	<ul style="list-style-type: none"> Agree policy and protocols for operation and use of collection objects with Air Force Museum and Maritime Museum 	<p>✓ Achieved:</p> <ul style="list-style-type: none"> Final of "Working Objects – guidelines for their operation and care" completed and circulated to Museums Aotearoa Working Group (MOTAT, Maritime Museum and Air Force Museum) for final comment. Comments received and document has been peer reviewed with exposure draft released for comment in April prior to Museums Australasia Conference in May 2016 No substantive comments received and guidelines are considered to be active by Museums Aotearoa
	<ul style="list-style-type: none"> Complete review and updating of collection related policies 	<p>✓ Achieved:</p> <ul style="list-style-type: none"> Procedures reviewed and refined for acquisitions, de-accessions and disposals; hazardous material information also now collected on Vernon Collection database Collection Development Strategy completed
<ul style="list-style-type: none"> Adopt a strategic and sustainable approach to the care of the Collection: <p>(a) Commence the implementation of the Review/Rationalisation Programme</p> <p>(b) Progress the Collection Inventory Project</p>	<ul style="list-style-type: none"> Complete the planned work that is outlined in the Review/Rationalisation Programme for 2015/2016 	<p>✓ Achieved:</p> <ul style="list-style-type: none"> Collection Policy approved by Board Policy provides background for Review/Rationalisation Project Developed pilot review project to test methodology. Commenced work on preparing significance assessments for road transport collection and aviation collection Tested methodology on identified items from Inventory Project (village/social history) Tested methodology on individual items from Acquisitions & Disposal Committee
	<ul style="list-style-type: none"> Complete the agreed planned work outlined in the Collection Inventory Project for 2015/2016 	<p>✓ Achieved:</p> <ul style="list-style-type: none"> More than 10,573 items have been inventoried and an additional 5,353 uncatalogued/un-numbered objects recorded since 2013 More than 8,000 pictorial collection items digitised Application for final two years funding successful
<ul style="list-style-type: none"> Monitor compliance of the safe handling and care of collection objects in accordance with MOTAT's policies and procedures 	<ul style="list-style-type: none"> 100% training attendance 	<p>✗ Not Achieved:</p> <ul style="list-style-type: none"> Health and Safety Manager organised delivery of hazardous materials training and awareness programme. Attendance was not 100% due to a time critical maintenance requirement Hazardous material information now collected on Vernon Collection database <p>● Partly Achieved:</p> <ul style="list-style-type: none"> Specialised training developed for radioactive materials, asbestos and heavy metals but delayed delivery due to unavailability of suitable trainers and delays with filling vacant collection positions

Objective 4: Improve Business and Community Sustainability

MOTAT is of the view that there should be a closer working relationship between Auckland's Arts, Culture and Heritage institutions and local Iwi. Working in a more coordinated, efficient and sustainable way will improve the institutions' offering to the Auckland Community and will help Auckland become the "world's most livable city".



WHAT WE WILL DO	OUR TARGET	PROGRESS
<p>▶ Facilitate the use of MOTAT's resources to assist other museums within the Auckland region</p>	<p>▶ Host at least one facilitated and up to five external engagement initiatives for and with other Auckland museums</p>	<p>✓ Achieved:</p> <ul style="list-style-type: none"> ▶ Hosted Museums Australasia conference 16/05/16 ▶ Malcolm Anderson was on the organisation committee for Museums Aotearoa (in conjunction with the Museums Australasia conference) ▶ Michael Frawley was on the project steering group for the Cultural Facilities Framework. Meetings were held on 7 July & 13 October 2015 ▶ Michael Frawley chaired the New Light on Science Collections panel discussion 18 May 2016 ▶ Engaged with the Howick Historical Village and offered advice on commercial opportunities and CRM systems on 24 November 2015 ▶ New Zealand Warbirds Association outreach for Battle of Britain commemoration Sunday 6 March ▶ Attended 11 strategy and collaboration meetings throughout the year with Stardome, Navy Museum, Auckland Art Gallery, Auckland War Memorial Museum, Maritime Museum and Howick Historical Village
<p>▶ Continue to build a meaningful and mutually beneficial relationship with the local Iwi</p> <p>Increase Māori content in our storytelling and incorporate, highlight and celebrate Māori technology, custom and language into the museum and its exhibitions where possible</p>	<p>▶ At least two meetings with local Iwi per annum</p>	<p>✓ Achieved:</p> <ul style="list-style-type: none"> ▶ Following up initiatives with Auckland Council – Te Waka Angamua in December 2015 ▶ Hoani Waititi Marae assisted with Hōne Heke Powhiri on 3 March 2016 ▶ Manager – Hoani Waititi Marae invited (with acceptance) to be part of LEOTC Reference Group, supporting the development of learning experiences which recognise taukiri Māori, te reo Māori and tikanga, and support Māori students in gaining skills and knowledge they need to achieve success in ta ao Māori, New Zealand and the wider world
	<p>▶ Māori technology, custom and/or language incorporated into at least one themed exhibition or major display per annum</p>	<p>✓ Achieved:</p> <ul style="list-style-type: none"> ▶ Te Reo included in Get Smart / Kia Atami exhibition ▶ Te Reo prominent in the Hōne Heke display in March 2016 ▶ Te Reo incorporated into key elements of the new Wayfinding system

Table continued on the next page...

