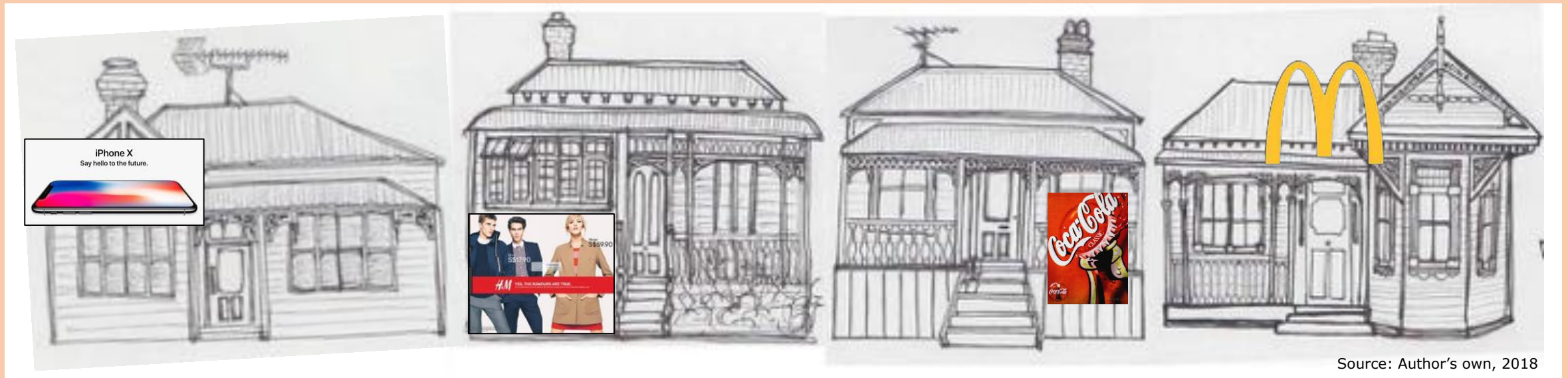


## What's your opinion...?

# Who should be responsible for funding the conservation of heritage sites in New Zealand?

	Most Responsible	Least Responsible
Government (incl Council and Heritage NZ)		
Heritage Site Owner (incl iwi groups)		
Me		
Private Corp (non-owner)		
Non-Govt Org. (NGO)		
Others (Pls specify)	<i>Please list 'others' here</i>	<i>Please list 'others' here</i>



Source: Author's own, 2018

# [Discussion] Corporate Funding of Heritage Conservation

by: **Kok Hong Wan (Hong)**

University of Auckland;

Master or Urban Planning (Prof) and Heritage Conservation

02/04/2019

# Abstract

Heritage sites often struggle with funding constraints for maintenance. There have been solutions to save them from the wrecking ball, but it often involves individual philanthropy or government intervention by means of tax rebates or acquisition. Struggling heritage sites are often privatised, which often result negatively in regards to its cultural significance. This research aims to promote the role of private corporations in the maintenance of heritage sites by incorporating “Corporate Social Responsibility” (CSR). Several case studies are raised and the effectiveness of bridging partnership between private corporation and heritage sites through this approach is discussed.

# Terminology and Scope of Discussion

## Scope keywords

- ⇒ Heritage is a resource.
- ⇒ Financial context of heritage conservation.

### Private Corporations

- Business oriented organisations.
- or
- Profit driven individuals.
  - Buyers/sellers
  - NGOs and NPOs

### Heritage Sites

- Listed in Heritage New Zealand Pouhere Taonga and/or scheduled under local authorities under local plan
- or
- Inscribed by UNESCO.
  - Built or natural - Cultural values.

# Financial Issues

## Heritage

>>> property / commodity /  
(hence, **a resource**)

(New Zealand Historic Places Trust Pouhere Taonga, 2007)

Question of economic feasibility  
>>> at the cost of equity and/or  
the environment.

(Lichfield, 1988)

Heritage viewed as a  
barrier to progress

(Ashworth, 2014)

Free market will not  
preserve heritage without  
government's help.

