



**OTAGO
MUSEUM**

www.otagomuseum.nz

Annual Plan 2022 – 2023



Cover: *Plunge: Augmented Reality Experience* developed in house, 2021.
Above image: *The Void – Te Kore*, Tūhura Otago Community Trust Science Centre.

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INTRODUCTION

2022 – 2023 Annual Plan for Otago Museum

The 2022 – 2023 Annual Plan and budget has been prepared against a background of uncertainty.

The start of the global pandemic in January 2020 has caused significant business interruption over the last two years and this budget assumes that a degree of disruption will continue into 2023.

In addition inflationary pressures are increasing and inflation is currently sitting at 4.9% for the September 2021 quarter with some economists expecting annual inflation to run above 6% over the next two years.

Trading activity in 2021 and 2022 has been supported by Government COVID-19 relief funding. This includes wage subsidies and STAPP funding (Strategic Tourism Assets Protection Programme) as well as a STAPP loan of \$1 065 000. This loan is due to be repaid in May 2022. All Covid related relief funding has now finished.

The current COVID-19 environment makes it difficult to plan with the rules continually evolving both here and overseas. The underlying assumption for the 2023 financial year is that there will be a partial increase in overseas and domestic tourism.

However international tourism, and in particular the cruise ship industry, will be slow to rebuild and will remain at subdued levels for some time. Reduced visitor numbers will have a flow on effect across all levels of the organisation but will especially impact the business units including Tūhura, Tropical Forest, Planetarium, shop, café and venues. Uncertainty around the hosting of large events will adversely affect the venues division in the months to come.

All business units have historically provided much needed surplus funds to support overall Museum operations and to assist with capital maintenance of assets. Reduced trading activity and pressure on the financial viability of these areas is of great concern.

The Museum is budgeting a net loss after depreciation for the 2023 year of \$1 219 519. This means the Museum is unable to fund any of its capital expenditure or deferred maintenance from operational funding. This is not a sustainable position and the Museum is in a very challenging and difficult financial position.

Historically the organisation has aimed to have at least a \$400 000 surplus before depreciation to cover general operational capital expenditure. However, at current funding levels, this is not achievable. In order to bring the budgeted result to the minimum \$400 000 before depreciation, the Museum requires a levy increase to \$5.3 million for 2023 (being a 9% increase on the 2021 invoiced amount), with at least 3% increases each year following.

Additional capital expenditure has been funded from general reserves or through fundraising. These general reserves have now been all but exhausted. It is also noted that across 2022 and 2023, there is \$1.55 million of capital expenditure that is classified as health and safety expenditure. This expenditure has been deferred over the last few years due to lack of funding and includes fire protection, sprinklers and earthquake mitigation. This type of expenditure is difficult to fundraise for.

Additional significant amounts that are required to be spent in future years for health and safety reasons, but continue to be deferred due to lack of funds, include the urgent Tropical Forest roof replacement \$1.5 million and continuing fire protection and earthquake mitigation \$560 000. The continual deferring of key health and safety expenditure cannot continue and requires an urgent solution which can only be resolved by receiving increased funding assistance.

The Museum's difficult financial position has come about due to increasing costs, inflationary and wage pressures, COVID-19 and restrictive council funding.

The Museum has built up its commercial operations to provide much needed cashflows for the underfunding of core Museum activities and has managed to "limp" along over the last few years by eating into historical cash reserves.

Facing a challenging public sector funding environment, coupled with the eroding of cash reserves and the business interruption caused by COVID-19, the Museum finds itself in a dire financial situation.

This cannot continue and the Museum will have significant difficulties operating under the current funding model.

Without additional funding the financial realities are that operations will need to reduce; the workforce will need to downsize with the closure of some parts of the Museum required.

Despite the financial challenges with our current business model, which we are working on in the background, next year promises to be busy and there is a lot to look forward to.

We will continue to plan for the development of an externally funded off-site storage facility, which was a key priority identified in our recent master planning exercise, and has arisen as a common priority with other similar organisations across Dunedin.