STATEMENT OF SERVICE PERFORMANCE

Table continued...

WHAT WE WILL DO	OUR TARGET	PROGRESS
<ul style="list-style-type: none"> Develop key metrics that enable the Museum to monitor its progress over the term of the MOTAT Strategy and how we contribute to the Auckland Plan and Arts & Culture Strategy 	<ul style="list-style-type: none"> Framework completed and in place 	<ul style="list-style-type: none"> Achieved: <ul style="list-style-type: none"> In the process of identifying and costing the appropriate Customer Relationship Management to implement the framework It is anticipated that the new system will start to be introduced in 2016/17 due to the cost of the system LTIFR mechanism in place and tracking back to 1 July 2014
<ul style="list-style-type: none"> Implement an initial plan of priorities from the Asset Management Plan information and align it with the Athfield Plan so as to ensure that the Museum's buildings and infrastructure provides a proper platform for the achievement of the Vision 	<ul style="list-style-type: none"> Complete the planned and agreed work outlined in the Asset Management Plan for 2015/16 <hr/> <ul style="list-style-type: none"> Complete the planned and agreed work that is outlined in the Athfield Plan for 2015/16 	<ul style="list-style-type: none"> Achieved: <ul style="list-style-type: none"> Maintenance work being undertaken in accordance with the Asset Management Plan <hr/> <ul style="list-style-type: none"> Achieved: <ul style="list-style-type: none"> Quick wins outlined in the Athfield Plan have been and are being implemented Core team for MOTAT 2 carpark established – surveys complete and the application for consent to be filed in February Core team for development of Master Plan appointed and work on the plan has commenced
<ul style="list-style-type: none"> Monitor the effectiveness of the Museum's environmental programmes 	<ul style="list-style-type: none"> 2% reduction based on 2014/2015 actuals <hr/> <ul style="list-style-type: none"> Maintain current water harvesting methods 	<ul style="list-style-type: none"> Achieved: <ul style="list-style-type: none"> Reviewing policy and methodology for measuring performance against targets Final result - reduction 3.1% <hr/> <ul style="list-style-type: none"> Achieved: <ul style="list-style-type: none"> Appointment of external consultant to undertake audit of current environmental performance and identify initiatives to improve MOTAT's overall performance

Independent Auditor's Report

To the readers of Museum of Transport and Technology Board's Financial Statements and Statement of Service Performance For the year ended 30 June 2016

The Auditor-General is the auditor of Museum of Transport and Technology Board (the Museum). The Auditor-General has appointed me, Colin Henderson, using the staff and resources of RSM Hayes Audit, to carry out the audit of the financial statements and statement of service performance of the Museum, on her behalf.

We have audited:

- the financial statements of the Museum on pages 26 to 43, that comprise the statement of financial position as at 30 June 2016, the statement of comprehensive revenue and expenditure, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the Museum on pages 44 to 52.

Opinion

In our opinion:

- the financial statements of the Museum:
 - present fairly, in all material respects:
 - financial position as at 30 June 2016; and
 - financial performance and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Standards Reduced Disclosure Regime; and
- the statement of service performance of the Museum presents fairly, in all material respects, the performance achievements measured against the performance targets adopted for the year ended 30 June 2016.

Our audit was completed on 14 November 2016. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and statement of service performance are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

THE POWER OF BEING UNDERSTOOD
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RSM Hayes Audit is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practises in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of service performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of service performance, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Museum's preparation of the financial statements and statement of service performance that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Museum's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board;
- the adequacy of all disclosures in the financial statements and statement of service performance; and
- the overall presentation of the financial statements and statement of service performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance. Also, we did not evaluate the security and controls over the electronic publication of the financial statements and the statement of service performance.

We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Board

The Board is responsible for preparation and fair presentation of financial statements for the Museum that comply with generally accepted accounting practice in New Zealand. The Board is also responsible for the preparation of the statement of service performance for the Museum.

The Board's responsibilities arise from Section 25 of the Museum of Transport and Technology Act 2000.

The Board is responsible for such internal control as it determines is necessary to enable the preparation of financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error. The Board is also responsible for the publication of the financial statements and statement of service performance, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001, sections 24 and 25(3) of the Museum of Transport and Technology Act 2000.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

In addition to the audit we have carried out assignments in the areas of sundry accounting assistance related to the transition to PBE standards, which are compatible with those independence requirements. Other than the audit and these assignments, we have no relationship with, or interests in, the Museum.



Colin Henderson
RSM Hayes Audit
On behalf of the Auditor-General
Auckland, New Zealand



In Appreciation:

There are a number of organisations and institutions that we would specifically like to thank for their continued support, assistance and advice:

- Air New Zealand
- Auckland Council
- Auckland Airport
- Hallertau
- Museums Aotearoa
- MOTAT Society
- NZ Lottery Grants Board
- Panasonic
- Playtech
- Regional Facilities Auckland
- Ricoh

We would also like to specifically acknowledge Athfield Architects for their contribution in relation to our Masterplan for the redevelopment of our buildings and infrastructure.

Finally, we would like to thank the MOTAT Team (i.e. employees and volunteers) who have contributed not only their knowledge and skills, but a lot of their time and energy in helping us achieve our strategic objectives and vision.





MUSEUM OF TRANSPORT AND TECHNOLOGY

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