



29 August 2019

New Zealand Productivity Commission
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Tēnā koutou

Local government funding and financing – Draft Report

This online submission is made by the Museum of Transport and Technology (MOTAT).

Introduction

MOTAT is based in the Western Springs of Auckland and is Aotearoa's largest transport and technology museum.

The Museum uses its focus on past, present and future Kiwi technology and ingenuity to educate and inspire 300,000 visitors per annum. MOTAT is also the custodian of a large number of heritage objects that are of national significance (i.e. the heritage Pumphouse).

MOTAT is funded by the Auckland Council and from admission charges and fees for its education and other programmes. While this funding is sufficient to cover MOTAT's operating costs and some of its capital requirements, it is not sufficient to cover the infrastructure and building issues it faces or the significant custodial costs associated with some of its collection objects.

This submission focuses on the specific sections of the draft report that relate to public museums, like MOTAT, and art galleries.

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 the region.

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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 and buildings of 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 2012⁹, 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 and the associated ratepayer funding base.

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

Museums and galleries, like MOTAT, 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 and 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 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 organisations, 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.



MOTAT, for example prepares and submits an annual budget to Auckland Council and runs efficiently but it does not have sufficient funds to address its building and infrastructure issues or unforeseen events like asbestos being discovered on or in several of its collection objects. 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

There are significant costs and obligations attached to being the custodians of the nation's heritage objects and expecting the local councils' to cover these costs places an unfair and inequitable burden on them.

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 stretched.

At the very least Te Papa National Services should be developed so that it can provide practical support and advice to the sector and its budget should be ring-fenced so that it has the resources going forward. Creative NZ could also use its expertise and resources to support the sector, especially those involved in the arts and STEAM (Science, Technology, Engineering, Arts, Maths).

Please do not hesitate to contact me if you have any questions.

Nāku noa, nā

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

Michael Frawley
Chief Executive/Museum Director