

Royal British Columbia Museum

Cabinet Presentation

November 22, 2002

Royal British Columbia Museum

Overview

- Established 1886
- Current location 1967
- received Royal designation 1985
- Special Operating Agency 1996

Museum Act:

- *to secure and preserve specimens and other objects that illustrate the natural history and human history of British Columbia, and*
- *to increase and spread knowledge in these fields by research, exhibits, publications and other means*

Royal British Columbia Museum

Overview

- 10 million objects & specimens
- 9,500 Friends of the Museum from all over BC
- annual budget of \$15.258 million includes \$4.252 million in earned revenue (27%) (2002/03 budget estimates)
- one million clients served annually
- 9.8 million web site visits
- 95 staff, 500 volunteers
- 175 British Columbia communities involved
- 250 financial donors

Other Jurisdictions

Alberta	<i>Provincial Museum (Government Ministry)</i>	Government funding 67%
Ontario	<i>Royal Ontario Museum (Agency)</i>	Endowment \$29 million Government funding 59%
Canada	<i>Canadian Museum of Nature (Corporation)</i>	Government funding 89%

Other Jurisdictions

United States	<i>Smithsonian Institution (Governing Board)</i>	Government funding 73%
New Zealand	<i>Te Papa Museum (Governing Board)</i>	Government funding 62%
Australia	<i>National Museum of Australia (Council)</i>	Government funding 88%

Royal British Columbia Museum

Public Interest

- It is in the public interest that the human and natural history collections of British Columbia be preserved in perpetuity
- The collection is a public good that is preserved for all British Columbians and is the basis on which the galleries were built
- Lives are richer through understanding and appreciating our heritage

Royal British Columbia Museum

Affordability

- Serve one million people annually
- Preserving and exhibiting the collection equates to \$4.00 per citizen
- Earn \$4.1 million through business activities
- Three profit centres (operated by private sector)
- Ability to diversify non-government revenue

Royal British Columbia Museum

Effectiveness and Role of Government

- Public confidence exists that the collection and exhibits remain in the public trust
- Museum's reputation and Government support is a source of confidence for potential donors
- Profit centres are privately operated, providing revenue to support the public good

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Strategic Issues

- Diversification of revenue streams
- Increase market share through aggressive marketing
- Fulfill fiduciary responsibilities as public trustee while operating in a competitive environment
- Reduce reliance on Government funding
- Increase Partnerships: public – private
- Increase repeat visitation

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Future Direction

As public trustee of British Columbia's natural and human history,
the Royal British Columbia Museum
will develop a diversified strategy that will enhance the ability
to generate non-government revenues, develop strategic alliances
with public and private sectors, and enhance the involvement of
British Columbia communities.

Royal British Columbia Museum

Strategic Shifts

Strategic shift from:	to:
Heavy reliance on Government funding	<ul style="list-style-type: none"> •Government provides for the collection in perpetuity •Program and market activity become increasingly self-sufficient •Revenue diversification: increased donations, fund raising and private sector involvement
Heavy dependency on revenue from customers who are visiting the Museum for the first time.	<ul style="list-style-type: none"> •Diversification of product, building British Columbia community support, and repeat visitation
Modest Measurement.	<ul style="list-style-type: none"> •Aggressive re-tooling, evaluation and monitoring to ensure we are competitive

Strategic shift from:	to:
Infrequent “blockbuster” exhibits that increase short-term attendance but do not build overall revenue on a sustained basis.	<ul style="list-style-type: none"> •New exhibits, programs and services to complement blockbusters.
A public perception that we are held closely by Government, and limited ability to respond to marketplace and be competitive.	<ul style="list-style-type: none"> •Ability to respond quickly to business demands. •Ability to increase donations from individuals and private sector.
Successful but limited partnership.	<ul style="list-style-type: none"> •All Museum community activities undertaken in partnership with public/private sector.
Limited community involvement.	<ul style="list-style-type: none"> •Programs in communities across the province that drive economic activity, both at the Museum and in communities.