We will open *Kura Pounamu*, a major new exhibition which will educate, entertain, and inspire many visitors. Our collections team will continue its vital work, which this year includes the ongoing 'Tū Tonu' project, funded by the Ministry for Culture and Heritage, which aims to understand the needs of regional museums. Our Education and Outreach teams will continue to offer world-class experiences across Otago while working on nationally important projects like the MBIE funded Tūhura Tuarangi Aotearoa in Space exhibition which will be making its debut this year.

We aim to inspire everyone who visits to take an interest in our region's culture, nature, and science.

We hope to see you at the Museum soon.



**Prof David Hutchinson,
Chair, Otago Museum Trust Board**



**Dr Ian Griffin
Director, Otago Museum**

TE ARA HOU – THE ROAD AHEAD LONG-TERM STRATEGIC PLAN



VISION

**Kia whakaoho –
Awaken wonder,
curiosity, and
understanding
in our world.**

MISSION

**To inspire
and enrich our
communities,
and enhance
understanding of
the world through
our collection, our
people, and the
stories we share.**

THE OTAGO MUSEUM TRUST BOARD ACT 1996

To collect, preserve, act as a regional repository for, research, display, and otherwise make available to the people of the present and the future, material and information relating to the natural, cultural, and scientific heritage of the peoples of the world.

To promote interest and education in the natural, cultural, and scientific heritage of New Zealanders.

To place particular emphasis on those activities as they relate to the greater Otago region, world history, natural history, and science, and, where appropriate, their relationships in a wider global context.

VALUES

To maintain a world-class museum for the people of Otago and Aotearoa, the Museum has made a commitment to values that shall underpin our operations and practices:

MANAAKITAKA

We will care for our taoka, tākata, and whakapapa*

KAITIAKITAKA

We will guard our taoka, whakapapa, and tākata for future generations

TOHUKATAKA

We will grow and foster expertise through research, learning, and collaboration

WHANAUKATAKA

We will collaborate and create partnerships

RAKATIRATAKA

We will ensure our mana is evident in our integrity, ethical decision-making, and leadership

* Taoka – refers to the tangible and intangible treasures of the Museum; tākata refers to the people of Otago Museum – its staff, visitors, partners, stakeholders, and communities; whakapapa refers to the Museum's relationships and history.



Child's hat. Mid-20th century. Gift of Margery Blackman, Otago Museum Collection. D2021.35

TE ARA HOU – THE ROAD AHEAD STRATEGIC GOALS AND OBJECTIVES



GOAL ONE

WHAKAMARAKATIA TE MANA O TE KOHIKA TAOKA UPHOLDING THE MANA OF THE COLLECTION

Strategic objectives:

1. We will share our collection with the world
2. We will strategically develop our collection
3. We will care for our collection
4. We will excel at researching and interpreting our collection

GOAL TWO

WHAKAURUA Ā TĀTOU HĀPORI KI TE WHAKAOHOOHO TE MIHARO, TE MANAWA REKA, TE WHAKAMARAMA HOKI ENGAGING OUR COMMUNITY TO INSPIRE WONDER, CURIOSITY AND UNDERSTANDING

Strategic objectives:

1. We will be a valued community resource
2. We will encourage interaction throughout Otago and beyond

GOAL THREE

WHAKAHAUMARU TE WĀHEKE I TE AO HURIHURI A SECURE AND SUSTAINABLE FUTURE IN A CHANGING WORLD

Strategic objectives:

1. We will operate sustainably
2. We will secure and future-proof the Museum's financial position
3. We will develop and maintain safe spaces that offer rich and rewarding experiences
4. We will build and sustain professional expertise and knowledge across the organisation



Sequined gourd by Reuben Paterson, 2005 – 2012 | New Zealand. Fairweather Fund; Otago Museum Collection. FF2013.29
Featured in *Fresh Produce: The International Year of Fruits and Vegetables* stairwell display, 2021.

