

11 April 2022

Kaipara District Council

C/o Mr Graeme Coleman
Finance and Risk Manager
Kaipara District Council
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Tena koutou katoa

Submission to: Kaipara District Council (KDC) from The Board of Mangawhai Museum and Historical Society (the Board)

Re: The forgiveness of loans advanced to Mangawhai Museum upon construction and establishment.

Background:

Mangawhai Museum opened in December 2014 following over 10 years of fundraising and community involvement. The museum was built with significant community donations, both in funds and in kind through donated design, labour, and materials. These efforts produced a substantial and architecturally significant building for Mangawhai (valued for insurance purposes by Telfer Young in March 2022 at over \$4,000,000 reinstatement cost).

Since opening in 2014, Mangawhai Museum has continued to enjoy a high level of community support and is largely run by volunteer labour and effort with an entirely volunteer Board, between 80-100 volunteers acting in a wide variety of roles across the museum's operations with only a paid manager and paid part time assistant manager for part of that time.

Mangawhai Museum and Historical Society (MMHS) is a registered charity (registration number CC10698) under the Charities Act 2005. Our performance statements and financial reports are available publicly through the Charities Services website.

Kaipara District Council advanced two loans to Mangawhai Museum and Historical Society as follows:

Loan #1 – dated 31 March 2014 for \$50,000. Due for repayment on 7 October 2022.

Loan #2 – dated 18 December 2014 for \$50,000. Due for repayment on 22 December 2022.

The Museum has been paying interest to KDC on both loans as per the terms and conditions of each loan.

Community Benefit:

The Board considers that in the seven and a half years that the Museum has been open, it has provided a wide range of benefits for the community and for Mangawhai as a whole.

The Museum:

- Upholds its mission of preserving the history of the Mangawhai community and allows access to this by residents and visitors alike.
- Researches and publishes local stories and local history.
- Records history as it happens and continuously updates the stories and displays of Mangawhai history.
- Provides an outlet for local iwi to tell their stories.
- Develops historical walking trails beyond the Museum walls.
- Attracts and provides a destination for tourists, adding to the potential income for other businesses and the growth in reputation of Mangawhai as a visitor destination.
- Provides a cultural focus for the community in what is increasingly an arts and cultural hub for Mangawhai.
- Provides a venue for multiple community activities and services, including weekly JP services, and a meeting space for other community groups.
- Provides an outlet and purpose for a wide range of community volunteers, supporting their well-being and social needs as well as their desire to give back to the community.
- Provides employment through the direct employment of a manager and assistant manager, and indirectly through the provision of an on-site café.
- Supports the education of our young people through the provision of educational programmes for school groups, and school holiday programmes.
- Plays an active role in supporting other organisations in the Mangawhai Community Park, through the friends of Mangawhai Community Park entity.
- Supports the development of other cultural and arts-based entities, such as Mangawhai Artists, through the gifting of leased land to them for an arts facility, and the Daring Trust for temporary storage.
- Actively supports KDC through participation in consultative activities regarding future developments.
- In 2022 achieved the Qualmark Silver Status on initial application for this tourism award – signifying the quality of what is on offer here.

In summary, Mangawhai Museum is a substantial community asset, in terms of its imposing building and internal historical resource; in the contribution it makes to the local community through employment and volunteer effort; and in the quality cultural, tourist and educational focus it provides.

Funding of the Museum

From its opening in December 2014 until February 2022, the Museum has had 29,909 paid admissions – an average of over 4,000 visitors per annum. Family groups and bus tours may understate this number, making it higher than this.

However, the Museum cannot support itself financially through admissions alone. Income from the gift shop and more recently through overhead cost-sharing and a peppercorn licence fee from the café helps supplement operational costs. The main source of income is from Grant applications, which are not always guaranteed. Annual operating revenue is approximately \$200,000 from all sources which only just covers our operating costs. It does not provide a surplus.

As stated above, our annual financial statements are publicly available on the Charities Services website.

The Museum does not receive any financial support from Council except through applications made to contestable funds.

A review of the 2021 funding sources of museums comparable in size to Mangawhai Museum reveals that a number receive regular funding from their local Council. Close to home, Waipu Museum (which

had an annual income of \$312,000 in 2021) received 25% of its funding from Whangarei District Council in that year.

Community Investment by the Museum

While Section 11A of the Local Government Act 2002, which specifically referred to support of museums as a core service by local government, was repealed in 2019, Section 14 of the same Act now specifies that local authorities must consider the 'social, economic and cultural well-being of people and communities.'

In 2014 KDC made an investment of \$100,000 in Mangawhai Museum to support its opening and development. Spread over 7 years this represents an investment of \$14,286 per annum, a mere 7% of the annual operating income of the Museum.

Staffing the reception desk alone from 2015 to 2021 has involved almost 15,000 hours of volunteer labour which when costed at the minimum wage equals \$250,000. Conservative estimates show that this is roughly 25% percent of the volunteer force who also organize exhibitions, education programmes, collection management, fundraising, building management and other activities associated with running a significant community museum. Costed on the same minimum wage basis as the reception desk this would mean that the community value in deferred wages is in the region of \$1 million. Thus, Mangawhai Museum has committed \$1 million in providing services to the 'social, economic and cultural well-being of the of people and communities.'

The Future

Given the success that the Museum has become and the benefit to the community that it brings, the Board would like to request that the Kaipara District Council considers waiving the requirement for repayment of the two loans specified above in 2022.

The Museum Board is currently developing a new strategic plan for the next 3-5 years. A cornerstone of this is to further develop our lease site as a cultural and arts hub for the community, with an extension to the building, and by entering into cooperative ventures with other arts and cultural groups in Mangawhai, including tangata whenua.

Forgiveness of the loans will allow us to enter this new development phase without debt and enable us to apply for substantial grant funding to support these plans. In this way, the Council can continue to support the ongoing development of Mangawhai Museum.

We look forward in anticipation to your consideration of our request and a favourable response.

Nga mihi nui



Jill Corkin
Board Chair
Mangawhai Museum and Historical Society