



ANNUAL REPORT

2016-2017

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*

Contents

CHAIR AND CHIEF EXECUTIVE OVERVIEW	4
FOREWORD	7
2016-2017 AT A GLANCE	8
OUR YEAR IN DETAIL	12
MOTAT LEADERSHIP	28
FINANCIAL STATEMENTS	30
IN APPRECIATION	61

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 and interactive 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 on to 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.



Chair and Chief Executive Overview

This report covers the third year of our strategy and we are pleased to report that our performance in most of the key areas we measure has significantly improved, especially in relation to increased visitor numbers and enhanced employee and volunteer engagement with the Museum. Once again we have also achieved an unqualified audit report.

While this Annual Report primarily focuses on the 2016-2017 financial year, we would like to put our performance into perspective by providing an overview of our strategy implementation during the last three years, along with some of the issues we have encountered.

OUR STRATEGY

We developed our overall strategy during 2013 in conjunction with the MOTAT Team and our stakeholders. The strategy was developed not only to address Dame Cheryll Sotheran's challenge to transform MOTAT from being "a collection of things" to "a lightbulb institution", but also to improve the ways in which we cared for our collection and engaged with our visitors and the wider community.

In the process of developing the strategy we noted that, while there were many institutions that showcased New Zealand's social history, there were few that focused specifically on the country's rich heritage of technological adaptation, development, and innovation. This heritage, which started with the tangata whenua, not only defines who we are as a nation but also continues to have a significant impact on the development of New Zealand, its people, and its economy.

Our strategy is summarised in our vision statement below:

MOTAT will use its heritage collection and focus on Kiwi technology and innovation to inspire the innovators of the future

This vision is also aligned to the Māori worldview:

Kia whakatōmuri te haere whakamua

*My past is my present is my future,
I walk backwards into the future
I walk backwards into the future,
with my eyes fixed on the past.*

We launched our strategy on 1 July 2014 and then used the first couple of years to 'bed in' the management structure and address some of the more pressing building, infrastructure, and collection issues that had arisen over the initial 50 years of the Museum's operation. We also started to develop and implement exhibitions, events, and education programmes that were closely aligned with our strategic and statutory objectives.

It was anticipated that our building and other work, as well as the construction work on the St Lukes overpass, would have an adverse impact on, amongst other things, our visitor numbers, and this is reflected in the statistics outlined in this report for the first two years of our strategy.

POSITIVE PROGRESS DURING 2016-2017

We have made significant progress over the last 12 months. It is pleasing to note that our attendance

numbers have increased by approximately 6%, our revenue has increased by approximately 7%, and our exhibitions (such as Welcome to the machine, Get Smart, The Innovators, and MOTOTs), our events, and our education programmes have all received positive feedback from visitors.

We launched a new event this year called Pasifika Vibes @ MOTAT to offer a vibrant and engaging visitor experience at our Great North Road site to the 60,000 people attending ATEED's Pasifika Festival. The Pasifika Festival is an important event for the Māori and Pacific island communities in our region, so we designed Pasifika Vibes @ MOTAT to engage these audiences by featuring the Mangere Mountain Education Centre flax weaving experience, Squiggle - Māori Education Innovators, the Western Springs College Kapa Haka Group, and the 'Puha and Pakeha' food truck showcasing Māori food innovation. This initiative attracted 11,000 visitors to MOTAT over the weekend of the Pasifika Festival.

In relation to personnel, we are pleased to report that there has been a significant improvement in our employee and volunteer engagement with the Museum: employee engagement has increased from 53% to 63% and volunteer engagement from 57% to 70%. There has also been a significant improvement in other metrics we measure, including Leadership (+25%), Reward and Recognition (+22%), Museum Performance (+21%), and Collaboration (+20%). Employee engagement is important and indicates that the museum is well placed to deliver the next phase of the strategy.

MOTAT ATHFIELD MASTERPLAN

During the year we developed a Business Case (based on the Treasury Better Business Case process) for the funding of the MOTAT Athfield Masterplan (the 'Masterplan'), plus a 'Fly-Through' that highlighted what the MOTAT of the future would look like and how it would benefit Auckland.

The Masterplan includes the development of:

- A purpose-built, climate controlled exhibition hall that will enable us to exhibit some of our more delicate collection objects. This facility will also provide Auckland with an exhibition space suitable for the larger national and international touring exhibitions, something the city currently lacks.
- An auditorium and classrooms in keeping with a world-class heritage and education facility.
- New entrance buildings (including cafés) at both our sites that the local community will be able to use without having to enter the Museum grounds.
- New display sheds at our Meola Road site to provide visitors with better access to our transport collections.
- A canopy at the back of the Aviation Display Hall that will protect any collection objects that may be outside - and our visitors - from the weather.

We are using the Business Case and 'Fly-Through' to engage with our stakeholders, partners, and other parties in relation to the funding of the Masterplan. In the interim we have implemented several of the "quick projects" outlined in the Masterplan, including painting of our buildings to add more colour and vibrancy, and improved way-finding to help our visitors navigate around our sites. These projects have significantly improved the visitor experience.

One of the major projects we were hoping to implement during the year was the development of a carpark at our Meola Road site, but we have had to postpone the project due to the significant financial impact of subsidence and other issues at the site, plus the asbestos and other issues associated with the K900 Locomotive and our off-site storage facility. These issues have also obliged us to postpone our proposed Customer Relationship Management System until the 2017-2018 financial year.

WESTERN SPRINGS PRECINCT AND GOVERNANCE

We continue to work with Regional Facilities Auckland and our neighbours in the Western Springs Precinct, including 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 in, 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 Auckland Council's request of March 2016 that our funding and governance structure be reviewed was superseded by the Council's resolution in 2017 that there be an independent review of the city's major arts, culture, and heritage institutions, including Auckland Museum,

Auckland Art Gallery, Maritime Museum, MOTAT, and Stardome.

As outlined above we have significantly improved the Museum's performance and we fully expect that momentum to continue. If you want to know what we are planning to do going forward please have a look at our 2017-2018 Annual Plan.

Whāia te iti kahurangi ki te tūohu koe me he maunga teitei.



Michael Frawley
CHIEF EXECUTIVE/MUSEUM
DIRECTOR



Dr Lesley McTurk
BOARD CHAIR

Foreword



We are the Museum of Transport and Technology (MOTAT), an interactive museum focusing on New Zealand's heritage and Kiwi ingenuity in transport and technology in creative and interactive ways to educate and inspire the innovators of tomorrow.

We have a collection of more than 300,000 museum artefacts housed in three sites across 40 acres of land in Auckland. Some of our many highlights include Sir Edmund Hillary's Massey Ferguson tractor, the engine from Jean Batten's Percival Gull, Bruce McLaren's 1963 Cooper Climax race car, an early version of the Trekka, New Zealand's only home-grown production vehicle, one of only 17 remaining Avro Lancaster Bombers, and the only Short Solent Mark IV Flying Boat left in existence.

We are currently in the fourth year of our 2014 - 2019 strategy, which aims to highlight Kiwi innovation and technology and to make MOTAT the "must visit" destination in Auckland. In order to implement our vision, our strategy is focused on four core objectives:

1. Maximise the visitor experience
2. Empower the MOTAT Team
3. Improve the quality of the Museum's collection and its care
4. Improve business and community sustainability

Our organisational structure has been developed to deliver on these strategic objectives by dividing the Museum's teams into three operational hubs:

1. The Museum Experience Hub, including Exhibitions, Education, Public Programmes, Marketing and Communications, Digital Engagement, Partnerships, and Commercial (Functions, Retail, and Fundraising) Teams
2. The Collections Hub, including Registry, Library and Archives, Collection Operations, Conservation and Collection Care, Curatorial/Research, and Inventory Teams
3. The Business Services Hub, including People and Culture, Finance, ICT, Health and Safety/ Compliance, and Environment Teams.

This report not only covers the 2016-2017 financial year but also outlines the significant progress we have made since the implementation of our strategy in July 2014. This progress includes strong visitor growth, increased employee and volunteer engagement, improved collection care and management, and revenue growth.

2016-2017 AT A GLANCE



This year we attracted significantly more visitors, carried more tram passengers, welcomed more volunteers to the MOTAT Team, and exceeded our annual target for objects inventoried. We also officially added 409 new objects to our collection, and acquired an additional 200 objects that have not yet been formally added into the collection.