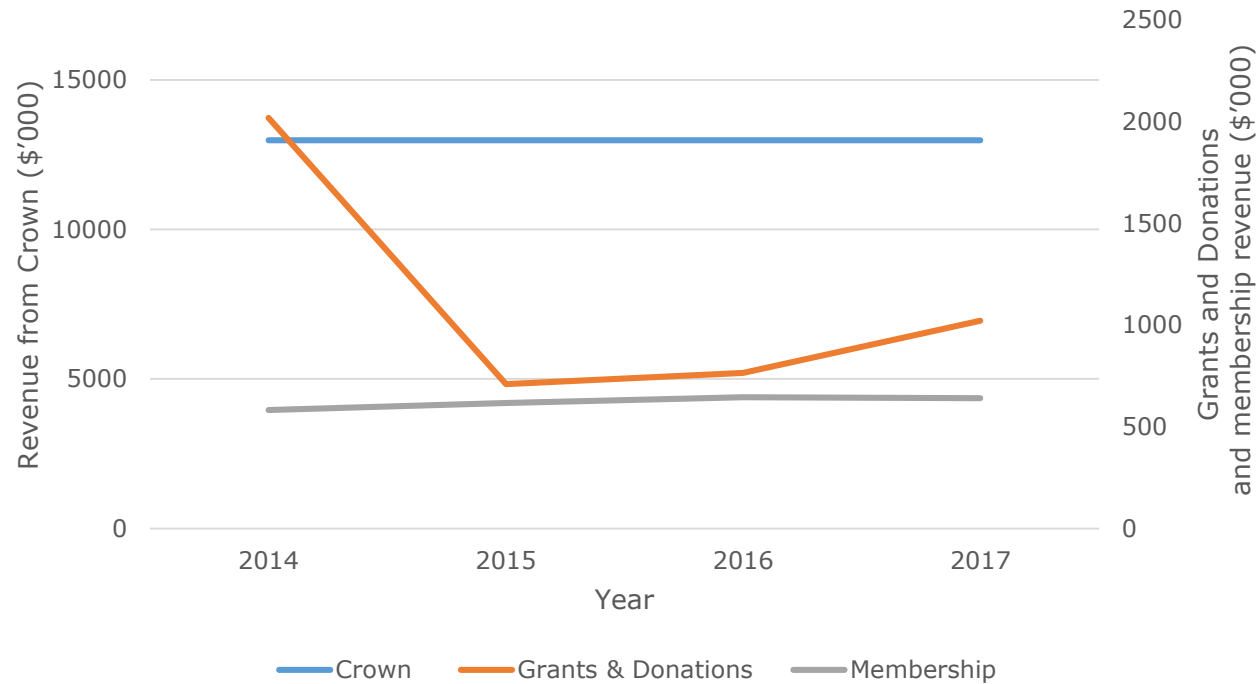
(Starr, 2013)

loophole in legislation  
>>> Demolition and neglect.

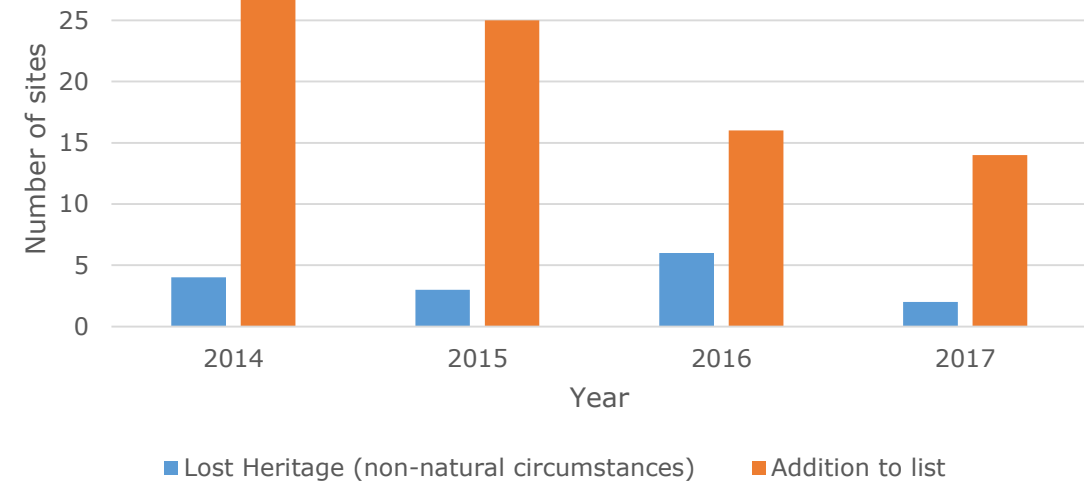
- Chronic lack of resources.
- Question of legislation's power.
- Debate of responsibilities.

