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Kia ora Sue

Museums Targeted Rating – extra information request

We appreciate your request for further information. This response outlines the proactive changes Kauri Museum has made since the last audited accounts 2023/24 to reduce costs, despite significant challenges in maintaining our services and infrastructure.

Salaries

1. We have reduced salaried roles and scaled down services, which are at the bare minimum without compromising the visitor experience.
2. Three salaried staff positions cut from museum in 2024/25 and not replaced, including Collections Manager which was a shared role with Mangawhai Museum. This has resulted in a 15% reduction in the monthly wage bill (year-to-year comparison).
3. Currently, 60% of staff are casual and paid minimum wage, up from 50% on minimum wage in 2023/24. There are 23 staff on the payroll, most of whom are casual and rostered for only a few hours or parts of some days each. This is equivalent to 11 FTE positions, reduced from 16 FTE during Covid, despite the museum now hosting three times as many visitors as then.

Service Reduction

4. With the tourism season approaching, we are operating with minimum staffing rosters and relying heavily on volunteers to sustain services.
5. Rubbish bin service reduction in Matakoho. Kauri Museum has removed all public rubbish bins from Church Road Matakoho. This has also reduced the need for staff involvement in daily bin maintenance.
6. Reducing our staffing levels has led to delays in service times for Collections related requests by the public. The Trust Board has accepted the operational risks this reduction poses, including potential delays in responding to public requests.

Business focus

7. We recorded a \$70k loss in 2024 due to reduced income and increased maintenance costs. Without external funding, projections for 2024/25 show an expected \$215k loss (before depreciation).
8. Despite this, we have implemented measures such as a 15% reduction in the monthly wage bill.
9. Better business focus by Trust Board and management has target of 35,000 annual paying visitors to Kauri Museum and cafe, which is a 10% increase on the previous year. (Kiwi North museum in Whangarei has 7,000 annual visitors, Mangawhai and Dargaville Museums fewer).
10. While efficiency measures have resulted in some financial gains, these are offset by rising costs in depreciation, insurance, Building Warrant of Fitness compliance, and maintaining the aging infrastructure that supports a growing number of visitors with high expectations.
11. Net expectation before depreciation is a c\$215,000 loss for the current financial year without external funding or grants.

12. The Board recognises that this is an unsustainable position and is actively seeking additional sources of external funding through grants, donations and bequests.
13. The Government provided a Strategic Tourism Asset Protection Programme (STAPP) loan of \$190,000 to the Kauri Museum in the Covid period. While vital to the Kauri Museum, this loan adds financial pressure. Interest payments are ongoing, and the principal is due in 2027. Current forecasts show uncertainty about how this repayment will be managed.
14. Kauri Museum projections for 2024/25 reflect this uncertainty, and further operational cuts may leave us struggling to meet our obligations.

The information here demonstrates the Kauri Museum's responsible management while emphasising the urgency of the situation and the need for targeted rating to stabilise operations - ie, maintain core services, preserve its infrastructure, and continue contributing as a vital cultural and educational hub for the community, especially as the old County Museum for Otamatea which included all Mangawhai to Tokatoka/Ruawai.

We are keen to explain this in more detail with Council if the opportunity arises.

Thank you for the opportunity to provide these points of clarification, and good wishes for Christmas, meri Kirihimete,



Jason

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