6,248
Objects inventoried

409
New objects added to our collection

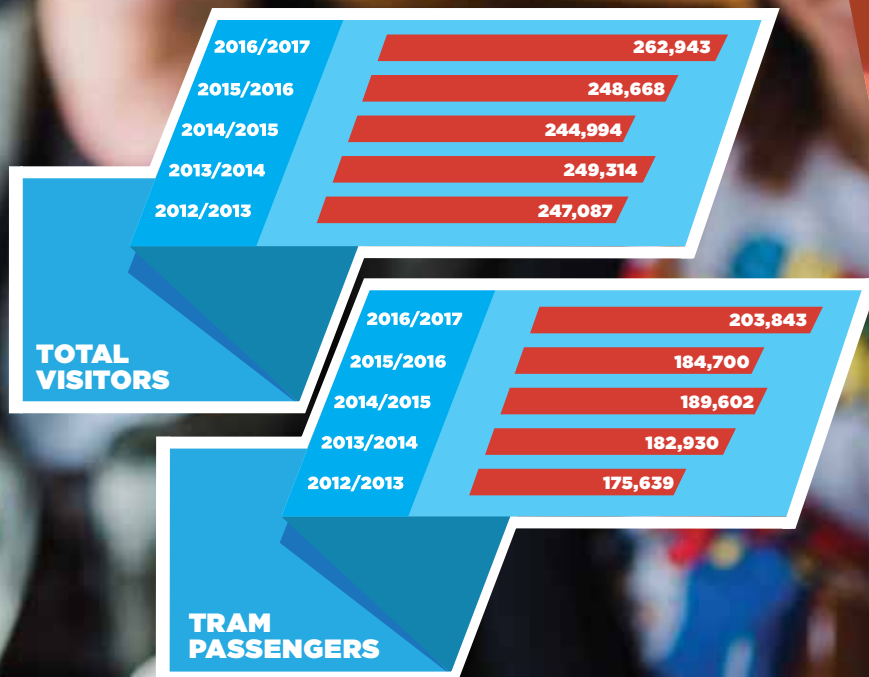
230
Volunteers
3.1% more than 2015-2016

203,843
Tram passengers
10.4% more than 2015-2016

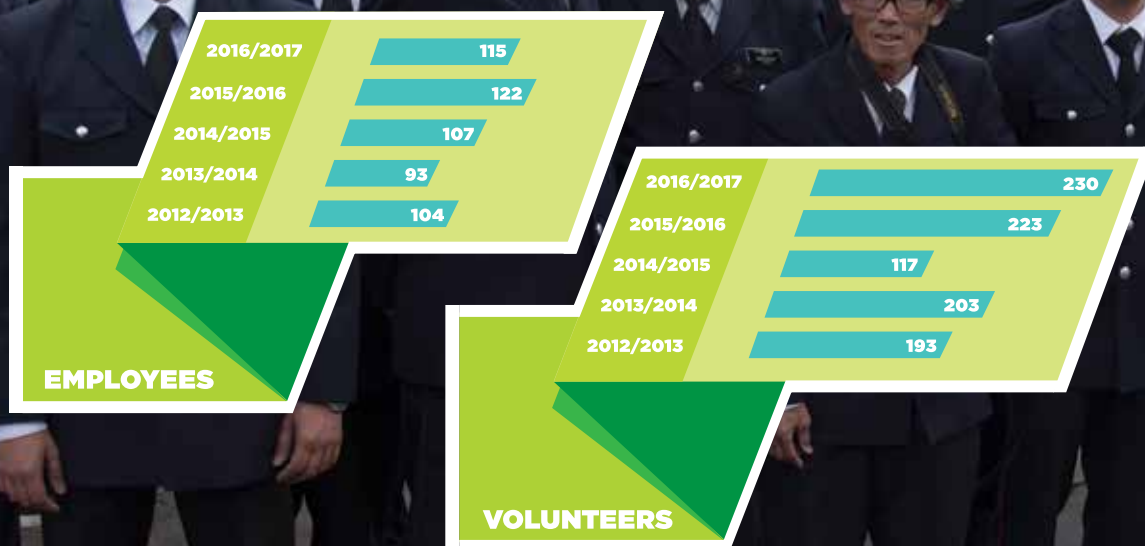
262,943
Visitors
5.7% more than 2015-2016
plus 11,000 at Pasifika
Vibes @ MOTAT

Key Trends

VISITORS



MOTAT TEAM



SHOP
REVENUE

2016/2017	\$280,413
2015/2016	\$250,504
2014/2015	\$234,774
2013/2014	\$215,325
2012/2013	\$173,256

HIREAGE
AND
FUNCTION

2016/2017	\$342,017
2015/2016	\$323,170
2014/2015	\$245,448
2013/2014	\$240,493
2012/2013	\$116,077

ADMISSION

2016/2017	\$1,345,782
2015/2016	\$1,229,976
2014/2015	\$1,179,949
2013/2014	\$1,102,161
2012/2013	\$967,765

OBJECTS
ACQUIRED

2016/2017	409
2015/2016	430
2014/2015	104
2013/2014	33
2012/2013	89

OUR YEAR IN DETAIL



Conservation Projects

MOTAT acquires, conserves, and preserves heritage objects of world-class significance.

Our conservation and preservation work involves significant investment, including countless hours of staff and volunteer time. We have also identified several strategic projects that require more than preservation interventions, and these are being taken through a full restoration process.

FLYING BOAT RESTORATIONS

MOTAT is home to two examples of flying boats built by Short Brothers of Northern Ireland: the S.25 Sunderland Mk V and the S45A Solent Mk IV. These elegant machines are artefacts of national and international significance, rare survivors of an entire class of large, four-engine flying boats that pioneered international air travel to Australia and New Zealand and long-range military ocean reconnaissance in the 1930s.

Our Sunderland, NZ4115, is one of just four examples in the world retaining its military configuration. The aircraft was retired on 22 December 1966, gifted to MOTAT, and moved here on 25 February 1967. This year we completed the mammoth task of restoring and repainting its exterior. Staff, volunteers, and contractors spent many hours cleaning, sanding, and painting the entire fuselage and wings, and we have taken particular care to exactly replicate the original decals. In March 2017, we held a three-day car parking fundraiser at our Meola Road site, raising \$2,600 to assist with the Sunderland conservation project. This was a multi-team collaboration that



also included volunteers from Eden-Epsom Lions and RNZAF Sqn 5. The Sunderland will now be moved into the Aviation Display Hall and the Solent will be moved outside and wrapped so that the exterior work on that plane can be undertaken.

Our Solent, ZK-AMO 'Aranui', was a long-range, luxury passenger flying boat that operated a Tasman and South Pacific service from 1949 to 1954. It was then located exclusively in the South Pacific to service the 'Coral Route', which was considered at the time the most romantic air travel route in the world. Retired in 1960 and arriving at MOTAT in 1966, 'Aranui' is now the only remaining Short Solent Mk IV in the world. To ensure the long-term preservation of this aircraft, MOTAT engaged International Conservation Services (ICS) to develop a new conservation management plan for it. We now have a specific work programme to conserve the aircraft, based on its significance and condition. A substantial donation from Air New Zealand has helped us begin work on restoring the interior of the aircraft. Work on the interior and exterior of the Solent is ongoing.

AVIATION HERITAGE PROJECTS

The reconfiguration of the objects inside our World War II-era Blister Hangar to the west of our Aviation Display Hall has allowed us to bring all of our aircraft under cover for the first time in 50 years, enabling essential preservation and other work to be undertaken, and safeguarding them for the future. Over the past year, the Collection Team has protected and reorganised many important objects, including cleaning all the aircraft in the Aviation Display Hall, recoating the DC3 with an anti-corrosive

spray, and rehousing all trophies and other silver objects in the Jean Batten and Commercial Aviation collections in a customised silvercloth case.

K CLASS LOCOMOTIVE K900 RELOCATION

During our Collection Review process, we discovered that asbestos in K900, our iconic K Class Locomotive, could become exposed over time, creating a risk. In order to avoid this, we encapsulated and moved the locomotive in October 2016, under the guidance from specialist consultants, to the safety of our workshop to prevent further degradation and enable us to develop a plan for its conservation.

Safely moving an object weighing more than 85 tons was no mean feat and we couldn't have successfully undertaken this task without the assistance of our dedicated team of employees, volunteers, and external consultants and contractors.

The area vacated by K900 has since been decontaminated and re-landscaped by our Gardening Team and we are considering a number of options to transform the area into a new interactive and educational experience for our younger visitors.

TRAM PLANNING AND MAINTENANCE

The Curatorial and Projects Teams within the Collections Hub prepared new Heritage Operational Guidelines for our heritage tram fleet this year, including Trams 11, 44, 47, 100, 135, 248, and 257. These guidelines will inform the use and maintenance plans for the trams, and provide the Collections Hub with clearly documented usage reports. We have carried out condition surveys of all our

trams and produced a five-year maintenance and inspection plan using the resulting information. The new plan includes five yearly structural and wiring surveys, and adds wheel gauging checks to the normal servicing procedure. Volunteers are continuing to work on Tram 21 and this tram should be completed in the new financial year.

Buildings, Spaces, and Places

MOTAT continues to evolve, develop, and upgrade our infrastructure and buildings to support our strategic objectives, especially around our use of spaces and heritage objects to inspire our visitors and extend their knowledge. This year has seen major changes to our Great North Road site, including completion of the Library refurbishment, reconditioning of the historic Beam Engine, refit of The Explorium for a new exhibition, upgrading of our security fences, and the addition of more vibrant colour to the Museum.

THE IDEA COLLECTIVE

The Idea Collective brings together a diverse range of innovators, artists, designers, and technologists to create exciting displays and experiences that celebrate New Zealand's innovation culture.

This contemporary innovation space features five innovation pavilions showcasing art installations created by local artists, vibrant wall murals, and interactive sound and light installations. The venue also includes a Work Lab space for resident innovators, a cinema space for showcasing digital work, and The Bubble, which currently houses a selection of independently developed NZ games. The Idea Collective hosts various talks, workshops, and events, such as 'Idea Show and Tell' events where young innovators can pitch ideas they are working on and receive immediate feedback from the audience.

In October 2016, The Idea Collective hosted the second 'Mini-cade' day with the Independent Game Developers Association (IGDA NZ) and The Arcade Auckland. The event invited museum visitors to playtest the latest game projects under development. The New Zealand Gaming Championship's 'League of Legends eSport' event was broadcast live from The Idea Collective to 32,300 people via media partners Sky Television and NZME, which extended our reach into innovation and technology sector audiences.

THE PUMPHOUSE AND BEAM ENGINE

The Pumphouse, which was the foundation building of MOTAT in 1961, is regarded as the heart of the Museum. Built in 1877 as part of what was then considered the most advanced public water supply system in the world, the Pumphouse supplied the growing settlement of Auckland with water, pumping it from Western Springs up

to reservoirs in Ponsonby and Karangahape Road.

This year we undertook a full survey of the Beam Engine and developed a manual for its operation and maintenance, and it is now back in operation for the first time since 2014. This work was undertaken by the MOTAT Team in collaboration with conservators from the Powerhouse Museum (Museum of Applied Arts & Science) in Sydney, Australia. The Powerhouse conservators shared their specialised knowledge with us to ensure the safe and smooth operation of the engine for years to come.

The Pumphouse boiler that powers the Beam Engine's huge pistons and turns the magnificent 16-ton flywheel has also been fully tested and certified, and now has a set of procedures in place for its safe operation going forward.

THE LIBRARY

The Walsh Memorial Library has had a top-to-bottom refit

to provide a work area for staff, a layout table for assessing collections, a storage area, an exhibition area, an imaging suite, a public research space, and a front of house area. Overall, the Library is now a more welcoming and light-filled environment for internal and external researchers, and is being used on a regular basis.

Set up in 1964 with support from the Walsh Memorial Trust and the Royal Aeronautical Society, The Walsh Memorial Library was named after New Zealand aviation pioneers Leo and Vivian Walsh, and is as old as MOTAT itself. It is a reference-only library, containing an unrivalled collection of books, archival material, manuals, photographs, periodicals, and oral history recordings, mostly focusing on aviation and other forms of transport, steam, engineering, communications, printing, military, mechanical, and technical topics.