ONE GOAL

Whakamarakatia te mana o te kohika taoka

Upholding the mana of the collection

We will share our collection with the world

- Review, assess, and/or digitise 10 000 collection items and increase the number of items accessible online by 5000.
- Facilitate loans of collection items to and from the Museum.
- Publish 20 publications based on the collections, from internal researchers via publicly-accessible media.
- Encourage the publication of collection-related content by external researchers.
- Facilitate and encourage research access and respond to public enquiries.
- Collections team contributes to the delivery of projects, exhibitions, programmes, and online content to engage our core audiences.

We will strategically develop our collection

- Develop our collections in line with our Collections Strategy.
- Accession a major entomology collection.

We will care for our collection

- Continue to develop and implement best practice approaches to caring for our collection
- Assess, and when necessary, treat items in tandem with priority collections surveys, development projects, exhibitions, and programmes.
- Maintain and develop preventive conservation programmes in line with best practice that apply to all collections.
- Continue to replace/repair collection storage furniture for earthquake mitigation and fire prevention.
- Manage the iwi relationship and curatorial support to ensure repatriation matters are managed within resource constraints.
- Develop relocation strategies for the collection in line with potential building works.

We will excel at researching and interpreting our collection

- Develop and support research endeavours in line with the Research Strategy.
- Support and encourage research outcomes of honorary curators and research collaborators.



Matariki Ahuka Nui Dawn Ceremony 2021, Otago Museum Reserve.

OTAGO MUSEUM GOALS

**Whakaurua ā
tātou hāpori ki
te whakaohoho
te miharo, te
manawa reka, te
whakamarama hoki**

**Engaging our
community to inspire
wonder, curiosity and
understanding**

We will be a valued community resource

- Implement our Te Reo Māori Strategy.
- Attract more than 275 000 visitors to the Museum.
- Offer free admission to the Museum's permanent galleries and events.
- Measure value delivered to our core audience through the Dunedin City Council Residents' Opinion Survey.
- Undertake targeted audience research to better understand our communities and how we can best meet their needs/engage and inspire them.
- Deliver a range of different programmes and events on-site that are relevant to our culturally and geographically diverse communities.
- Deliver programmes, events and services to Dunedin City Council, and Waitaki, Clutha, Central Otago, and Queenstown Lakes District Councils, and beyond.
- Deliver conservation and professional services to five regional museums and other collections.
- Share our plans and results with our staff, stakeholders, partners, and communities.
- Facilitate opportunities for volunteers and interns to contribute 2000 hours' service to Otago Museum.
- As part of our Ministry of Culture and Heritage funded Tū Tonu project (which is looking at capability in the museum/ heritage sector across Otago and Southland) we will engage with and collect information from museums, marae, and heritage properties, deliver capability-building opportunities and develop a heritage portal with and for our regional partners.
- Develop guidelines and protocols through the 'Hidden Hazards' Lottery-funded project for the identification, management and disposal of hazards in cultural heritage collections.
- Deliver 100 presentations in-house and externally.

We will encourage interaction throughout Otago and beyond

- Open one new exhibition over the period 2022 – 2023.
- Engage in collaborations, and foster ongoing partnerships across Otago, New Zealand, and the world.
- Continue to develop online audience engagement through website, blog, and social media activity and virtual conferencing.
- Deliver effective curriculum-linked education programmes to at least 5000 students, leveraging Enriching Local Curriculum (ELC) funding.
- Ensure awareness of the Museum and its activities through active media presence locally and nationally.



GOAL THREE

Whakahaumarū te wāheke i te ao hurihuri

A secure and sustainable future in a changing world

We will operate sustainably

- Measure our carbon footprint.
- Reduce our carbon footprint year-on-year.
- Explore and invest in renewable energy options and initiatives to reduce ongoing carbon emissions.
- Invest in double-glazing of the Museum.
- Continue upgrading lighting to LED.