KEY ISSUES

- For the Museum to achieve their approved strategic shifts, and Service Plan requirements, changes to the governance model and financial framework are required
- Proximity to government hinders fund-raising and the ability to generate revenue from the private sector partnerships
- The Museum plays an important role for British Columbians in the protection of the human and natural history of the province
- The Museum has international reputation as an outstanding institution and faces challenges similar to other like institutions also supported by the public sector
- The Museum and BC Archives have potential significant synergies, primarily because they have similar mandates to document the history of the province, share a location and collaborate on exhibits (i.e., Emily Carr)

BC Archives and Records Services

- Division of the Ministry of Management Services, operate under two statutes:
 - *Ministry of Provincial Secretary and Government Services Act* (archives)
 - *Document Disposal Act* (government records)
- Core functions:
 - Central archive service for the BC government
 - Provides research access to records for provincial ministries, agencies and the public
 - Central agency responsible for recorded information management (policies, standards, advice, administration of records legislation, and maintenance of the ARCS)
- 2001/02 budget:
 - \$5.964 m

ORGANIZATIONAL OPTIONS

ORGANIZATIONAL OPTIONS

Option 1: Status Quo

- Description
 - Museum retains current programs and services
 - Collection (10 million objects and specimens)
 - Museum galleries
 - Gift shop (operated by Friends of the Museum)
 - Café (Under contract to Museum)
 - Imax theatre (operated by Destinations Cinemas Inc.)

ORGANIZATIONAL OPTIONS

Option 1: Status Quo

- Implications
 - Allows Museum to continue to build on world-wide reputation
 - Does not maximize opportunities for synergies with like-mandated organizations

ORGANIZATIONAL OPTIONS

Option 2: Create Cultural Precinct (Recommended)

- Description

- A cultural precinct at the current site (Victoria harbour) would be established with the following:
 - Retention of existing Royal British Columbia Museum current functions
 - BC Archives - currently with the Ministry of Management Services (Ministry to retain government records management)
 - Helmcken House - currently owned/operated by Heritage Branch, Ministry of Community, Aboriginal and Women's Services
 - Carillon- currently owned by BCBC and managed by Protocol Branch (Minister of State for Intergovernmental Relations) would be managed by Royal British Columbia Museum

ORGANIZATIONAL OPTIONS

Option 2: Create Cultural Precinct (Recommended)

- Implications

- Integrates client/customer services to build a cultural precinct in Victoria's harbour where there is high visitation, would become an enhanced focal point for tourists and the community
- Allows the Museum to pursue strategic alliances with Tourism BC and regional tourism associations to market the Museum
- Integrates organizations from different Ministries on one site thereby enhancing efficiency, effectiveness and operations and stabilize operations, provides wider product range
- Appropriate funding/revenue capabilities must be provided to the Museum

IMPLICATIONS

- Will join BC Archives with the Museum which will maintain the public trust
- Providing coordination between organizations may entice private sector contributions to the provincial collection
- The Museum will be able to market visitation to the museum precinct and diversify its product offerings
- Helmcken House will be managed for the public and the heritage community
- The separation of records management from the Archives will require additional planning work by the Ministry of Management Services

ASSET MANAGEMENT OVERVIEW

AGENCY	CURRENT ASSETS	FUTURE ASSETS
Royal BC Museum	Collection (owned) Buildings at Museum Precinct (leased from BC Buildings)	Collection and Helmcken House (own) Buildings at Museum Precinct including Carillon (continue to lease from BC Buildings) BC Archives (amalgamated collection)
BC Archives	Collection (owned)	Amalgamated with the RBCM Collection (own)

RECOMMENDATION

- Create Cultural Precinct

GOVERNANCE OPTIONS

GOVERNANCE OPTIONS

Option 1: Status Quo (Special Operating Agency)