The refurbishment is the result of collaboration between the Collections, Museum Environment, and Interpretation Teams, and is supported by an extensive upcoming programme of exhibitions showcasing the Library's collections.

MOTOTS

In May 2017 we opened MOTOTS, a large, new space for 0 to 5-year-old visitors and their caregivers to replace the outdated Tinkering Tots experience. Created in collaboration with design and production experts, MOTOTS is an interactive, safe play area for young children built around the theme 'Machines in the Garden'. The space features a grass slope to tumble down, tunnels to explore, ladders to climb, and a wobbly bridge to clamber across. These activities and others enable children to explore basic mechanisms and fine-tune their motor skills in a fun environment.

THE ENGINEER'S COTTAGE

We completed the re-piling of this heritage-listed building to ensure its stability, along with roof repairs, resealing of the floors, and interior repainting. The cottage is now ready to be used as a meeting venue for the MOTAT Team. The MOTAT restoration team included three qualified archaeologists who closely monitored the re-piling and discovered items from the 19th century. These included butchered bones with visible cut marks, porcelain and glass shards, wooden clothes pegs, and other objects. These objects will be analysed and used for future interpretation.

THE EXPLORIUM

We completely demolished and refitted the interior of Building 6 to help redefine The Explorium as a new space designed to house larger, more modern exhibitions. The first exhibition in this space is the travelling exhibition 'Sunlight - Iho Kōmaru'.

THE CAFÉ

After an extensive search, in August 2016 we appointed a new operator to run the popular café in Cropper House at our Great North Road site. The new operators have significantly raised the standards for food range and quality, and have achieved the highest customer feedback ratings we have seen in a number of years.



Team Engagement and Culture



At the heart of MOTAT is a dedicated team of employees and volunteers who are responsible for achieving our strategic and other objectives. We are committed to retaining and developing these talented and capable people by enhancing their engagement with the Museum, introducing more opportunities for learning and career development, encouraging more diversity, and implementing workplace improvements.

LEARNING AND DEVELOPMENT

We have increased our investment in learning and development by 272% in the past three years. This investment has enabled MOTAT Team members to undertake a wide range of studies in Health and Safety, Compliance, Museum Practice, Visitor Engagement, Project Management, Visual Merchandising, Customer Service, Personal Safety, Conflict Management, Care of Collections, and Te Reo Māori. We have implemented our Leadership Development Programme, which has improved leadership scores in our team engagement survey by up to 48% year-on-year.

COMMUNICATION AND COLLABORATION

We have undertaken a review of our internal communications tactics and we are continuing to support improved communication and collaboration via more regular electronic newsletters for employees and volunteers. In collaboration with the Marketing team, we have developed an intranet site called 'Info Hub', which is not only available to our team members based at our sites, but also available externally for our volunteers to access at home. The 2017 engagement survey shows a 23.3% improvement in how well the MOTAT Team communicates and shares information.

REWARDS AND BENEFITS

In response to our engagement surveys from the past two years, we have introduced a suite of employee rewards and benefits including flexitime, birthday leave, study leave, and additional KiwiSaver contributions.

HEALTH AND SAFETY

We continue to improve our Health and Safety policies and procedures to ensure the safety and wellbeing of employees, volunteers and visitors at our sites. We have now embedded Emergency Response Teams at both sites, put in place new emergency procedures, and carried out evacuation drills. We have performed machine safety audits in all our workshops and we are developing asbestos management processes in response to new Health and Safety legislation. We have developed Standard Operating Procedures for all machinery in collaboration with the Collections Hub.

Health and Safety is a huge part of delivering events such as Pasifika Vibes @MOTAT, Olde Hallows Eve, and Christmas Lights. We work in close collaboration with the Public Programmes Team to ensure these events and others are run in a way that not only excites and inspires our visitors, but also keeps them safe.

In collaboration with the Exhibitions and Collections Teams we have developed processes for operating the Beam Engine. We have also completed new training packages for our rail operations and a review of our tram operating and training standards.

MOTAT TEAM EVENTS

To help build informal relationships between our diverse teams and encourage a collaborative internal culture, we have introduced regular events for employees and volunteers, including BBQs and other social functions.

WELLBEING

To improve the health and wellbeing of the MOTAT Team we participated in the Auckland Walk Challenge (which involved 39% of the Museum's employees) and the Auckland Bike Challenge (which was undertaken by 11% of the Museum's employees who between them cycled 890km).

WORKSPACE RELOCATIONS

We have relocated our teams into more cohesive groups to enable better collaboration and we have upgraded our workplace environments, which has resulted in positive feedback in our engagement survey.

VOLUNTEERS

Volunteers are vital to our ability to provide top quality visitor experiences and conserve our collection. It is therefore essential that we continue to grow and augment our traditional volunteer base with people skilled in all aspects of the Museum's operations, including Health and Safety, People and Culture, the Environment Team, Hosting, and more.

Our People and Culture Team introduced 35 new volunteers to the MOTAT Team in 2016/2017, expanding our demographic mix and adding new skills and experience. We are now attracting more young volunteers (15% of our volunteers are under 30 years old) and more women (13% of our volunteers are female) than ever before.

Our People and Culture Team has developed a Volunteer Implementation Plan that takes into account feedback gained from last year's volunteer engagement survey and workshops. We have also established a Volunteer Programme aligned with our overall strategy that has been recognised by Volunteering New Zealand as an industry-leading initiative.

Effective Education and Public Programmes

MOTAT's Exhibitions, Environment, Marketing, Public Programmes, and Customer Service Teams work together to develop and host interactive experiences for a range of diverse audiences from university students, to pre-schoolers, to people of all ages and cultural backgrounds. Our education programmes are aligned with the New Zealand curriculum and designed to inspire young New Zealanders to become the Kiwi innovators of tomorrow.

BACKYARD BLOCKBUSTERS

This highly successful April school holiday experience attracted 16,882 visitors and featured a fun, hands-on series of activities designed to inspire and empower budding young filmmakers.

With a focus on filmmaking theory and techniques, Backyard Blockbusters guided participants through the pre-production process, explaining the 'why' and 'how' of each step. Participants explored different elements of filmmaking, from lighting a scene, to using props and clever camera angles to add interesting effects to a film. The activities featured a strong 'hands-on' component, allowing participants to try out the techniques being discussed, as well as providing tips and advice for replicating or adding effects to their own movies in simple and achievable ways.

We supported the experience with a specially prepared booklet filled with activities and useful tips to help guide participants through the activities as well as serving as a useful resource to take away and use in projects at home.

LEARNING EXPERIENCES OUTSIDE OF THE CLASSROOM

MOTAT is contracted to the Ministry of Education to provide learning experiences outside of the classroom (LEOTC) that broaden and deepen curriculum understanding for about 25,000 Auckland primary and secondary students each year. The learning experiences we provide are authentic, hands-on, interactive, and cannot be duplicated in the

classroom. Our Education Team provides a suite of more than 25 programmes that use collection items and in-house subject expertise to cover topics from the Social Sciences, Science, and Technology curriculum areas. During the 2016/2017 year, 25,389 students participated in our LEOTC programmes.

SCIENCE STREET FAIR

Established via a partnership between MOTAT, University of Auckland, and Massey University, our annual Science Street Fair aims to encourage young people to develop their skills and work readiness in relation to science and technology. The event attracted 2,205 visitors this year, an increase of 67% from last year. A huge range of organisations from universities and private companies set up and hosted displays and activities designed to make science and technology careers accessible and attractive to high school students. Participating organisations included Zombiebots, DEVORA, Quakecore, Actigaze™, Photon Factory, Early Learning Lab, the Association for Women in Science, the NZ Institute of Language, Brain and Behaviour, and 'Nano Girl' Michelle Dickinson.

AFTER SCHOOL CLUBS

We provided two, weekly after school clubs for school students this year during school terms: Learn to Code@MOTAT and Robotics@MOTAT. Learn to Code@MOTAT is a free after school club that teaches participants the computer coding languages Scratch, HTML, and Python. Robotics@MOTAT is a paid after school club that teaches participants robotics and robotic control using Arduino and VEX IQ robotics kits.

We provided classroom management and back of house co-ordination for the clubs, and we sourced volunteers from the relevant industries and universities to provide the required subject matter expertise. We also used the programmes as a foundation for a school holiday programme run in conjunction with Ngāti Whatua.

JEWELLERY SMITHING

MOTAT collaborated with the Peter Minturn Goldsmith School (PMGS) to offer 'metal smithing' experiences to the paying public. This weeklong experience included one day working in the MOTAT forge alongside our resident blacksmith, and four days at PMGS working with manufacturing jewellers. Participants completed three projects: a forged object, a silver ring, and a silver pendant of their own design. Of participants who responded to our feedback survey, 100% said they would recommend the experience to others.

WEEKENDS OF IMAGINATION

Launched in June 2016, this ongoing programme runs every weekend with themed experiences aimed at encouraging young minds to think outside the box. So far the programme has featured a series of creativity-enhancing activities based on cardboard, duct tape, games and puzzles, strategy games, Māori innovation, slot cars, and more.

OUTREACH MODULES TE WAKA HUIA

We have produced four outreach modules called 'Te Waka Huia' ('Treasure Boxes') that are easily transportable and operate like museums in miniature to extend MOTAT's reach well beyond our current sites. Each module is extremely flexible and can be used to perform outreach activities at locations throughout the Auckland region, such as displaying collection items, night illumination activities, and pop-up exhibition opportunities.



"I learned new skills, had a great time, and came away with super-cool pieces of my own creation. I would absolutely recommend the workshop to other people - I already have!"

- Jewellery Smithing participant



"Loved the science fair, my daughter had such an excellent time and the interactivity was amazing."

- Science Street Fair participant



Collection Care and Management

We have added 6,248 objects to our inventory this year, 32% more than in 2015 - 2016, and 125% of our target for the year. Since the start of the inventory project in 2013, we have inventoried 22,020 objects. We have also begun a comprehensive review of our entire collection, established a new Conservation Team, and provided our people with training to help them to more accurately assess the significance, meaning, and value of objects.



COLLECTION REVIEW

We began a comprehensive Collection Review this year, starting with a pilot review of 39 cars that we used to improve the robustness of our significance scoring system and other procedures. We found that our scoring system enables meaningful comparison of collection items within the same department, and reveals objects with high significance that may enhance our collection holdings.