We will secure and future-proof the Museum's financial position

- Actively pursue partnership and funding support from central and local government and wider key stakeholders.
- 50 000 paid admissions to Tūhura Otago Community Trust Science Centre.
- 12 500 paid admissions to Perpetual Guardian Planetarium.
- Foster repeat visitation.
- Develop and promote the Museum as a conference and events centre.
- Be open and accessible in financial reporting to all stakeholders.
- Optimise current commercial opportunities to sustain and grow financial contribution of Museum operations.

We will develop and maintain safe spaces that offer rich and rewarding experiences

- Begin implementation of the master plan for development of the Museum's buildings and facilities.
- Continue environmental and controlled natural light penetration improvements in galleries and collection stores.
- Improve access (physical, intellectual, economic and visual) and wellbeing initiatives across our spaces, exhibitions and programmes/events.
- Carry out a detailed seismic assessment of the Museum.
- Undertake earthquake mitigation measures.
- Continue to undertake health and safety, and accessibility improvements.
- Upgrade fire protection in the galleries as per the Museum's five-year fire protection plan.

We will build and sustain professional expertise and knowledge across the organisation

- Offer staff professional development and training opportunities.
- Provide relevant health and safety training for all staff.
- Provide opportunities for staff to build capability in te reo Māori, Treaty and bicultural operations.
- Develop and implement a staff wellbeing strategy



**MAJOR
PROJECTS,
EXHIBITIONS
+ GALLERY
DEVELOPMENTS**

Master Plan phase 1: Planning for an offsite storage facility

A clear outcome of our master planning exercise carried out over 2020-2021 was the urgent need to find a cost-effective way for the Museum to ensure that its collections are preserved and protected. The result of this was to build a fit-for-purpose off-site storage facility. Discussions with other cultural institutions suggest we are not alone in needing more storage. There is a need for a regional archives and collections facility which could serve our region. This will be a major project for the Museum which will take a number of years to complete.

This year we will begin to develop plans and start to fundraise for this project and seek partners to work with us to take it forward.

A comprehensive survey of the collections at Otago Museum will be undertaken to determine how they may be safely decanted to new premises. The survey will also inform how much space will be required to accommodate 25 years' collections growth, environmental and security requirements, conservation and research facilities and supporting infrastructure.

On-going and immediate capital works

- Continue implementation of the Museum's five-year fire protection plan
- Earthquake and fire mitigation across the Museum
- Replace Tropical Forest roof
- Scope possible renewable energy options

Exhibitions and Galleries

- *24th Otago Museum Photography Awards*
- *Kura Pounamu*
- *Kiingi Tuheitia Portraiture Award* exhibition
- *Code Breakers – Women in Games*
- *Mighty Small, Mighty Bright*
- Summer 22/23 exhibition
- Interventions and displays throughout the Museum and externally
- Develop Pacific Cultures refresh concepts
- Touring rock art exhibition collaboration
- Beautiful Science gallery: develop one new showcase
- Tūhura Otago Community Trust Science Centre: refresh of interactives
- Tāngata Whenua gallery development