# Heritage plea in our own backyard

## Heritage New Zealand Revenue Trends



## Lost Heritage (De-listed) and Addition To "The List"



\* Tabulated from Heritage New Zealand Annual Reports (2014 to 2017) and Crown Entity Funding of Ministry for Culture and Heritage.

- Stagnant or decreasing grants.
- Growing heritage list (although at a decreasing rate)
- Overwhelming capacity or deflating capacity?
- Sites de-listed every year (natural and non-natural circumstances)

# Heritage plea in our own backyard

## Maungawhau (Mt. Eden)

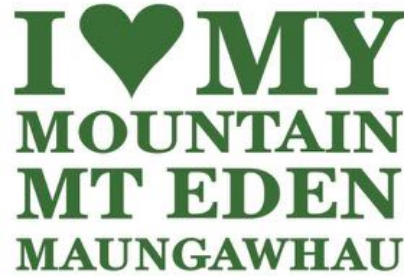
(Scheduled Category A and potential UNESCO heritage)

2007 – 2010: 3 retailers as sponsors (event support, printing etc.).

2012: Real estate company rejected sponsorship proposal despite benefiting from high-valued properties with backdrop of Maungawhau.

2010 - 2016: 16 contestable funding grants from just a few groups.

Now: Mainly funded by Council.



Source: Love Your Mountain Day 2012 (p.7)



## Auckland Heritage Festival

(community-driven event)

- Run on Council budget (mainly ads and publicity)
- "Not managed to gain a sponsor the years I have worked on the festival" (Coordinator, 2018)



# Worst case scenario?

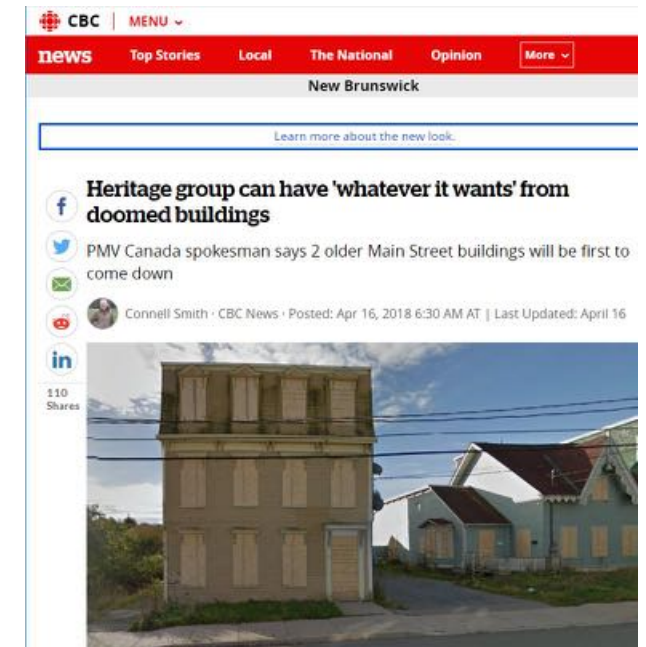


## Hamilton City Council may sell historic building occupied by Citizens Advice Bureau

KELLEY TANTAU  
Last updated 09:47, February 12 2018



Volunteers at the CAB, Liz Appleton, Margaret Grubb, Jeanette Holborow, Liz Jorison, Margaret Heilley and Glen Iversen, are upset council hasn't communicated with them.