Included in our methodology are assessments of the 'significance' of all objects, plus the extent of restoration work, as this can have a material impact on their integrity from a museum and heritage point of view. Training in the assessment of significance has been rolled out to the entire MOTAT Team of employees and volunteers to ensure that the team understands how it fits with the Collection Review process.

The Collection Review is ongoing and has so far assessed 39 cars, 28 fire and emergency vehicles, 17 trucks and vans, 13 military vehicles, 11 buses, 17 tractors and bulldozers, 124 Health Sciences objects, 346 Commercial Aviation objects, and 89 airline bags.

CONSERVATION TEAM

This year MOTAT continued its commitment to improving the care of its collections by appointing a Manager Conservation. With the support of People and Culture, we have also established a new Conservation Team in the Collections Hub dedicated to conservation and collection care.

The Conservation Team has been working with other teams across the Collection, Experience, and Business

Services Hubs to define roles, responsibilities, processes, and procedures. The new team has devised and presented a series of information sessions to introduce conservation to the wider museum team, as well as offering introductory training courses on selected topics.

The Conservation Team has started many initiatives for the core business, including a review of all collection care activities with the aim of implementing improved integrated pest management, environmental monitoring, and collection cleaning programmes. In addition, the team is undertaking MOTAT's first exercise to benchmark collection care and conservation against national and international standards so we can clearly track progress.

EHIVE

We uploaded many new images and information about our collections to the eHive international online catalogue system, including the Jean Batten collection, the objects installed into and out of the Bomber Command display during its recent refresh, the New Zealand Rail ceramics collection, part of the Cliff Tait collection, the Commercial Aviation uniform collection, other Commercial Aviation objects, and the new acquisitions from the year. In total, we have now uploaded 12,110 records of objects under our care.

DIGITISATION PROJECT

We digitised 2,768 images this year, including the Cliff Tait Collection (415 images), the Gamble Collection (409 images), and the McGreal Collection (139 images). We also completed digitising all our oral histories, which were originally captured on cassette tape.

World-Class Exhibitions and Events

We increased our visitor numbers by 5.7% this year to 262,943 and continued to transform MOTAT from being a “collection of things” to a “lightbulb institution” by providing more high quality exhibitions and events designed to delight and inspire the young and old.

THE INNOVATORS

MOTAT's new flagship exhibition, 'The Innovators', is the centrepiece visitor experience of our new Innovation Hub, exploring contemporary and historical ideas of Kiwi innovation.

The exhibition features five successful New Zealand innovation stories: Springfree Trampolines, Xero, Rocket Lab, Animation Research, and The Mind Lab by Unitec. It reveals these stories through three main themes: the collaborative nature of successful innovation, the advantages of New Zealand's remoteness for developing innovative ideas, and the resilience demonstrated by each innovator. The aim is to show visitors that anyone can be an innovator, that New Zealand is a great place to try out ideas, and that setbacks are a necessary part of the innovation journey.

The Innovators includes several 'hands-on' elements, such as a bespoke virtual

reality experience produced by Animation Research that tells the story of sailing in New Zealand from the maritime innovations of early Māori to our winning of the America's Cup. The exhibition also incorporates Te Reo via selected keywords and principles throughout the exhibition, an innovative approach to bilingual exhibition text that is now being adopted by other organisations, including ATEED and the World Masters Games Business Forum.

This exhibition resulted in MOTAT being named as one of the three finalists at the Museum Aotearoa 2017 Awards in the 'Exhibition Excellence - Science and Technology' and 'Most Innovative use of Te Reo Māori' categories.

TRAVELLING EXHIBITIONS

During the year we successfully hosted two travelling exhibitions: 'Da Vinci Machines' and 'Sunlight - Ihi Kōmaru'.

'Da Vinci Machines' featured working and demonstration models of many of Leonardo Da Vinci's inventions. This exhibition, developed by Artisans of Florence, an Italian/Australian exhibition development company, opened in July 2016 and ran for three months. During this time 68,340 visitors attended MOTAT, 8% more than during the same period in 2015 - 2016.

'Sunlight - Ihi Kōmaru' is a beautifully designed, interactive travelling exhibition exploring the story of the sun and the science behind light. The exhibition was developed by Te Manawa in Palmerston North and opened in the Explorium in May 2017.

CHRISTMAS LIGHTS

This event was established in 2011 to attract a more diverse audience to the Museum and it has certainly succeeded, growing to become one of the largest Christmas lights events in Auckland. The event attracted 22,649 visitors over

ten days in December 2016, 12.2% more than in 2015, and more than three times the visitors it attracted in its first year.

Using Christmas fairy lights, the event transforms MOTAT's heritage buildings, shop fronts, walkways, and trams, creating unique visitor experiences. There is also a Santa's grotto, Mrs Claus's craft kitchen, carollers, elves, horse and carriage rides, the lolly man, and other lighted areas and objects.

The event supports our strategic aim of growing MOTAT into a "must experience" venue, using transport stories in creative, interactive, and hands-on ways to educate and inspire. It is also a good illustration of how the many parts of MOTAT often work together to create memorable visitor experiences, with input from the Exhibitions, Museum Environment, Marketing, Collections, Commercial, Front of House, and Volunteer Teams. This year the event also contributed to the wider community by supporting Women's Refuge and Auckland City Mission.

NIGHT LIGHTS

In keeping with our strategy to use our collection in creative ways to inspire and engage audiences, we staged an evening event in late June 2017 involving eight, light-related collection pieces. Eight New Zealand artists produced installations around each collection piece and for three evenings turned the Great North Road site into a magical lightscape. The installations were enhanced with entertainment, sounds, displays, and the additional lighting of some of the heritage buildings, plus our military searchlight swept the skies with its powerful beam from Cropper Lawn.

Organising this event involved collaboration between a variety of MOTAT Teams, including Public Programmes,

Exhibitions, Collections, Museum Environment, Marketing, Front of House, and Military and Trams Volunteers. This event also supported the other Matariki events around Auckland and laid the foundations for us to collaborate with other arts, cultural, and heritage institutions in relation to the Māori New Year.

CORPORATE EVENTS

To financially support our conservation and exhibition activities, we enable selected clients to hire some of our world-class exhibition areas to host corporate and other events, stage photo shoots, and use our facilities as filming locations. Income from these events for the 2016-2017 year was 28.7% up on budget. Corporate clients this year included large private companies, listed corporates, professional services companies, and major government agencies. We also hosted several awards shows, including the Metro Restaurant of the Year Awards and the NZ MIXX Awards, plus weddings, trade groups, international trade and tourism delegations, and community groups.

PASIFIKA VIBES @ MOTAT

To complement ATEED's large-scale Pasifika Festival at Western Springs, we opened the lower half of the Great North Road site to the public with Māori/tangata whenua-based activities, food, entertainment, and free entry. Pasifika Vibes @ MOTAT built on our previous year's engagement with the festival and our spot survey indicates that we attracted approximately 11,000 visitors over two days.

Highlights included performances by the Western Springs College Kapa Haka Group and SUPA - SaintzUp Performing Arts Trust, plus unique food offerings. The Exhibitions and Public Programmes Teams worked with the Mangere Mountain Education Centre to create an exhibition and supporting experience focused on flax weaving. In future years, we will look to invite our arts, cultural, and heritage colleagues to join us in supporting this important cultural and community event.

OLDE HALLOWS EVE

MOTAT celebrated Halloween this year with our traditional Olde Hallows Eve event. This year the theme was 'Masquerade: what lies beyond the mask?' The event explored the idea of 'the other' with sound, light, music, and monsters. Visitors were challenged to test their courage in haunted mazes, to discover the Victorian custom of death masks, and to hide their own identities behind a mask. Areas of the museum were reimagined as Dr Jekyll's lair, a Steampunk Wonderland, a Market of a Hundred Faces, a Metamorphosis Ballroom, and a terrifying Crypt. A live stage, talented actors, fire dancers, living statues, singers, and acrobats kept visitors entertained, plus a costume parade gave them a chance to show off their creations and win prizes. Visitation to this year's event was 19% up on the previous year.

60TH ANNIVERSARY OF THE LAST TRAM

In January 2017, the Collections Hub worked with our Tram Volunteers

and Experience Hub to commemorate the 60th anniversary of the last tram operations in Auckland. The event featured the driver of the last tram to run in Onehunga, Graham Stewart, recalling his days as a tram driver. After the event, volunteers assisted the Library to identify various tram-related photographs in the collection.

PASIFIKA VIBES @ MOTAT

attracted
approximately
11,000 visitors
over two days



OLDE HALLOWS EVE

Visitation to this
year's event was
19% up on the
previous year

Infrastructure and Information and Communication Technology Developments

Behind MOTAT's fascinating heritage objects and inspirational exhibitions our people are hard at work ensuring we have the right systems and infrastructure in place to support improved visitor experiences, provide a safe, effective, and efficient working environment for our people, and ensure a secure environment for our heritage collection.

ENVIRONMENT TEAM

We have a dedicated team of workers who ensure that our collections are secure, our grounds are tidy, our gardens look presentable, and all our buildings are maintained in good order. Most if not all of the events, exhibitions, and other initiatives outlined in this report are reliant on the support of the Environment Team. We have expanded the Environment Team this year to expedite the upgrading and maintenance of our infrastructure and to undertake some tasks previously carried out by external contractors, which has enabled us to speed up the implementation of that work and reduce costs.

NETWORK AND WI-FI

We have restructured our Information and Communication Technology (ICT) network and

brought it up to a more robust and resilient standard, enabling our high-speed data network to reach every part of our MOTAT sites. The improved reliability of our data network has led to savings in new implementations of IP connected services across our sites, including CCTV, and has facilitated smooth redeployment of staff.

We have implemented high-density Wi-Fi across our sites in all main public areas and offices. The upgraded Wi-Fi enables functions in the Aviation Display Hall and The Idea Collective to entertain up to 400 to 500 people and still provide full internet access. The gains the new Wi-Fi has provided in terms of reliability and coverage have been key to the successful implementation of The Innovators exhibition. Wireless coverage at our offsite storage site, along with a permanent link between that site and MOTAT, has also facilitated increased productivity in our ongoing inventory project.

Upgrades to, and further development of, our network and Wi-Fi capability will ensure that we keep pace with the ever-increasing complexities of technology - which is after all part of our name. These upgrades will also enable us to support best practice in the running of our events and exhibitions.