**OTAGO MUSEUM TRUST BOARD
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE 5 YEARS ENDED 30 JUNE 2024**

	2019/20		2020/21		2021/22		2022/23		2023/24		2019/20		2020/21		2021/22		2022/23		2023/24		
	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	
Income																					
Executive	396,425	425,876	425,876	135,565	135,565	20,696	20,696	21,213	21,213	21,213	396,425	425,876	425,876	135,565	135,565	20,696	20,696	21,213	21,213	21,213	
Collections, Experience & Development	1,811,682	2,090,248	2,090,248	2,131,500	2,131,500	1,968,000	1,968,000	2,017,201	2,017,201	2,017,201	1,811,682	2,090,248	2,090,248	2,131,500	2,131,500	1,968,000	1,968,000	2,017,201	2,017,201	2,017,201	
Finance & Commercial	321,811	368,681	368,681	233,200	233,200	288,700	288,700	274,905	274,905	274,905	321,811	368,681	368,681	233,200	233,200	288,700	288,700	274,905	274,905	274,905	
Visitor Interaction & Programmes	880,599	686,220	686,220	943,000	943,000	933,000	933,000	1,629,000	1,629,000	1,629,000	880,599	686,220	686,220	943,000	943,000	933,000	933,000	1,629,000	1,629,000	1,629,000	
Science Engagement & Outreach	24,910	16,429	16,429	1,000	1,000	1,000	1,000	1,005	1,005	1,005	24,910	16,429	16,429	1,000	1,000	1,000	1,000	1,005	1,005	1,005	
Facilities	4,527,046	4,812,458	4,812,458	4,783,077	4,783,077	4,938,707	4,938,707	5,086,718	5,086,718	5,086,718	4,527,046	4,812,458	4,812,458	4,783,077	4,783,077	4,938,707	4,938,707	5,086,718	5,086,718	5,086,718	
Special & Trust Funds	386,961	392,432	392,432	342,584	342,584	342,584	342,584	342,584	342,584	342,584	386,961	392,432	392,432	342,584	342,584	342,584	342,584	342,584	342,584	342,584	
Total Income	6,308,762	6,505,236	6,505,236	6,047,744	6,047,744	6,472,707	6,472,707	6,402,885	6,402,885	6,402,885	6,308,762	6,505,236	6,505,236	6,047,744	6,047,744	6,472,707	6,472,707	6,402,885	6,402,885	6,402,885	
Wages & Salaries																					
Executive	(344,089)	(418,686)	(418,686)	(435,124)	(435,124)	(423,485)	(423,485)	(436,130)	(436,130)	(436,130)	(344,089)	(418,686)	(418,686)	(435,124)	(435,124)	(423,485)	(423,485)	(436,130)	(436,130)	(436,130)	
Collections, Experience & Development	(3,764,954)	(3,772,771)	(3,772,771)	(1,456,908)	(1,456,908)	(1,463,763)	(1,463,763)	(1,483,174)	(1,483,174)	(1,483,174)	(3,764,954)	(3,772,771)	(3,772,771)	(1,456,908)	(1,456,908)	(1,463,763)	(1,463,763)	(1,483,174)	(1,483,174)	(1,483,174)	
Finance & Commercial	(878,495)	(874,444)	(874,444)	(780,633)	(780,633)	(867,242)	(867,242)	(893,775)	(893,775)	(893,775)	(878,495)	(874,444)	(874,444)	(780,633)	(780,633)	(867,242)	(867,242)	(893,775)	(893,775)	(893,775)	