- Escalating costs.
- Pressure of global financial issues.
- Governments releasing their responsibilities.



***Privatisation***

(Yanez, 2016)



# Exploitation



- Two extremes – welcoming or frowned upon.
- Lack of cultural integrity, loss of authenticity.
- A reflection of government's desperation for funds.
- Overwhelmed with tourism.
- Rented for use of films, billboards and concerts.
- Ethics – trade of artefacts and looting.
- Local community exploitation – little or no contribution to the local socio-economy.

**Privatisation is cost-efficient and successful only if managed with respect to cultural values.**

•  
•

**“The private sector can be as much a threat to conservation as it is an aid.”**

# Why is this an issue? What can we do about it?

Tax aid and legal frameworks are not sufficient.

A market that allow unprofitable heritage sites to give way for profitable new buildings.

With budget cuts and financial constraints to save our heritage, **is there a need to involve private corporations for help?**

How do these incompatible parties approach one another to close gaps?

WHANGANUI CHRONICLE

13/12/2017

## Whanganui Council considers subsidy for heritage restoration



To discuss the **benefits** of private corporations' involvement in the maintenance of heritage sites **while ensuring a win-win situation.**

Based on

Case studies to analyse the effectiveness of bridging this partnership.

# Corporate Social Responsibility (CSR) – How does it work?

## 1980s to 1990s

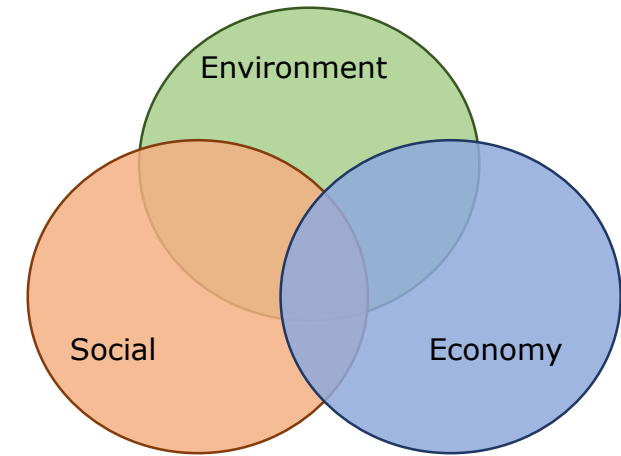
- From philanthropy to market-driven strategic philanthropy.

## Overview

- The base of sustainability (triple bottom line investment).
- Responsible use of resources through business activities.

## Analogy: Gold-coin donation (not legally mandatory but voluntary)

- Donation for good of others (and for self-satisfaction?)



An investment that has outcome that benefits all three sides.

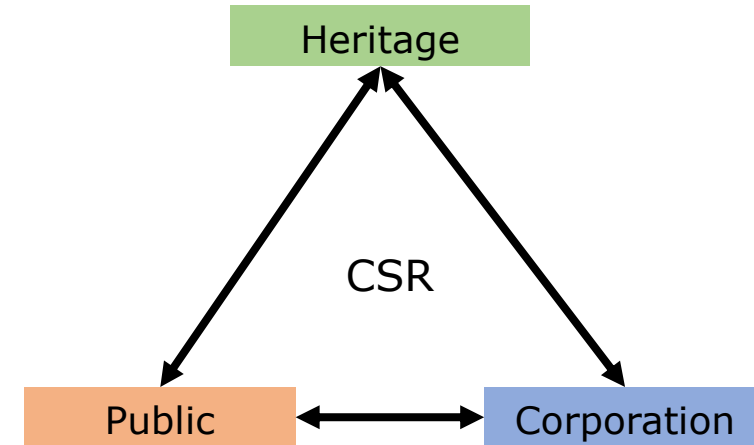
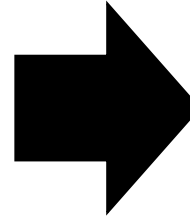
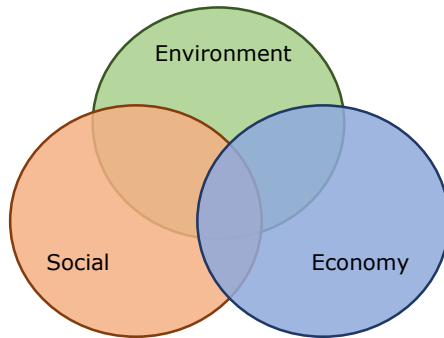
Q: Can you name an example of a CSR in New Zealand?