RATIONALISATION AND STANDARDISATION OF ICT SERVICES

We have rationalised a number of telecommunication and internet services to reduce costs and we have commenced a project to document all aspects of the MOTAT ICT environment to enable more efficient resolution of ICT issues. Standardisation across a range of aspects of our ICT has enabled us to create benchmarks, maintain KPIs, and simplify technical troubleshooting.



MOTAT LEADERSHIP

Senior Management Team



**WAYNE
SCHACHE**

General Manager
Business Services

STEVEN FOX

General Manager
Museum Experience

**MICHAEL
FRAWLEY**

Chief Executive/
Museum Director

ALBA LETTS

General Manager
Collections

MOTAT Board

DR LESLEY MCTURK (CHAIR)

MIKE SPRAGGON (DEPUTY CHAIR)

HELEN ATKINS

LINDSAY CORBAN

DR BRUCE HUCKER

RICHARD JEFFERY

JOHN MCELHINNEY

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: **Helen Atkins, Bill Rayner**

This Committee was established in June 2006 to assist the Board with its statutory and oversight 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: **Lindsay Corban**

Committee members: **John McElhinney, Dr Lesley McTurk**

The Annual Performance Review Committee oversees the performance and remuneration of the Museum's Chief Executive/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: **Helen Atkins**

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

STRATEGY AND FUNDING COMMITTEE

Chair: **Sue Wood**

Committee members: **Lindsay Corban, John McElhinney, Richard Jeffrey, Dr Bruce Hucker**

The Strategy and Funding 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.

DEVELOPMENT REVIEW GROUP


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.

This Committee is in abeyance in 2017 pending the commencement of significant projects under the MOTAT Athfield Masterplan.



FINANCIAL STATEMENTS

For the year ended 30 June 2017



Annual Accounts 2016-2017

We are pleased to report that we received an unqualified audit opinion for the 2016 – 2017 financial year.

We recorded a surplus of \$158,178 as shown in the Statement of Comprehensive Revenue and Expenditure.

Increases in our visitor numbers have resulted in an 8% increase in other operating income per financial statements. This is a pleasing trend reflecting the impact of our Strategy to become the “must see venue” in Auckland. It also meets one of our statutory objectives of greater self-sufficiency through revenue producing activities, thereby supplementing public funding.

We appreciate the support of the NZ Lotteries Grants Board and the Ministry of Education who continue to support by way of grants our “Collection Inventory” and “Learning and Education Outside The Classroom” initiatives.

Expenditure was carefully managed through tighter processes and policies, resulting in an on-budget result for the year.

Our surplus was reinvested into our infrastructure or special projects. Some of those projects have been highlighted in this Annual Report and include commissioning of our four outreach modules, installation of “The Innovators” exhibition, refitting the Explorium ready for the “Sunlight Iho Kōmaru” travelling exhibition, a refresh of our offering for the under-5’s – called “MOTOTS”, replacing the white dome at the front of the property, commencing the fit-out of our Heritage listed “Engineers Cottage” and commencing in earnest the project to relocate our collection in storage as a result of contamination from hazardous materials. Expenditure was also committed to progressing the business case for our MOTAT Athfield Masterplan.

Timing around special projects in a Museum environment is often fluid, and accordingly some unspent funds will be carried over into the new financial year to complete the projects they were originally allocated to.

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENDITURE FOR THE YEAR ENDED 30TH JUNE 2017

	NOTE	2017	2016
Levies from Territorial Authorities	2	13,100,000	12,287,000
Grants and Donations	2	468,609	414,203
Rent – Donation	2	528,750	528,750
Interest Received		235,102	231,186
Other Operating Income	3	1,990,045	1,848,160
Operating Revenue		16,322,505	15,309,299
Employee Benefits Expense		6,581,215	5,385,364
Depreciation Expenses	4	1,639,072	1,425,686
Finance Expenses		57,492	63,186
Rent – Expense		528,750	528,750
Other Expenses	5	7,357,798	5,887,336
		16,164,327	13,290,323
Net Surplus		158,178	2,018,977
OTHER COMPREHENSIVE INCOME			
Movement in revaluation reserve		344,205	805,425
Total Comprehensive Income		502,383	2,824,402

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE 2017

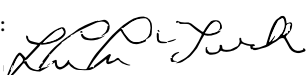
	Projects Reserves	Asset Revaluation Reserves	Retaining Earnings	Total Equity
Balance as at 1 July 2016	214,424	5,300,005	54,702,336	60,216,765
Net Surplus			158,178	158,178
Transfer to/(from) Project Reserve	-22,605		22,605	
Asset revaluation reserve		344,205		344,205
Total Comprehensive Income	-22,605	344,205	180,783	502,383
Balance as at 30 June 2017	191,819	5,644,210	54,883,119	60,719,148
Balance as at 1 July 2015	175,578	4,494,580	52,722,206	57,392,364
Net Surplus			2,018,977	2,018,977
Transfer to/(from) Project Reserve	38,847		-38,847	
Asset revaluation reserve		805,425		805,425
Total Comprehensive Income	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

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 30TH JUNE 2017

	NOTE	2017	2016
Cash and Cash Equivalents	7	1,485,685	2,908,414
Accounts Receivable		289,328	174,073
Term Deposits and Investments		1,000,000	-
Shop Inventory		95,689	92,070
GST Receivable		232,073	158,758
		3,102,775	3,333,315
NON CURRENT ASSETS			
Intangible Assets		23,326	64,160
Property, Plant and Equipment	8a	31,182,731	30,675,217
Collections	8b	29,231,736	28,823,651
		60,437,793	59,563,028
TOTAL ASSETS		63,540,568	62,896,343
CURRENT LIABILITIES			
Creditors and Accruals	9	1,638,192	1,388,639
Current portion of RFA Term Loan	12	67,626	71,185
HP < 1 Year	12	7,946	7,710
Traction Engine Loan		-	58,699
Income in advance	6	351,108	321,672
		2,064,872	1,847,905
NON CURRENT LIABILITIES			
Regional Facilities Auckland	12	756,550	824,177
HP > 1 Year	12	-	7,495
		756,550	831,671
TOTAL NET ASSETS		60,719,148	60,216,766
EQUITY			
General Equity		54,883,119	54,702,336
Asset Revaluation Reserve		5,644,210	5,300,005
Projects Reserve		191,819	214,425
TOTAL EQUITY		60,719,148	60,216,766

Board member:



Date: 19 October 2017

Board member:



Date: 19 October 2017

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 30TH JUNE 2017

	Note	2017	2016
CASH FROM OPERATING ACTIVITIES			
Cash was provided from:			
Levies from Territorial Authorities		13,100,000	12,287,000
Grants and Donations		404,729	389,203
Receipts from operations		2,022,170	1,797,842
Interest income		235,102	231,186
Cash was disbursed to:			
Payments to Suppliers, Employees and others		13,884,343	11,418,682
Borrowing costs paid		57,493	71,447
Net Cashflow from/(applied to) Operations		1,820,165	3,215,102
Cashflow from Investing Activities			
Cash was applied to:			
Payments for property, plant and equipment		2,105,751	1,453,162
Payments for heritage assets		-	-
Net Cash (applied to)/from Investing Activities		(2,105,751)	(1,453,162)
Cash flow from Financing Activities			
Cash was provided from:			
Proceeds from borrowings		-	-
Cash was applied to:			
Repayment of borrowings		137,144	125,063
Net Cash (applied to)/from Financing Activities		(137,144)	(125,063)
Net Increase/ (Decrease) in cash held		(422,729)	1,636,876
Opening Cash Balance		2,908,414	1,271,538
Closing Cash Balance		2,485,685	2,908,414
Represented by:			
Cash and Cash Equivalents	7	1,485,685	2,908,414
Short Term Investments		1,000,000	-

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 2017

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 in 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 MOTAT1 (805 Great North Road), and MOTAT2 (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 2017.

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 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. Cash and cash equivalents also 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 note 8 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

	2017	2016
Grants		
Donated Collection Assets	63,880	25,000
Ministry of Education Grant	135,099	135,099
Air NZ	-	10,000
The Lion Foundation	30,000	-
New Zealand Lottery Board	223,000	202,891
Four Winds Foundation	10,000	-
Other Donations and Grants	6,630	41,213
	468,609	414,203
Other Non Exchange Revenue		
Levies from Territorial Authorities	13,100,000	12,287,000
Rent Donation	528,750	528,750
Total Non Exchange Revenues	14,097,359	13,229,953

3. Other Operating Income

	2017	2016
Gate and Tram Admission	1,345,782	1,229,976
Hirage, Events and Functions	342,017	323,170
Other income	21,833	44,509
Shop Sales	280,414	250,504
	1,990,045	1,848,160

4. Depreciation Expenses

	2017	2016
Leasehold Improvements	1,119,377	1,105,289
Furniture and Fittings	27,604	25,058
Vehicles	10,862	11,527
Computers and Software	224,169	105,538
Display Equipment	20,303	15,399
Plant and Equipment	195,924	124,951
Intangible Assets	40,834	38,125
	1,639,072	1,425,886

5. Other Expenses

	2017	2016
Acquisitions - library	767	2,745
Amenities	5,439	4,906
Audit	53,150	64,100
Bank /Merchant + EFTPOS Fees	25,383	22,069
Board - associated/remuneration	152,634	153,048
Catering and Functions	133,674	147,964
Conservation	55,548	41,834
Consultancy/ Legal Fees	228,332	422,561
Cost of Shop Sales	152,846	143,564
Courier/Postage	8,906	17,289
Research Database	10,286	10,419
Energy / Fuel	140,221	130,318
Events/ Exhibitions/Signage	1,592,660	1,094,509
Expendable Programme Resources	3,059	1,679
Fees, subscriptions, permits & licences	60,274	46,865
Fixed Assets Expenses (<\$500)	3,720	4,711
Insurance - premiums	145,464	161,341
Internet Connection/ IT Support	274,111	257,099
Maintenance expenses	971,110	646,884
Travel/ Accommodation/Vehicle Hire	17,257	11,545
Lease of Tram 1808/1032	20,454	-
Miscellaneous expenses	150,914	12,367
Marketing	491,623	413,359
Off-site Storage	457,392	429,757
Payroll/Staff, Stakeholder Care/Development	458,953	337,452
Care/Development	3,852	2,829
Photocopying and Printing/Stationery	48,539	43,817
Promotions	38,243	8,402
Rates - land/water	43,387	39,972
Redevelopment expenses	699,007	97,804
Restoration Expenses	264,737	414,084
Safety/Security	534,393	578,438
Subscriptions/Memberships	35,457	50,490
Telephones	76,007	73,115
	7,357,798	5,887,336