Visitor Interaction & Programmes	(878,495)	(744,444)	(744,444)	(1,184,859)	(1,184,859)	(1,184,859)	(1,184,859)	(1,184,859)	(1,184,859)	(1,184,859)	(878,495)	(744,444)	(744,444)	(1,184,859)	(1,184,859)	(1,184,859)	(1,184,859)	(1,184,859)	(1,184,859)	(1,184,859)	
Science Engagement & Outreach	(349,247)	(374,835)	(374,835)	(377,853)	(377,853)	(374,756)	(374,756)	(386,606)	(386,606)	(386,606)	(349,247)	(374,835)	(374,835)	(377,853)	(377,853)	(374,756)	(374,756)	(386,606)	(386,606)	(386,606)	
Facilities	(5,307,037)	(5,291,245)	(5,291,245)	(5,565,232)	(5,565,232)	(5,704,521)	(5,704,521)	(5,779,968)	(5,779,968)	(5,779,968)	(5,307,037)	(5,291,245)	(5,291,245)	(5,565,232)	(5,565,232)	(5,704,521)	(5,704,521)	(5,779,968)	(5,779,968)	(5,779,968)	
Special & Trust Funds	(170,811)	(178,152)	(178,152)	(165,000)	(165,000)	(175,000)	(175,000)	(179,377)	(179,377)	(179,377)	(170,811)	(178,152)	(178,152)	(165,000)	(165,000)	(175,000)	(175,000)	(179,377)	(179,377)	(179,377)	
Total Direct Costs	(8,865,209)	(8,524,865)	(8,524,865)	(8,249,341)	(8,249,341)	(8,524,865)	(8,524,865)	(8,676,931)	(8,676,931)	(8,676,931)	(8,865,209)	(8,524,865)	(8,524,865)	(8,249,341)	(8,249,341)	(8,524,865)	(8,524,865)	(8,676,931)	(8,676,931)	(8,676,931)	
NET PROFIT BEFORE DEPRECIATION	(2,556,447)	(3,019,629)	(3,019,629)	(2,201,600)	(2,201,600)	(1,052,158)	(1,052,158)	(2,274,046)	(2,274,046)	(2,274,046)	(2,556,447)	(3,019,629)	(3,019,629)	(2,201,600)	(2,201,600)	(1,052,158)	(1,052,158)	(2,274,046)	(2,274,046)	(2,274,046)	
Depreciation expense	(1,440,916)	(1,311,658)	(1,311,658)	(1,270,000)	(1,270,000)	(1,240,000)	(1,240,000)	(1,440,000)	(1,440,000)	(1,440,000)	(1,440,916)	(1,311,658)	(1,311,658)	(1,270,000)	(1,270,000)	(1,240,000)	(1,240,000)	(1,440,000)	(1,440,000)	(1,440,000)	
Overall Net Profit/(Loss) after Depreciation but before COVID-19 Wage Subsidy	(1,115,531)	(1,708,000)	(1,708,000)	(931,600)	(931,600)	(292,158)	(292,158)	(834,046)	(834,046)	(834,046)	(1,115,531)	(1,708,000)	(1,708,000)	(931,600)	(931,600)	(292,158)	(292,158)	(834,046)	(834,046)	(834,046)	
Contribution by Division																					
Executive	(514,900)	(598,316)	(598,316)	(600,124)	(600,124)	(598,485)	(598,485)	(615,567)	(615,567)	(615,567)	(514,900)	(598,316)	(598,316)	(600,124)	(600,124)	(598,485)	(598,485)	(615,567)	(615,567)	(615,567)	
Collections, Experience & Development	(1,573,623)	(1,373,018)	(1,373,018)	(1,507,735)	(1,507,735)	(1,697,312)	(1,697,312)	(1,706,544)	(1,706,544)	(1,706,544)	(1,573,623)	(1,373,018)	(1,373,018)	(1,507,735)	(1,507,735)	(1,697,312)	(1,697,312)	(1,706,544)	(1,706,544)	(1,706,544)	
Finance & Commercial	(386,110)	(399,487)	(399,487)	(394,312)	(394,312)	(460,455)	(460,455)	(474,455)	(474,455)	(474,455)	(386,110)	(399,487)	(399,487)	(394,312)	(394,312)	(460,455)	(460,455)	(474,455)	(474,455)	(474,455)	