# CSR in New Zealand



In regards to	Comments	Source
Construction firms	<ul style="list-style-type: none"> <li>• There is interest but not willing to put at center of business.</li> <li>• Fear of losing instead of gaining competition.</li> </ul>	Lim & Loosemore, 2017
Construction firms	<ul style="list-style-type: none"> <li>• Mostly focus on waste, energy, health and safety.</li> <li>• <b>Social dimension of CSR yet to mature.</b></li> <li>• Minimal interaction with community and wellness etc.</li> </ul>	Loosemore, Lim, Ling, Zeng, 2018
Companies in general	<ul style="list-style-type: none"> <li>• Not fully committed.</li> <li>• Concerned about stakeholders.</li> </ul>	Dobbs & van Staden, 2016
Companies in general	<ul style="list-style-type: none"> <li>• Investors worrying that their returns will reduce.</li> <li>• <b>Perception of doing good is a cost.</b></li> </ul>	Kloeten, 2014
Companies in general	<ul style="list-style-type: none"> <li>• <b>There have been increasing development.</b></li> </ul>	Eweje & Bentley, 2006

# CSR and Heritage Conservation



- Cultural sites as a **non-renewable resource** of the environment.
- **Responsible use** of resources (respecting cultural values).
- Fulfills the triple bottom line of sustainability.
- Heritage funding can be addressed through good rapport between parties.

## Examples:

- Adaptive re-use of buildings - avoid new investment on new resources.
- Responsible tourism – contributing to local community.

etc.



# CSR and Heritage – Domestic Case Studies (Japan)

## Mitsubishi (Conglomerate)

- Manages >20 sites (1890s)
- Historic sites that are significant to its founder (former office, parks, pavilions etc.)

**Tangible**



Source: Mitsubishi, 2018

## Kurokabe Inc. (multi-cos.)

- 8 pvt cos. & Council to form a 3<sup>rd</sup> sector to save Nagahama town (16<sup>th</sup> C)
- Promotes local crafts.
- A catalyst for regional development.

**Tangible + intangible**



Source: Kurokabe, 2018

## NTT (Telco)

- Manages >10 sites and artefacts (1900s)
- Former telephone switching offices/telegram processing.
- Adaptive re-use as wedding halls, restaurants etc.

**Tangible**



Source: NTT, 2018

## Panasonic (Electronics)

- Kabuki Theatre (UNESCO Intangibles 2008)
- Collaboration to project performance in Las Vegas.
- Increased company value and tourist arrivals in Jpn.

**Intangible**



Source: UNESCO, 2018 (original source Yutaka U.)  
Source: Panasonic, 2018



# CSR and Heritage - Case Studies (beyond borders)

## American Express (Finance)

- Early example of corporate philanthropy.
- 1983 - Every cent of transaction channeled for the restoration of Statue of Liberty and Ellis Island.
- Collaboration with National Trust for Historic Preservation and World Monuments Fund.
- 19% (US\$6.4mil) of CSR funds go to historic preservation.



Source: Liberty Ellis Foundation, 2018



Source: World Monuments Fund, 2018

## Singapore Airlines (Airline)

- Collaboration with Global Heritage Fund.
- Mostly cultural sites at risk within Asia.
- My Son Sanctuary, Vietnam (listed 1999), Lijiang Town, China (2012), Hampi, India etc.
- Provide free air travel for GHF staff members.