6. Income in Advance

	2017	2016
New Zealand Lottery Board	185,000	185,000
MOTAT Mates Annual Pass Liabilities	136,097	94,327
Other	30,011	42,345
	351,108	321,672

7. Cash and Cash Equivalents

	2017	2016
Cheque Account	392,355	149,987
Business Saver Account	1,085,125	2,751,051
Imprest Account	8,204	7,375
Total	1,485,685	2,908,414

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

PROPERTY PLANT AND EQUIPMENT FOR THE YEAR ENDED 30 JUNE 2017 CURRENT YEAR (2016-2017)

	Building & Leasehold improvements	Redevelopment Costs	Furniture & Fittings	Motor Vehicles	Computer & Hardware	Display Equipment	Plant & Equipment	Total
	2017	2017	2017	2017	2017	2017	2017	2017
Opening Balance 1 July	29,399,453	191,182	84,868	47,670	444,077	85,689	422,278	30,675,217
Add: Additions during the year	576,840	411,866	98,117	42,515	122,927	29,400	824,085	2,105,752
Less: WIP Transfer from	-	-	-	-	-	-	-	-
Add: WIP Transfer to	-	-	-	-	-	-	-	-
Less: Disposal during the year	-	-	-	-	-	-	-	-
Less: Depreciation	1,119,377		27,604	10,862	224,169	20,303	195,924	1,598,238
Closing balance 30 June	28,856,916	603,048	155,381	79,324	342,835	94,786	1,050,439	31,182,731
Reconciled to:								
Cost	36,675,345	603,048	597,820	203,982	1,521,460	210,889	2,387,059	42,199,603
Less: Accumulated depreciation	7,818,429	-	442,439	124,659	1,178,624	116,102	1,336,620	11,016,872
Net Book Value	28,856,919	603,048	155,381	79,324	342,835	94,786	1,050,438	31,182,731

	Building & Leasehold improvements	Redevelopment Costs	Furniture & Fittings	Motor Vehicles	Computer & Hardware	Display Equipment	Plant & Equipment	Total
	2016	2016	2016	2016	2016	2016	2016	2016
Opening Balance 1 July	29,705,091	-	77,486	59,197	234,785	69,112	464,144	30,609,817
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	1,387,760
Closing balance 30 June	29,399,452	-	84,869	47,670	444,076	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	29,399,453	191,182	84,868	47,670	444,077	85,689	422,278	30,675,217

The amount of Borrowing costs capitalised during the period is \$Nil (2016-\$Nil).

Impairment

Management and the Board have reviewed all fixed assets at the balance date and have not identified any indicators of impairment.

8 b) Collection Assets

CURRENT YEAR (2016-2017)

	Rail	Aviation	Industrial Heritage	Road	Social History	Trams	Comms	Health Science	Military & Medals	Library and 2D Works	Total
	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017
Opening Balance 1 July 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
Add :	-	-	28,000	50,000	64,475	-	-	-	-	201,730	344,205
Revaluation Gains											
Add :	20,000	5,000	-	25,720	13,160	-	-	-	-	-	63,880
Additions during the year											
Less :	-	-	-	-	-	-	-	-	-	-	-
Disposals											
Closing balance 30 June 2017	3,228,000	5,818,610	6,483,000	3,346,420	3,932,485	3,450,000	490,550	44,015	623,901	1,814,755	29,231,736
Reconciled to :											
Opening Balance 1 July 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
Net Changes during the year	20,000	5,000	28,000	75,720	77,635	-	-	44,015	-	201,730	408,085
Net Book Value	3,228,000	5,818,610	6,483,000	3,346,420	3,932,485	3,450,000	490,550	44,015	623,901	1,814,755	29,231,736

PREVIOUS YEAR (2015 - 2016)

	Rail	Aviation & Aviation Engines	Steam & Agriculture	Road	Village Buildings, Contents & Textiles	Trams	Telecoms, Printing & Audio Visual	Health Science	Military & Medals	Library & 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 :	-	370,160	-	283,700	-	-	107,550	44,015	-	-	805,425
Revaluation Gains											
Add :	-	-	-	25,000	-	-	-	-	-	-	25,000
Additions during the year											
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 :											
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
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

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 2016-2017, assets were recognised for the first time in the following collection areas:

1. Derek Wright Collection – Social History (30 objects) Pictorial (1 object)
2. Road Transport – Motorised Vehicles (1 objects)
3. Aviation – Flirtey Drone (1 object)
4. Tram – Turtleback Carriage (1 object)

The new collection areas, additional objects recognised, and revaluation uplifts in the 2017 financial year have added \$344,205 in additional value to the collection.

During the year valuations of those assets recognised were performed by Ashley and Associates valuation services valued, using current market value, the aforementioned new collection areas (numbering 40 objects).

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	2017	2022
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
Telecommunications	2013	2018
Textiles	2014	2019
Trams	2015	2020
Village	2014	2019
Village Buildings	2015	2020

9. Payables Under Exchange Transactions

	2017	2016
Trade Creditors	689,114	714,533
Sundry Creditors	685,645	455,081
Employee Entitlements – Holiday Pay	263,433	219,026
	1,638,192	1,388,639

10. Loan

	2017	2016
Current		
Secured RFA Loan	67,626	71,185
Hire Purchase	7,946	7,711
Traction Engine Loan	-	58,699
Non current		
Secured RFA Loan	756,550	824,176
Hire Purchase	-	7,495

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. The loan was repaid in full this year.

11. Project Reserve

	2017	2016
DC3 NAC Repaint Reserve	1,350	1,350
Engineers Cottage Reserve	-	11,932
KA & LA Locomotives	-	9,390
Lancaster Restoration	170,571	171,855
Mosquito Restoration	2,000	2,000
Stewart Family Memorial Trust	7,500	7,500
Tram #17 Fund	10,397	10,397
	191,818	214,424

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 expires 31 July 2018
- Rental at additional off-site storage (Unit 6) from 1 April 2017 to 31 March 2019
- Rental at additional off-site storage (Unit 10) from 1 April 2017 to 31 August 2026 with a right of renewal from 1 September 2026 to 31 August 2033
- Rental of two portacombs from 1 July 2016 to 30 September 2018
- Rental of Photocopier expires 10 April 2018

Non-cancellable operating lease rentals are payable as follows:

	2017	2016
Not later than one year	1,288,332	395,834
Later than one year and not later than five years	3,222,777	800,000
Later than five years	1,325,676	-
Total	5,836,784	1,195,834

13. Audit Fees

	2017	2016
RSM Hayes Audit contracted during the period:		
Audit of financial statements and statement of service performance	47,795	45,000
Loan staff assistance	-	10,000

14. Contingencies and Capital Commitments

As at 30 June 2017 MOTAT had no capital commitments (2016: Nil).

At balance date there were no known contingent liabilities (2016: Nil)

15. Related Parties

MOTAT has a loan from the Regional Facilities Auckland of \$1,027,725 (Current portion: \$67,626, Noncurrent portion: \$756,550). This is being repaid as per the agreement terms. The total interest paid on the loan during the year was \$48,158 (2016 - \$51,386). MOTAT also received levies from the Regional Facilities Auckland of \$13,100,000 (2016 - \$12,287,000). The Regional Facilities Auckland are considered related due to their ability to appoint board members.

During the year, MOTAT paid \$20,039 (2016 - \$40,179) 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 Freds Panel Shop, the proprietor of which is a relative of a MOTAT employee. The value of work during the year was \$27,080.20 (2016 - \$12,810.00). Balance outstanding at year end \$Nil.

During the year, payments amounting to \$55,280.50 (2016 - \$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	2017	2016
Executive Management Team		
Salaries and other short-term employee benefits	819,161	807,140
Redundancy payments		110,015
	819,161	917,155
Number of persons classified as executive management	5	6
Full time equivalent members	4.3	5
Board Remuneration		
Board fees	136,250	136,250
Number of board members	10	10
Total key management personnel compensation	955,411	1,053,405

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 2017.

16. Going Concern

As at 30 June 2017 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 2017, the Board has received levies from Regional Facilities Auckland totalling \$15,222,110 (1 July 2016 - \$13,100,000).

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

There were no significant events after balance date that impact these financial statements (2016:Nil).

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	HOW WE WILL MEASURE OUR PERFORMANCE	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"> Number of new exhibitions and installations opened to the public 	<ul style="list-style-type: none"> At least one themed exhibition opening to the public each year with visitor satisfaction at 85% 	<ul style="list-style-type: none"> ✓ Achieved: <ul style="list-style-type: none"> The Innovators - exhibition opened in December. Sunlight - travelling exhibition opened 27 May
		<ul style="list-style-type: none"> At least two updated installations opening to the public each year with a sample visitor satisfaction at 85% 	<ul style="list-style-type: none"> ✓ Achieved - Two Waka Huia modules opened in April with car displays. Under 5s upgraded exhibition MOTOTS opened 6 May. A further car display, Three of a Kind, opened in Building 5 on 13 May.
	<ul style="list-style-type: none"> Visitor satisfaction level 	<ul style="list-style-type: none"> An overall visitor satisfaction level of 85% increasing in subsequent years to reach 90% in 2019 	<ul style="list-style-type: none"> ✓ Achieved - Average satisfaction 85%
	<ul style="list-style-type: none"> Number of visitors 	<ul style="list-style-type: none"> To increase our visitor numbers by at least 8% per annum 	<ul style="list-style-type: none"> ✗ Not achieved - Overall 5.7% growth. 10.4% growth for tram usage.
	<ul style="list-style-type: none"> Attendance of SuperGold Card Holders 	<ul style="list-style-type: none"> to increase our SuperGold Card Holder attendance by 5% 	<ul style="list-style-type: none"> ✓ Achieved - 7.85% growth YTD
	<ul style="list-style-type: none"> Examine and report on potential to grow partners, funders, in-kind support, donations and bequests 		<ul style="list-style-type: none"> ✓ Achieved - Concluding sponsorship agreement with KiwiRail. ✓ Achieved - Positive foundations laid with Vector, Mercury and Auckland Transport for partnership development
	<ul style="list-style-type: none"> Develop a Commercial Plan for 2016-2019 		<ul style="list-style-type: none"> ✓ Achieved - Broad partnership prospect funnel has been established.