Visitor Interaction & Programmes	(635,980)	(398,477)	(398,477)	(611,933)	(611,933)	(690,242)	(690,242)	(714,335)	(714,335)	(714,335)	(635,980)	(398,477)	(398,477)	(611,933)	(611,933)	(690,242)	(690,242)	(714,335)	(714,335)	(714,335)	
Science Engagement & Outreach	(233,207)	(93,028)	(93,028)	(387,910)	(387,910)	(79,427)	(79,427)	(128,812)	(128,812)	(128,812)	(233,207)	(93,028)	(93,028)	(387,910)	(387,910)	(79,427)	(79,427)	(128,812)	(128,812)	(128,812)	
Facilities	(882,485)	(884,030)	(884,030)	(1,148,103)	(1,148,103)	(1,136,908)	(1,136,908)	(1,157,522)	(1,157,522)	(1,157,522)	(882,485)	(884,030)	(884,030)	(1,148,103)	(1,148,103)	(1,136,908)	(1,136,908)	(1,157,522)	(1,157,522)	(1,157,522)	
Special & Trust Funds	2,540,145	2,854,132	2,854,132	2,839,859	2,839,859	3,170,471	3,170,471	2,994,889	2,994,889	2,994,889	2,540,145	2,854,132	2,854,132	2,839,859	2,839,859	3,170,471	3,170,471	2,994,889	2,994,889	2,994,889	
Net Profit/(Loss) per Division	(1,865,360)	(1,811,259)	(1,811,259)	(1,410,259)	(1,410,259)	(1,592,259)	(1,592,259)	(1,793,346)	(1,793,346)	(1,793,346)	(1,865,360)	(1,811,259)	(1,811,259)	(1,410,259)	(1,410,259)	(1,592,259)	(1,592,259)	(1,793,346)	(1,793,346)	(1,793,346)	
Additional Revenue & Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Wage Subsidy	-	(305,883)	(305,883)	-	-	-	-	-	-	-	-	(305,883)	(305,883)	-	-	-	-	-	-	-	
MasterCard Grants	-	62,500	62,500	-	-	-	-	-	-	-	-	62,500	62,500	-	-	-	-	-	-	-	
STAPP Funding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net Profit/(Loss) from Core Operations & Business Units	(1,865,360)	(1,509,277)	(1,509,277)	(1,410,259)	(1,410,259)	(1,592,259)	(1,592,259)	(1,793,346)	(1,793,346)	(1,793,346)	(1,865,360)	(1,509,277)	(1,509,277)	(1,410,259)	(1,410,259)	(1,592,259)	(1,592,259)	(1,793,346)	(1,793,346)	(1,793,346)	
Add back Depreciation	1,440,916	1,311,658	1,311,658	1,270,000	1,270,000	1,240,000	1,240,000	1,440,000	1,440,000	1,440,000	1,440,916	1,311,658	1,311,658	1,270,000	1,270,000	1,240,000	1,240,000	1,440,000	1,440,000	1,440,000	
Net Contribution before Capex	(424,444)	(197,619)	(197,619)	(140,259)	(140,259)	(352,259)	(352,259)	(353,346)	(353,346)	(353,346)	(424,444)	(197,619)	(197,619)	(140,259)	(140,259)	(352,259)	(352,259)	(353,346)	(353,346)	(353,346)	
Capex Expenditure	(438,599)	(330,880)	(330,880)	(1,935,000)	(1,935,000)	(4,945,000)	(4,945,000)	(16,280,000)	(16,280,000)	(16,280,000)	(438,599)	(330,880)	(330,880)	(1,935,000)	(1,935,000)	(4,945,000)	(4,945,000)	(16,280,000)	(16,280,000)	(16,280,000)	
Net Contribution after Capex	(863,043)	(528,500)	(528,500)	(1,075,259)	(1,075,259)	(5,297,259)	(5,297,259)	(16,633,346)	(16,633,346)	(16,633,346)	(863,043)	(528,500)	(528,500)	(1,075,259)	(1,075,259)	(5,297,259)	(5,297,259)	(16,633,346)	(16,633,346)	(16,633,346)	

