

24 July 2014

Hon. Jack Snelling MP
Minister for the Arts
GPO Box 2555
Adelaide SA 5001

Dear Minister,

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Cc:		

I refer to the Premier's letter of 8 July 2014 inviting the South Australian Museum Board to comment on the proposed assessment of all, and subsequent abolition of, a range of Government Boards including those set up by Statute. I am writing to seek your support for the South Australian Museum Board to be exempt from this strategy.

We understand that the assessment criteria used will include "efficacy and independence" as defined by the Uhrig *Review of the Corporate Governance of Statutory Authorities and Office Holders* (2003) as well as the need to give a broader range of organisations and individuals more direct access to government advisory and decision making processes as described in the YourSAy website.

It is our view that, in terms of efficacy and independence, the South Australian Museum Board and the significant Institutions on North Terrace should each retain and have separate Boards. Our Board provides leadership, tight oversight and generates significantly more funds than the \$20,000 a year it costs. Importantly it performs functions that are described by Uhrig as requiring "a level of separation from Government to ensure objectivity".

The possibility of amalgamation with direct and distant neighbours has been considered but would not be supported because it would see a diminution in commitment to the individual institutions and a significant conflict of interest in terms of seeking and generating income.

The South Australian Museum Board has recently been renewed with a focus on commercial expertise and public engagement as well as scientific excellence. Following the Board's recent recruitment of a leading Museum Director, the staff and the Board have developed a new Strategic Plan for the period 2014-2020. It is predicated on the need to be a credible external partner with commercial values to underpin our institutional imperatives. Our Strategic Plan is aligned with State Priorities and our recently completed Science Review and Plan is also explicit in incorporating areas of State Strategic importance such as mineralogy and ore body formation.

The Museum is seen as a State Institution but operates in a transparent manner and has an independent and trusted voice. Its independence and Board leadership makes it possible to solicit funds from individuals and corporations on behalf of the community.

Board Abolition would:

- Generate more red tape and lead to less efficient oversight by a government arts agency without experience of commercial Museum activity or an appreciation of scientific research or the university sector.
- Lose the financial and commercial expertise on the Board where currently all have run significant businesses or have professional executive expertise such as legal, high level banking, accounting, tourism and soon to include IT and venture capital funding.
- Undermine the standing of the Institution as an employer of world-class leaders by requiring them to report to staff with far less executive experience of the sector.
- Lose income since the Board raises significantly more than their sitting fees (fees which have already reduced as a previous budget saving).
- By becoming more dependent on government, the Institution would have less potential to generate external income and would be more likely to increase the pressure on state appropriation.
- Be moving governance of the Institution away from global best practice and an opportunity to be more financially independent.
- Jeopardise the management of relationships with the Aboriginal Advisory Group, which operates as a sub-committee of the Board with status, and engagement by appropriate elders.
- Be unlikely to attract significant members to operate as a mere advisory body without fiduciary or meaningful strategic duties.
- Undermine the independence of acquisition and deaccessioning so that donors would be fearful of State sell offs.
- Remove tight oversight and increase risk to Government.

Board Amalgamation would:

- Generate significant conflict of interest in seeking funding opportunities from the same sources.
- Tend to homogenise strategic planning by removing any incentive for competition.
- Alienate a body of site specific financial supporters.
- Reduce the pool of donors making significant gifts and bequests.
- Be contrary to the models seen in the most successful globally competitive institutions.
- Result in generic membership of a Board rather than leverage specific passion.
- Would diminish our focus on science, and for instance mineralogy research, by absorption into a larger structure dedicated to art or social history.
- Take focus from the smaller or less prestigious institutions.

New approaches to directly engage with South Australians as proposed in Better Together and YourSAy are embraced by the Museum via new media, extensive volunteering in research as well as curatorial roles, citizen science initiatives, collection digitization and open access on-line. The Museum currently engages with over 800,000 visitors, including over 30,000 students in school visits per year and has externally funded outreach to regional centres, Remand Centre youth and to students in the APY Lands. These opportunities will be enhanced in the recently agreed Strategic Plan with a commitment to greater investment in new technology for North Terrace and virtual visitors.

Finally we would note that the independence of the Museum and Board protects the State Government from potential risks such as in the appointment of a Museum Director, through conflicts of interest and the perception of bias in relation to scientific advice.

The South Australian Museum has one of the most experienced museum leaders in Australia, and the current Board system reduces red tape, generates income, and delivers high-level executive oversight, good contacts and opportunity. These outcomes are quite unlikely to be generated from within the Department of Arts SA and are best delivered by an independent and separate Board such as the one currently operating, under Statute.

We seek your support for the South Australian Museum Board to be exempt from the proposed abolition and amalgamation strategies of Cabinet but would welcome the opportunity to discuss the introduction of further efficiencies through modernisation of our governance arrangement with the Department.

Yours sincerely,



Jane Lomax-Smith

Chair

South Australian Museum Board