WHAT WE WILL DO	HOW WE WILL MEASURE OUR PERFORMANCE	OUR TARGET	PROGRESS
	<ul style="list-style-type: none"> ▷ Scope and implement Stage 2 of the web development focusing on e-commerce, online ticketing and memberships 	<ul style="list-style-type: none"> ▷ Website stage 2 development and completed on time, on budget and meets Museum's and visitors needs 	<ul style="list-style-type: none"> ✗ Not achieved - This has been Integrated with development of new Customer Relationship Management system. Implementation of new CRM system now scheduled first quarter 2017-2018.
<ul style="list-style-type: none"> ▷ Maintain education programmes that 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"> ▷ The number of participants in the MOTAT education programmes ▷ The number of partnerships established with Auckland Tertiary Education Organisations 	<ul style="list-style-type: none"> ▷ Achieve the target numbers set in the LEOTC contract ▷ To review whether the contracted service level agreement should be retained ▷ Develop at least one programme targeted at non-traditional audiences in partnership with a Tertiary Education Organisation (eg. at risk youth) 	<ul style="list-style-type: none"> ✓ Achieved ✓ Achieved - New contract agreed and executed for period 1 Jan 2017 - 31 Dec 2019. ✓ Achieved - Partnership with Auckland University for the Science Street Fair in April 2017. Delivered weekend programme of science based activities and stalls from three universities and science practitioners aimed at youth and family. ✓ Achieved - Participated in Ministry of Education Intensive Wraparound Service for students at risk programme delivering programmes to two students in March 2017. ✓ Achieved - Collaboration with AUT to develop digital games for MOTAT Education programmes. ✓ Achieved - C Collaboration with Graeme Dingle Foundation to provide leadership activities for youth aged 14+ (Project K).
<ul style="list-style-type: none"> ▷ Increase our relevance in the community by delivering Outreach programmes (Kete Taonga) that broaden our learning offering beyond the boundaries of the Museum - both physically and via alternate means (eg. online Webinar or YouTube) 	<ul style="list-style-type: none"> ▷ The number of Outreach programmes delivered ▷ The number of people who participated 	<ul style="list-style-type: none"> ▷ Delivering at least three Outreach programmes per annum to the wider MOTAT community ▷ Establishing benchmark processes to determine the Outreach attendance numbers 	<ul style="list-style-type: none"> ✓ Achieved - The Hodges' VW Beetle exhibited at two significant shows ✓ Achieved - Military vehicles and an aircraft for the Armistice Day 2016 celebrations at Ardmore Aerodrome ✓ Achieved - Digger and Diesel roller exhibited at Glenbrook Vintage Steam Fair. ✓ Achieved - Research into the practice of other museums and attractions to establish methodology for counting outreach attendance is ongoing. A pilot sampling process was created and executed for assessing visitation numbers at Pasifika Vibes @ MOTAT.

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	HOW WE WILL MEASURE OUR PERFORMANCE	OUR TARGET	PROGRESS
<ul style="list-style-type: none"> ▶ Undertake annual surveys of both staff and volunteers to assess engagement and culture 	<ul style="list-style-type: none"> ▶ Engagement Survey data 	<ul style="list-style-type: none"> ▶ Participation 85% 	<ul style="list-style-type: none"> ✗ Not achieved (but increased) <ul style="list-style-type: none"> 82% of full time and part time employees completed 2017 Employee Engagement Survey, versus 77% completion in 2016. Full-time participation rate maintained at 92% and casual participation rate increased from 41% in 2016 to 56% in 2017.
	<ul style="list-style-type: none"> ▶ New employee three-month survey 	<ul style="list-style-type: none"> ▶ Engagement level 63% ▶ Satisfaction level 3 or above 	<ul style="list-style-type: none"> ✓ Achieved - Engagement level of new employees is 72%. ✓ Achieved - Satisfaction level of new employees is 85%. Specific satisfaction level not measurable in survey format, however satisfaction in role is measurable.
	<ul style="list-style-type: none"> ▶ Exit Feedback 		<ul style="list-style-type: none"> ✓ Achieved - 100% of employees were invited to complete an Exit Survey. Exit Survey participation decreased to 74%. Non-respondents predominantly casual employees.
<ul style="list-style-type: none"> ▶ Maintain a volunteer recruitment programme that meets the needs of the business and appeals to a broader range of prospective volunteers 	<ul style="list-style-type: none"> ▶ The number and range of new volunteer roles 	<ul style="list-style-type: none"> ▶ All volunteer role opportunities advertised internally and externally in accordance with volunteer role requests 	<ul style="list-style-type: none"> ✓ Achieved - All volunteer roles currently being advertised both internally and on MOTAT Website, SEEK Volunteer, and others.

WHAT WE WILL DO	HOW WE WILL MEASURE OUR PERFORMANCE	OUR TARGET	PROGRESS
<ul style="list-style-type: none"> ▷ Maintain a volunteer recruitment programme that meets the needs of the business and appeals to a broader range of prospective volunteers 		<ul style="list-style-type: none"> ▷ Volunteer survey participation 70% 	<ul style="list-style-type: none"> ✗ Not achieved (but increased)- 54% of active volunteers completed 2017 Volunteer Engagement Survey, versus 50% in 2016.
<ul style="list-style-type: none"> ▷ Effectively communicate Health & Safety protocols across all areas of the Museum operation. Including communication channels that meet the needs of a 7-day operational museum across multiple sites 	<ul style="list-style-type: none"> ▷ Attendance at Health & Safety training (in-house and/or external) 	<ul style="list-style-type: none"> ▷ 100% of team members attending prescribed training 	<ul style="list-style-type: none"> ● Partially Achieved - No targets set around "prescribed training", but Team members attended Health and Safety training appropriate to their identified needs. Progress as follows: <ul style="list-style-type: none"> ▷ Training completed for appropriate personnel in: first aid, emergency response, hazardous spill response, approved handler, work at height, elevated work platform, hazard and risk management, hazardous substances management, forklift operation, tram and rail operational training ▷ In-house Manual Handling training under development, to be rolled out to all Team members ▷ Collaboration with People and Culture to identify Health and Safety training needs for this Financial Year
	<ul style="list-style-type: none"> ▷ MOTAT team member and contractor awareness of MOTAT's health and safety requirements 	<ul style="list-style-type: none"> ▷ 100% of new MOTAT Team members and external contractors undergoing health and safety induction At least 11 health and safety meetings 	<ul style="list-style-type: none"> ✓ Achieved <ul style="list-style-type: none"> ▷ Employees inducted – 67 ▷ Volunteers inducted – 31 ▷ Contractors (incl. staff, function suppliers and event contractors) inducted – 291 ▷ New inductions developed specifically for function suppliers (contractors) at MOTAT 1 and 2, and event personnel (actors, performers, facilitators etc)
	<ul style="list-style-type: none"> ▷ Dissemination of health and safety information 	<ul style="list-style-type: none"> ▷ At least 11 health and safety meetings 	<ul style="list-style-type: none"> ✓ Achieved <ul style="list-style-type: none"> ▷ 11 Health and Safety Committee meetings ▷ 9 MOTAT Team H&S Meetings
		<ul style="list-style-type: none"> ▷ MOTAT representation at RFA Health & Safety meetings 	<ul style="list-style-type: none"> ✗ Not achieved- One meeting held in December 2016. Unable to attend due to health and safety requirements on site.
	<ul style="list-style-type: none"> ▷ Lost time frequency rate 	<ul style="list-style-type: none"> ▷ LTIFR against industry standard 	<ul style="list-style-type: none"> ✗ Not achieved- Investigations with RFA and other museums show no "industry" standard or benchmarking. ✓ Achieved - LTIFR recorded and reported monthly.

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	HOW WE WILL MEASURE OUR PERFORMANCE	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 institutions similar to MOTAT (eg. Maritime Museum, Air Force Museum) so as to reflect the specific needs and requirements of an operational museum 	<ul style="list-style-type: none"> Develop operating guidelines for our operating collection items (trams, rail, road transport and steam collection areas) Implement collection development strategy 	<ul style="list-style-type: none"> Complete guidelines for our heritage Tram Fleet Ensure 100% of acquisitions follow collection policy and collection development strategy 	<ul style="list-style-type: none"> ✓ Achieved - Heritage Operation Guides have been completed for seven of the heritage Tram fleet which operate at MOTAT. Each report details the operation requirements, SOP requirements, maintenance, condition reporting and significance reporting. ✓ Achieved - Acquisitions for the year focused on air, road and technology thus supporting the Museums strategy.
<ul style="list-style-type: none"> Ensure alignment of collection projects and operations to the overall museum experience programme 	<ul style="list-style-type: none"> Use operating collection items to support events and outreach initiatives Provide reliable tram operations between MOTAT 1 and 2 sites Provide reliable tram operations between MOTAT 1 and 2 sites 	<ul style="list-style-type: none"> Provide support to at least three outreach programmes Provide tram operations for 364 days of the year and achieve passenger growth of 3% Provide tram operations for 364 days of the year and achieve passenger growth of 3% 	<ul style="list-style-type: none"> ✓ Achieved - 9 outreach programmes supported. ✗ Not achieved: <ul style="list-style-type: none"> Provision of tram ops for 364 not achieved: Due to the Pasifika Event in March 2017, the trams did not run on 25 and 26 March. The Health and Safety Regulations of the event prevent access to MOTAT and thus the trams are unable to run ● Partially Achieved <ul style="list-style-type: none"> The trams could not operate due to urgent work required on the tram tracks (to ensure the continued safe carriage of passengers). The museum provided an alternate bus service to ensure the service between MOTAT 1 and MOTAT 2 continued Passenger growth of 10.4%