Source: UNESCO, 2018  
(Original source Lalaite, L.)



Source: UNESCO, 2018  
(Original source Starr, F.)

# Private Sector: “Why should we be involved?”

*“A corporation that merely complies with minimum requirement of the law is not socially responsible”.*

(Eweje & Bentley, 2006)

*“Customers are willing to paying more for products that they believe are less harmful to the environment.”*

(Ministry for the Environment, 2008)

Outcomes	Source
<ul style="list-style-type: none"><li>• Short-term cost for a long term benefit.</li><li>• Positive outcome for financial performance.</li><li>• Reduced risk level (scandals etc.) = cost benefit.</li><li>• A good reputation among stakeholders.</li><li>• Increase in motivation of personnel.</li><li>• Lower turnover (better employee retention)</li></ul>	<p>Burke &amp; Logsdon, 1996</p> <p>Drews, 2010</p> <p>Patrizia, 2012</p> <p>Carter &amp; Manaster, 1990</p> <p>Molteni, 2004</p> <p>Eweje &amp; Bentley, 2006</p>

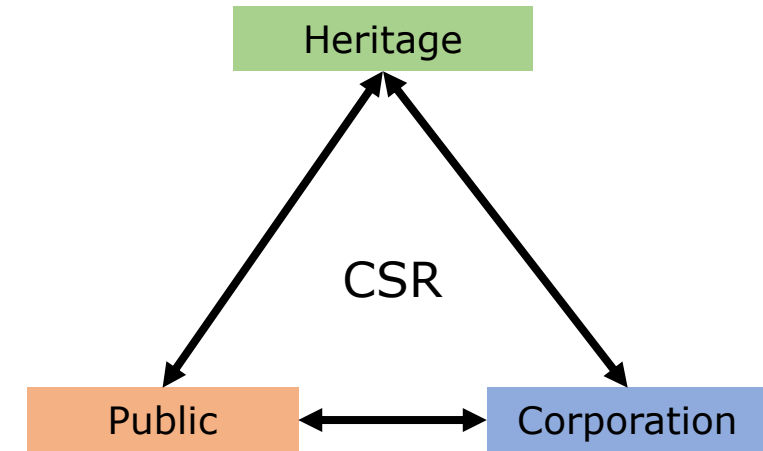
# CSR and Heritage – How much is too much?

- Difficult to define an adequate level of corporate presence.
- **Can be a problematic relationship.**

(Starr, 2013)

## GOAL OF DIALOGUE: **A win-win-win relationship**

- Interest driven (publicity, tax dodging or genuine contribution)
- Not fuelling commercialism
- Clear intentions and non-exploitative.
- Awareness of goals and issues of both ends.
- Ability to achieve benefit and expectations of all 3 parties.
- Commitment to a long-term partnership.
- Acknowledgement - Essential or distasteful.



Source: Author's own



Source: Author's own

# Closing Discussion and Conclusion

## Investing in a Growing Economy

**\$1b**

Through the Business Growth Agenda to keep building a sustainable growing economy.

- Innovative New Zealand**  
\$372 million investment to help diversify the economy and support more jobs and higher wages, including:
  - \$ 81.5 million for the Endeavour research fund,
  - \$ 74.6 million for Callaghan Innovation R & D Grants,
  - \$ 69.3 million for increased tertiary subsidies,
  - \$ 52.5 million for university research funds (PBRF).
- Trade Agenda 2030**  
\$134 million to forge new and better trade opportunities to increase the standard of living of New Zealanders.
- Tourism**  
\$61 million towards a new \$102 million tourism infrastructure fund for regional New Zealand, \$86 million for DOC tourism infrastructure around New Zealand.
- Natural Resources**  
\$81 million for predator control programmes, protecting our fisheries and investment in new water storage.
- Film Industry**  
\$222 million over four years plus \$18 million in 2016/17 for the International Screen Production Grant to make more international movies in New Zealand.  
\$64 million brought forward for the domestic screen grant.