- Description

- Royal BC Museum as a Special Operating Agency of the Ministry of Community, Aboriginal and Women's Services
- Operates as per the *Museum Act*, with an advisory board
- Receives annual appropriation from the Province and earns some revenue through current operations

GOVERNANCE OPTIONS

Option 1: Status Quo (Special Operating Agency)

- Implications

- Public sees a clear link to the Province for their “Provincial Museum” and collection is protected
- Board does not have fiduciary responsibility for Museum
- Donations constrained due to closeness to government
- Reduced funding from the Province and government restrictions hinder management of Museum operations

GOVERNANCE OPTIONS

Option 2: Devolve to Not for Profit sector

- Description

- Devolve Museum collection and operations to private sector, non-profit society (e.g., Friends of the Museum)

GOVERNANCE OPTIONS

Option 2: Devolve to Not for Profit sector

- Implications

- Public will see an indirect link to the province for their “provincial museum” and would express concern about distancing the collection from the protection of the Crown, especially First Nations
- Management freedoms would exist to respond to marketplace
- Insurance costs for the collection would be extremely high unless self-insured by government
- Labour relations issues would require resolution

GOVERNANCE OPTIONS

Option 3: Create Crown Trust (Recommended)

- Description

- The Museum to become a “trust” (to act on behalf of the Province, for the benefit of the public, to collect, preserve and interpret the human and natural history of British Columbia)
- Legislation would establish the Museum with a corporate structure (i.e., natural person powers), consistent with its mandate and trust function
- Museum to have a fiduciary board of directors accountable to the Minister Responsible

GOVERNANCE OPTIONS

Option 2: Create Crown Trust (Recommended)

- Implications

- Public will see a clear link to the Province for their “Provincial Museum” and collection will be protected in perpetuity for the benefit of British Columbians by the Trust
- Donations increase due to arm’s length status
- Management freedoms will enable response to marketplace
- Legislation to create new Trust would be required (new or amend existing *Museum Act*)

RECOMMENDATION

- Create Crown Trust via new legislation

IMPLICATIONS

- Will allow the Museum to aggressively pursue strategic shifts, further engage the private sector in operations and revenue generation, and achieve greater self-sufficiency over the long-term
- Is consistent with the governance of other like institutions world wide
- Will continue to require an annual allocation from the province, which should be reviewed in five years to consider moving to a public-private endowment (i.e., one-time or multi-year development of an endowment from the province to replace annual allocation)

DECISIONS REQUESTED

- **Approve Organizational Structure**
 - Amalgamate select components with the Museum
 - British Columbia Archives (records management to remain with Ministry of Management Services)
 - Helmcken House (to become part of the RBCM's precinct)
 - Carillon (to become part of the Museum's precinct)
- **Approve Governance Model**
 - Create Crown Trust (through enactment of new legislation)

IMPLEMENTATION PLAN

- Beginning December 2002
 - Minister Responsible, Community, Aboriginal and Women's Services, to develop draft legislation to allow for the following:
 - The establishment of the Museum as a Crown Trust, with a fiduciary board of directors responsible to the Minister and with powers of natural person
 - The ability to generate and retain revenue and to create an endowment for long-term support of the RBCM

IMPLEMENTATION PLAN

- draft legislation to allow (continued)...
 - Inclusion of the British Columbia Archives, Helmcken House and Carillon as part of the RBCM operations
 - Inclusion of an annual allocation from the Province (including operating funds for the BC Archives, Helmcken House and Carillon). This provision would be reviewed in five years in order to allow the RBCM to build capacity and demonstrate success. This would provide an opportunity for the Province to consider moving from an annual funding allocation to other funding models to support the Museum.

IMPLEMENTATION PLAN

- Beginning January 2003
 - Establish a Project Team, led by the Museum, to undertake the amalgamation of the BC Archives, Helmcken House and Carillon into the Museum operations
 - Undertake a review of all Service Plans and build an integrated strategy for a 2003-04 implementation