WHAT WE WILL DO	HOW WE WILL MEASURE OUR PERFORMANCE	OUR TARGET	PROGRESS
<p>► Ensure alignment of collection projects and operations to the overall museum experience programme</p>	<p>► Undertake collection projects in consideration of audience development opportunities</p>	<p>► Include Museum Experience Hub staff in Collection Project Teams</p>	<p>✓ Achieved - The Collection and Experience hubs have collaborated on many events and exhibitions, some of which are highlighted below:</p> <ul style="list-style-type: none"> • Registry supported the exhibition activities of the Experience Hub by providing collection objects for exhibitions including the new MOTAT Modules (the Liberty Brush), "Three of a Kind" (the Hodges' VW Beetle) and "The Innovators" (the Rocketlab rocket launcher). <p>They also provided collection items for Public Programmes special events including Fire and Rescue, Christmas Lights and Bikes, Bands and BB</p> <p>Our social media - Facebook, Twitter and Instagram often includes content (eg Object of the Week) provided by Registry.</p> <ul style="list-style-type: none"> • The Library team assisted the Interpretations team with research in relation to the upgrade of the MOTAT Model Railway. • The 2 hubs have commenced planning for the Beam Engine display and the upgrade of the Pump House.
<p>► Adopt a strategic and sustainable approach to the care of the Collection:</p>	<p>► In accordance with the milestones outlined in the Collection Review Programme - 2016-2017</p> <p>► Milestone reporting on the Collection Inventory Project</p>	<p>► Complete the planned work that is outlined in the Collection Review Programme for 2016-2017</p> <p>► Complete the agreed planned work outlined in the Collection Inventory Project for 2016-2017</p>	<p>✓ Achieved:</p> <ul style="list-style-type: none"> • Road transport - 125 objects • Health Sciences - 124 T-numbers objects • Commercial Aviation - 435 objects <p>✓ Achieved:</p> <ul style="list-style-type: none"> • The Collection Inventory team inventoried 2,593 accessioned collection objects and 3,655 uncatalogued/un-numbered collection objects for a total of 6,248 in 2016-2017. • 125% of target for the year

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 a "world class city".

WHAT WE WILL DO	HOW WE WILL MEASURE OUR PERFORMANCE	OUR TARGET	PROGRESS
<ul style="list-style-type: none"> Facilitate the use of MOTAT's resources to assist other museums within the Auckland region 	<ul style="list-style-type: none"> By the number of hosted and facilitated engagements for and with other Auckland museums 	<ul style="list-style-type: none"> Engage with and/or host Auckland museums and other relevant institutions on at least four occasions 	<p>✓ Achieved:</p> <ul style="list-style-type: none"> Hosted Sector Registrars' Meeting at MOTAT on 16 September, with Registrar, Library & Archives Manager and Registrar - Inventory presenting to an audience including participants from Auckland War Memorial Museum, Museum of Waitangi and Tauranga Museum Hosted the National Museum of the Royal NZ Navy to discuss migrating library catalogue records onto the 'Vernon' database Hosted the National Museum of the Royal NZ Navy for a Senior Leadership Planning Day in January 2017 Meeting with Mangere Mountain/ Te Wai-o-Hua in relation to common areas of focus and potential joint projects (e.g. basket weaving at MOTAT during the Pasifika Festival).

WHAT WE WILL DO

HOW WE WILL MEASURE OUR PERFORMANCE

OUR TARGET

PROGRESS

- ▶ Continue to build a meaningful and mutually beneficial relationship with the local Iwi. Increase Māori content in our storytelling and incorporate, highlight and celebrate Māori technology, custom and language into the Museum and its exhibitions where possible

- ▶ Work with the Māori Advisory Committee to establish areas of focus for the 2016-2017 year

- ▶ Complete the identified action points for the 2016-2017 year

- ▶ Māori content (i.e. language, customs, objects and technology) included in themed exhibitions or major displays

- ▶ Māori technology, custom and/or language incorporated into at least one themed exhibition or major display per annum

✗ Not achieved (but have progressed):

- Meeting with the CEO of the Independent Māori Statutory Board in relation to the development of a Committee to help establish areas focus areas
- Meeting with the Rumaki at Western Springs College to discuss common areas of focus and potential joint projects
- Meeting with Ngāti Whatua's education officer in relation to common areas of focus and potential joint projects
- Meeting with Mangere Mountain/ Te Wai-o-Hua in relation to common areas of focus and potential joint projects
- Rumaki and Mangere Mountain/ Te Wai-o-Hua providing input on Pasifika initiative
- Meeting with Ngāti Whatua to discuss joint education initiative

✓ Achieved:

- Working with Mangere Mountain/ Te Wai-o-Hua on demonstrating Māori basket weaving for Pasifika and the development of a MOTAT Module that focuses on Māori technology and innovation
- Rumaki supporting Pasifika initiative
- Te Reo incorporated into 'The Innovators' exhibition and was a finalist in the Most Innovative use of Te Reo in the 2017 Museums Aotearoa Awards
- The first of 'The Innovators in Discussion' series focused on the importance of a Māori world view and how it applies to kiwi technology, innovation and business

STATEMENT OF SERVICE PERFORMANCE

WHAT WE WILL DO	HOW WE WILL MEASURE OUR PERFORMANCE	OUR TARGET	PROGRESS
<p>▷ Monitor the key metrics that were set in 2015-2016 to measure the Museum's progress over the term of the MOTAT Strategy and how it contributes to the Auckland Plan and Arts & Culture Strategy</p>	▷ Monitor and report to the Board and other interested parties on the following key metrics:		
	• Total Attendance numbers (including where possible analysis of the visitor profile)	▷ Demonstrate an improvement in the Museum's total attendance numbers	<p>✓ Achieved:</p> <ul style="list-style-type: none"> • Visitor numbers up 14,273 • 5.7% increase on 2015-2016
	• Revenue generated by the Museum excluding the levy	▷ Demonstrate an improvement in the revenue generation (excluding the levy)	<p>✓ Achieved:</p> <ul style="list-style-type: none"> • Increase of \$162,116 • 6.6% increase on 2015-2016
	• Average retail visitor spend	▷ Demonstrate an improvement in the average retail visitor spend	<p>✓ Achieved:</p> <ul style="list-style-type: none"> • Revenue from Admissions and Shop Sales/general Admissions, MOTAT Mates, groups and Holiday Experience • 2016-2017 YTD - \$10.81 • 2015-2016 YTD - \$10.36
	• Lost time injury frequency rate (LTIFR)	▷ Demonstrate that the LTIFR has remained the same or improved	<p>✗ Not achieved:</p> <ul style="list-style-type: none"> • Rolling 12 month LTIFR above 2015-2016
<p>▷ Implement an initial plan of priorities from the Asset Management Plan information and align it with the Athfield Plan to ensure that the Museum's buildings and infrastructure provide a proper platform for the achievement of the Vision</p>	• Reported accidents/incidents to NZTA and/or WorkSafe	▷ All relevant accidents or incidents were reported to NZTA and/or WorkSafe	<p>✓ Achieved:</p> <ul style="list-style-type: none"> • All accidents/incidents reported
	▷ Undertake agreed planned work included in the Asset Management Plan	▷ Complete the planned and agreed work outline in the Asset Management Plan for 2016-2017	<p>• Partially Achieved - Some works will be dependent on Masterplan approval - some of the buildings will be demolished and therefore may not be appropriate to invest funds into</p>
	▷ Undertake agreed planned work included in the Athfield Plan	▷ Undertake agreed planned work included in the Athfield Plan	<p>• Partially Achieved -Target achievement subject to successful funding applications. Relevant work required to progress funding for the Athfield Plan</p>
			<p>✓ Achieved:</p> <ul style="list-style-type: none"> • Business Case submitted to RFA • Presentation of Strategic MAM flythrough to stakeholders continues
<p>▷ Monitor the effectiveness of the Museum's environmental programmes.</p> <p>▷ Develop new environmental policy</p>	▷ By measuring our energy consumption	▷ 2% reduction based on 2015-2016 actuals	<p>✗ Not achieved:</p> <ul style="list-style-type: none"> • 1% reduction for Year End June 17. Additional staff units and exhibitions requiring additional power use
	▷ By measuring our water consumption	▷ Maintain current water harvesting methods	<p>✓ Achieved:</p> <ul style="list-style-type: none"> • No measure established, but water harvesting continues on site
	▷ Establish benchmarks for new policy	▷ Establish targets for new policy	<p>✗ Not achieved:</p> <ul style="list-style-type: none"> • Engaged Enviromark to assist in CEMARS accreditation and setting targets. Will use 2016-2017 as base line data.

Independent Auditor's Report

RSM Hayes Audit

Newmarket, Auckland 1149
Level 1, 1 Broadway
Newmarket, Auckland 1023

+64 (9) 367 1656
www.rsmnz.co.nz

To the readers of Museum of Transport and Technology Board's Financial Statements and Statement of Service Performance For the year ended 30 June 2017

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 his behalf.

We have audited:

- the financial statements of the Museum on pages 32 to 48, that comprise the statement of financial position as at 30 June 2017, 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 50 to 58.

Opinion

In our opinion:

- the financial statements of the Museum:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2017; and
 - its 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 2017.

Our audit was completed on 10 November 2017. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements, we comment on other information and we explain our independence.

Basis for opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

THE POWER OF BEING UNDERSTOOD AUDIT | TAX | CONSULTING

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.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible on behalf of the Museum for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible, on behalf of the Museum, for assessing the Museum's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the Museum or to cease operations, or has no realistic alternative but to do so.

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

Responsibilities of the Auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Museum's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Museum to cease to continue as a going concern.

THE POWER OF BEING UNDERSTOOD AUDIT | TAX | CONSULTING

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.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during 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.

Other information

The Board of Directors is responsible for the other information included in the Annual Report. The other information comprises the information included on pages 4 to 26, 28 to 31 and 61, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Museum in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Our firm and members of our team may from time to time use the services of the Museum on normal terms. Other than in our capacity as auditor, we have no relationship with, or interests in, the Museum.



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

THE POWER OF BEING UNDERSTOOD
 AUDIT | TAX | CONSULTING

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.

In Appreciation:

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

Auckland Council	The Lion Foundation
Athfield Architects	The Ministry of Education
Four Winds Foundation	NZ Lottery Grants Board
Museums Aotearoa	Regional Facilities Auckland
The MOTAT Society	Ricoh

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



Supported by the ratepayers of Auckland





MOTAT
MUSEUM OF TRANSPORT
AND TECHNOLOGY

GREAT NORTH ROAD AND MEOLA ROAD
WESTERN SPRINGS, AUCKLAND 1022
0800 MOTATNZ (0800 668 286)
www.motat.org.nz

