

13 December 2022

The Honourable Tony Burke MP
Minister for Employment and Workplace Relations, Minister for the Arts
Parliament House
Canberra ACT 2600

Cc: The Honourable Katy Gallagher MP
Minister for Finance, Women and the Public Service
Via email: senator.katy.gallagher@aph.gov.au

Dear Minister,

I write to advise you of recent discussions of the Council of the National Museum of Australia.

At its meeting on 24 November, the Council expressed pride in all that has been achieved at the National Museum in recent years, reflected in the strong visitor numbers, the opening of new galleries and experiences for children, our extensive program touring major exhibitions across Australia and round the world, and remarkable growth in our online engagement. However, as you know, the Museum faces significant issues in the years ahead and has made every effort to plan effectively to meet those challenges.

The Council welcomes development of a new National Cultural Policy and is very grateful for your consideration of the sustainability issues faced by the National Collecting Institutions, including the Museum. We were delighted by your support and encouragement of all we do at the launch of *Great Southern Land* in September. However, we are now at a point where funding issues compromise our capacity to meet our legislative obligations and endanger the National Historical Collection.

In the first instance, the Council is highly focused on the findings of the KPMG report on the Museum's financial position and addressing what needs to be done to ensure our solvency. **On current figures, the Museum's appropriation is set to drop from \$50.9 million in 2022-23 to \$39.7 million in 2023-24 and remain at that level thereafter.** As an aside, the figure of \$39.7 million is \$4.3 million below the \$44 million recommended in a Department of Finance funding review in 2002-03.

Hence, the Council is now considering how to make the deep cuts that would be required to meet budget in 2023-24. **The Museum's Executive are preparing plans for redundancies of up to 70 staff FTE (from a total FTE of 227), to cut all public programming and events delivered in Canberra and online, cut all education programs which service onsite school visits from around Australia, and cut its touring exhibition program which takes Australian stories and collections across the country and to the world. In addition, it is also preparing to close the Museum up to two days per week.**

Given the Museum's reserves are low (budgeted at \$9.9 million by end of the present FY), the Council intends to direct the Executive to commence the planned redundancy program from February 2023. In short, the Museum will have to begin making these redundancies this financial year to pay for them, as its anticipated budget for the following financial year (2023-24) would be inadequate to meet the severance costs.

On present advice, the Council feels it cannot wait till the end of the financial year to commence making these redundancies. The only option to avoid this prudent, yet drastic, management action would be to confirm early in 2023, a stated change to the budget appropriation of an additional \$15.2 million per annum, being the minimum recommended by the KPMG study as necessary to keep the Museum operating after 2022-23.

Secondly, the Museum's storage of the National Historical Collection is in a parlous state. An ANAO report of 2004-05 found that the Museum's storage – all leased – was in the worst condition of any cultural institution in Canberra. Since that time, the Museum has attempted to make improvements in storage conditions, but the greater part of the problems remain. One of the storage areas, located next door to a concrete batching plant, now has latent conditions that make it unsafe for staff to work there without remediation.

While the Council acknowledges a full review of the collection storage needs of the cultural institutions lies ahead, it is now in a position where staff safety and degradation to collection items demand that it propose an interim solution which ensures the Museum can exit the most problematic of its stores. **This interim solution requires a minimum of \$9.1 million to allow for cleaning of the existing facility, review and de-accessioning of collection, and transport and rehousing of the remainder of the National Historical Collection in a new, leased facility with improved conditions.**

I understand that these issues come at a time when Government is facing serial challenges on many fronts. However, the Council feels that it has done much to make the Museum a success in recent years with strong increases in visit numbers and engagement around Australia, despite a lack of resources. I therefore feel bound to draw these matters to your attention and ask for urgent assistance to ensure the Museum continues to meet the terms of its legislative responsibilities and do what it does best; that is, serve the national interest and the Australian public.

Yours faithfully,



Ben Maguire
Chair of Council
National Museum of Australia