



CEO'S REVIEW

Challenges in 2003/04

2003/04 started badly. The onset of the Iraq War, Severe Acute Respiratory Syndrome (SARS) and the continuing economic malaise took their toll on museum visitorship. Like all other government departments and state-funded statutory boards, NHB also suffered further cuts in its budget.

The closure and redevelopment of the Singapore History Museum (SHM) at Stamford Road severely affected our visitorship numbers. Up to its closure SHM had contributed the lion's share of visitorship, accounting for 50% of museum visitors in 2002/03. The frontage of the Singapore Art Museum (SAM) at Bras Basah Road was also hoarded up for more than a year to accommodate tunnelling works on the new Circle Line. Many mistook this as SAM's temporary closure. Even now, its facade remains partially blocked by construction works.

In May 2003 when SARS peaked, tourists visiting Singapore dipped to an all-time low of 177,808, a drop of over 70% compared to May 2002. This had a knock-on effect on museum visitorship. Only 17,073 visited our museums in May – less than half a month's average.

Stemming the Fall

To boost visitorship, our Marketing and Corporate Communications (MCC) Division embarked on a series of aggressive marketing initiatives with leading partners. We participated in Singapore Tourism Board's "Step Out Singapore". We also actively participated in joint promotions such as "SIA's Fabulous Offers", "Roaring Great Deals", Great Singapore Sale, and the Association of Singapore Attractions' (ASA) recovery programmes.

NHB partnered Singapore Explorer and Grand Hyatt Hotel to offer an \$88 domestic tourism package. Deals were struck with the National Trades Union Congress (NTUC) and Friends

of Changi Airport to provide exclusive offers to their members. Orientation sessions at both Asian Civilisations Museum, Empress Place and SHM's Rivertales were conducted for inbound tour operators and guides.

To reach out to the growing China tourist market, we produced brochures in both English and Chinese. About 100,000 copies each were printed and distributed at ASA racks in hotels, attractions, and Singapore Visitors' Centres. The brochures were also circulated at STB's regional tourism offices throughout Asia.

By August 2003, visitorship had climbed back to a healthy 49,242. By the end of the financial year, we succeeded in attracting a total of 480,292 visitors, close to 90% of the previous year's total museum visitorship.

Exercising Prudence in Expenditure

In line with the public sector-wide Economy Drive initiated by the Ministry of Finance, NHB introduced several austerity measures to cut costs. Prudence in public spending and accountability were re-emphasised. We also actively participated in MITA's Value Innovation Initiative.

For greater transparency and accountability, the Board's Audit Committee appointed Deloitte & Touche in December 2003 as our internal auditor. The internal audit function will strengthen our control systems and establish a set of efficient policies and procedures within the Board.

“ With a full calendar of exciting blockbusters and innovative projects, we will expand our audience space and reach out to new target groups. ”

Reviewing and Implementing Key Performance Indicators

We revised the Key Performance Indicators (KPIs) for the institutions and NHB as a whole. Eventually, these KPIs will be imported into our Balanced Scorecard framework for performance measurement. At the same time, we completed our job evaluation exercise.

For FY2004, we will pay greater attention to our customers. A new KPI is the Customer Satisfaction Indicator to track our service orientation and quality. A standardised feedback form was implemented to find out how our customers view us, and to address any service lapses. In addition, we are developing an online system to capture and analyse customer feedback.

To realise our vision of making heritage accessible to all, we have created more mass-appeal programmes and exhibitions. These include lifestyle topics like fashion, food, transport and popular culture. At the same time, we are careful not to neglect the specialised interests of art and heritage aficionados. It is a balance that we will continue to maintain in future.

Leveraging on Technology

To make our heritage resources and information more accessible, relevant and useful to the public, our Strategic Technology Office mapped out an IT Master plan. The plan calls for the development of an Integrated Museum and eArchival System (iMAS). This will allow museum visitors, the public and our staff to seamlessly retrieve cultural and heritage information through the Internet or personal devices such as mobile phones. This innovative use of technology will allow us to be one of the first in the region.

The year saw the successful implementation of Phase One of the Integrated Museum Display System (IMDS) at the Asian Civilisations Museum, Empress Place. Visitors can use the interactive kiosks to guide their museum tours, retrieve a range of multimedia information, and provide on-line feedback.

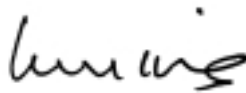
Encouraging Cultural Philanthropy through Incentive Schemes

To encourage greater participation in public art, we have created a new tax incentive scheme for the donation, adoption, maintenance and display of sculptures at public places. The Public Sculptures Scheme, which offers double tax deduction for partnering organisations, was introduced in late 2003. We hope that this tax incentive scheme will encourage private organisations and individuals to donate new sculptures, adopt or maintain existing public sculptures and to commission and install their own sculptures for public enjoyment.

In FY2003, we also introduced the Approved Museum Scheme. Under the Scheme, donors of artefacts to an approved museum will be able to enjoy double tax deduction. Two public sector organisations have already been granted the Approved Museum status by NHB.

The Road Ahead

Looking ahead, the Board is confident that the outlook will improve in the coming year. With a full calendar of exciting blockbusters and innovative projects, we will expand our audience space and reach out to new target groups. With a team of dedicated staff, we will rise to every occasion whatever the future may be.



Lim Siok Peng

Chief Executive Officer
National Heritage Board