## Māori Development

\$50 million for developing Māori tourism, Māori housing and social initiatives, Whānau Ora extensions, and supporting and sustaining the use of te reo.

## Social Investment

**\$321m**

To improve the lives of our most vulnerable people.

- Mental health**  
\$116 million to test different approaches to how we engage with those people who have mild/moderate and severe mental health needs to help build a better picture of their needs and service gaps.
- Helping kids to have a better start in life**  
\$73 million to support children who are most at-risk of poor life outcomes by providing them services at an earlier age.
- Reducing reoffending and improving long-term outcomes**  
\$79 million to support those at-risk outside and within the prison environment and helping them onto alternative pathways, including \$14 million to reduce youth offending and \$33 million for burglary prevention.
- Addressing barriers to employment and independence**  
\$54 million to provide more intensive support and improve access to services, includes \$18 million to increase contraceptive access for women on low incomes.

In May the Prime Minister outlined a new set of 10 Better Public Services targets. The new targets include:

- Improving the literacy and numeracy of children - focusing on higher achievement of students in year 6.
- Reducing the number of hospitalisations for children 12 and under with preventable conditions.
- Having 90 per cent of pregnant women register with a Lead Maternity Carer in their first trimester.

## Public Services for a Growing Country

**\$7b**

To deliver better public services for a growing country.

- Health**  
\$3.9 billion for District Health Boards, care and support workers, Disability Support Services, ambulance services, pharmaceuticals, elective surgery, bowel screening, mental health services and primary health care.
- Education**  
\$1.1 billion for schools and early childhood centres, roll growth and demand, and an increase in operational grant funding for schools.
- Vulnerable Children, Oranga Tamariki**  
\$424 million investment in the new Ministry and new model for working with vulnerable children, plus funding for caregiver support, Children's teams, Family Start and Youth Justice.
- Justice Sector**  
\$1.2 billion for a 10 per cent increase in police staff numbers, meeting increased demand for justice, courts and corrections services, initiatives in burglary prevention, reducing family violence, reducing youth reoffending, and supporting at-risk prisoners.
- Social Development**  
\$194 million for Social Development initiatives including \$64 million to support people into employment and \$38 million for development of the new Social Investment Agency.
- Social Housing**  
\$165 million for more emergency housing, to expand the Housing First programme and to provide a pathway into housing for people with a Corrections history.

## Infrastructure for a Growing Economy

**\$4b**

To help build the public infrastructure needed to support growth.

- Kaikōura roading**  
\$812 million capital investment to reconstruct the earthquake damaged sections of State Highway 1 from Pōhā to Christchurch.
- Rail around New Zealand**  
\$548 million investment in the rail network with KiwiRail, including \$198 million for the Wellington Commuter Rail Network.
- Auckland City Rail Link**  
\$436 million investment for the first part of the Crown's share for the Auckland City Rail Link project.
- New schools and classrooms**  
\$192 million additional investment in school property with six new schools, 11 special education satellite units and 305 new classrooms.
- Defence**  
\$576 million investment in Defence for new capability and the modernisation of defence bases.
- Justice sector**  
\$763 million investment in additional prison capacity.
- Health**  
\$116 million more for the District Health Boards' capital plans.

The Government's total investment in new infrastructure over the next four years is \$32.5 billion. This includes \$9.2 billion in new State Highways and \$2.7 billion in housing, including the Auckland Housing Programme.

Source:

<https://treasury.govt.nz/sites/default/files/2017-05/b17-at-a-glance.pdf>

- Heritage is a resource in commercialism (Ashworth, 2014).
- Exploited for profits without awareness of its non-renewable nature.
- Central Government currently juggling priorities and short of fund.
- Heritage units (including councils and HNZ) to be more proactive in seeking private sponsors (esp resource users).
- Not about inadequate legislation, but **the lack of pressure** towards profit-oriented private corporates (Yanez, 2016).
- A good fit is not necessary ⇒ Every industry has impact on heritage.



# Personal Thoughts

*“There needs to be a conversation about resources (including heritage) that are exploited for profits, but not taken care of by the exploiters.”*

