

[submitted online]

29 August 2019

New Zealand Productivity Commission  
PO Box 8036  
The Terrace  
Wellington 6143

## **Local government funding and financing – Draft Report**

Tēnā koutou

This submission is made by Museums Aotearoa, Te Tari o Ngā Whare Taonga o Te Motu (MA) and is made on behalf of all our members, comprising some 200 public museums and galleries and over 1500 individual members who work or volunteer in or for the sector.

### **Introduction**

The 'museum sector' includes art galleries, museums, historical society and science centres made up of 470-500 institutions throughout New Zealand, including 20 large (20+ staff), 60 medium (5-20 staff), and 400+ small and institutions. The MA membership represents over 96% of staffed institutions.

Public museums and galleries care for and provide access to and education about our nation's art, culture, heritage and science and technology for the benefit for current and future generations. In particular the MA's institutional members hold collections of visual arts, decorative arts, documentary history, military objects and collections, social history, technology, natural history, taonga Māori, archaeology and ethnology that are significant to our nation.. Much of our members activities are also undertaken in heritage buildings and locations of historic significance.

As noted in our earlier submission to this inquiry, MA's research supports the vital role of public museums and art galleries in their communities as well as in tourism and the economy more broadly. <sup>1</sup> Their contribution spans community, tourism and future legacy.

mThis submission focuses on the specific sections of the draft report that relate to public museums and art galleries.

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<sup>1</sup> [The Value museums, art galleries and heritage properties contribute in Aotearoa New Zealand.](#) Museums Aotearoa 2018.

## Submission

### 1 Priorities

The priorities identified (10.1) address specific gaps relating to growth and change, which are acknowledged. However, they do not address the long-standing inequities between councils in terms of their ability to support arts, culture and heritage in their region especially if they have limited funding from their ratepayer base or other significant obligations.

For example, Whanganui District Council has a wealth of heritage buildings and a significant regional museum as well as an art gallery with collections of regional and national significance. The Council has a relatively static population of circa 45,000, which makes it difficult to support the rising costs of the aging infrastructure and the ongoing cost of looking after the collection and providing access to it. By contrast, Wellington also has significant collections, but has the advantage of central government funding support for Te Papa as well as a proportionally much higher ratepayer base that can fund the museums and galleries in its area.

Further, a number of museums have been required to step in to protect objects of national significance (e.g. the Moa foot prints removed and preserved by the Otago Museum) even though it means having to divert funds from other projects.

We would submit that Central Government support should be provided to the local councils or the institutions holding collections of recognised national significance.

### 2 Tourism

We broadly agree with the findings and recommendations regarding tourism hotspots.

However, as noted in 1 above, there are ongoing culture and heritage needs which are not in 'hotspots' but either contribute locally and in the community context or need more support because of the national significance of their holdings.

### 3 Pressure on funding and financing – unfunded mandates

Chapter 4 discusses unfunded mandates. This is another area where museums and galleries are under increased pressure. While providing museum services to the community is seen as a local council responsibility, there should, in our view, be central government support to ensure that this access is maintained and is at the requisite standard. This was highlighted recently by a remit passed at the LGNZ AGM in July 2019, calling for central government support for regional museums and galleries with collections of national significance.

Again, the inequities of local councils' capacity to fulfil these responsibilities are exacerbated by differing historical starting points and different population numbers.

### 4 Pressure on funding and financing – costs relating to Treaty obligations

Museums and galleries are embracing their Treaty 'obligations' through an increasingly bicultural approach in the way they operate. Their ability to undertake this in practice is however constrained by resourcing. As the report notes, there are costs associated

with iwi involvement and partnership, and these are addition to the normal operating costs of the institution.

While a small start has been made in this area through the Ministry for Culture & Heritage support for the repatriation of human remains, other initiatives need to be provided by the Ministry and central government to help the institutions embrace their Treaty obligations.

## 5 Improving decision-making

We agree broadly with the report's findings and recommendations on improving decision-making. However, we do not agree with the implication in Q5.2 that cost and price pressures can always be managed through productivity improvements. Gallery and museum costs are only marginally related to 'productivity' – they are not-for-profit, operating on a long-term community good basis. In other countries such as the UK and Australia, 'efficiency dividends' have been introduced on this principle which are, in effect, year-on-year budget cuts. Most if not all of the directors of these institutions will tell you that the 'efficiency dividends' approach is a false economy and puts their collections at risk.

Also a large number of the institutions face significant building, infrastructure and collection issues, including Te Papa, which means that any funds that are saved through productivity improvements need to be and are in many cases been applied towards these issues. Once again central government support should be forthcoming so as to ensure that the significant national collections held by these institutions are not put at risk.

## 6 Conclusion

We submit that the report does not adequately address the fundamental funding and other issues which challenge the sustainability of our public museums and galleries. The historic and ongoing anomalies of location, collections, heritage buildings, rate payer funding and council capacity that characterise our museum and gallery sector need a national/central government solution.

Central government could step in to address some of these issues through targeted funding linked to specific outcomes. These in turn would enhance local councils' ability to meet their own responsibilities and strengthen the communities which are currently so stretched.

One such step would be to develop Te Papa's National Services Te Paerangi so that it can more effectively provide practical support and advice to the sector, and ring-fence its budget so that it has the resources going forward.

Nāku noa, nā



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