Notes:

- * Core Operating activities include those funded by CLA funding as well as some Museum contributions.
- * Business Units include Museum Café, Facilities, Tours, Tropical Forest, Shop & Annex Café. This also includes the Planetarium from mid-2016 financial year.
- * Special & Trust Funds show the movement within the funds as well as the fundraising, interest, dividends and foreign exchange movement for the period.
- * Special & Trust Funds includes accrued interest & interest allocated to the Equalisation Reserve (to maintain capital)

1. CLA contribution

DCC advised there would be no levy increase for 2021/22

Clutha District Council continue to calculate their levy differently from the method agreed with the other local authorities. Under the Otago Museum Trust Board Act 1996, the shortfall in this levy payment has to be met by the Dunedin City Council.

Below is a summary of the CLA contributions per budget:

2016/17	4,102,101			
2017/18	4,184,143	2%		
2018/19	4,309,667	3%		
2019/20	4,527,046	5%		
2020/21*	4,812,458	6%		
2021/22	4,783,077	-1%		*2021 includes additional double payment of \$30k by Queenstown - hence the apparent decrease in 2022
2022/23	4,938,707	3%		
2023/24	5,086,718	3%		

The proposed levy for the next three years is as follows:

	Dunedin	Central Otago	Clutha*	Waitaki	Total
2021/22	4,451,594	31,502	210,310	59,670	4,783,077
2022/23	4,596,438	32,527	217,153	61,611	4,938,707
2023/24	4,734,192	33,502	223,661	63,458	5,086,718

The proposed levies are insufficient to fund delayed capital expenditure and are not considered sustainable.

2. Staffing costs

Wage costs are under pressure with living wage expectations and the minimum wage increases having a significant impact. Accordingly staffing costs have been budgeted to increase with annual wage rises to keep wages at what is considered to be a fair level.

The increased wages in Science Engagement is expected to be covered by increased Grant revenue.

3. Overall indirect costs

Overall indirect costs are expected to be higher due to forecasted increases in costs such as electricity, gas and insurance.

4. Capital Expenditure

Budgeted capital expenditure for 2021/22-24 includes previously budgeted expenditure that has been deferred due to insufficient funding.

While capital expenditure projects have been budgeted, these will only go ahead if sufficient funding is available. Major projects included in the budget include:

	2021/22	2022/23	2023/24
* Building Development	50,000	50,000	50,000
* Furniture - General	15,000	15,000	15,000
* Vehicles	50,000	50,000	-
* Energy Efficiency	20,000	20,000	60,000
* Computer & Software	100,000	120,000	120,000
* HVAC Upgrade	-	60,000	60,000
* Heatpumps - Admin/Hutton	60,000	60,000	20,000
* Web design	100,000	-	-
* Gallery Protection - Sprinklers	300,000	500,000	300,000
* Passive Fire Protection	20,000	100,000	40,000
* Conservation	30,000	30,000	-
* Tūhura Otago Community Trust Science Centre	30,000	150,000	30,000
* Tāngata Whenua	-	-	200,000
* Earthquake Mitigation - Buildings	30,000	30,000	30,000
* Earthquake Mitigation - Collections	30,000	30,000	30,000
* Café Furniture	-	20,000	15,000
* Gallery refresh	40,000	40,000	40,000
* Tropical forest bridge replacement	30,000	-	-
* Tropical Forest - upgrade (roof) and refresh	800,000	1,100,000	500,000
* Fit-out Shelving (McLaggan) **	-	-	1,060,000
* Office Furniture (McLaggan) **	-	-	30,000
* Computers & IT (McLaggan) **	-	-	22,000
* Building (McLaggan) **	1,000,000	1,000,000	13,638,000
* Fire Protection (McLaggan) **	-	-	250,000
	\$2,705,000	\$3,375,000	\$16,510,000
	(1,400,000)	\$1,400,000	
	\$1,305,000	\$4,775,000	
Less Capex likely to be deferred to 2023			

** These projects are subject to further feasibility studies before any financial commitment is made. They are also subject to gaining appropriate funding via fundraising and grants. Should sufficient funding not be secured, these projects will either be delayed or not go ahead.

5. Business Units

Business Unit sales are expected to increase each year but are being offset somewhat by increasing costs (particularly in wages).

The ongoing impact of COVID-19 on the commercial operations is difficult to forecast but has a detrimental effect on the ability of the organisation to generate additional funds which are required to maintain Museum services and operations.

6. Other Income

Other income includes donations, collection boxes and interest income, as well as any income received from exhibitions and programmes. It also includes the following additional contributions from the supporting councils:

	2021/22	2022/23	2023/24
	Budget	Budget	Budget
* DCC Long Term Plan Contribution	75,000	75,000	175,000
* Queenstown Lakes District Council	30,000	30,000	30,000



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