

Performance Audit

Promoting Heritage Sites Museums Department

Report by the Auditor General

The Auditor General is head of the National Audit Office, Malta. He and the National Audit Office are totally independent of Government. He examines the accounts of all Government Ministries and Departments and may also examine other public sector bodies. He also has statutory authority to report to the House of Representatives on the economy, efficiency and effectiveness with which Departments and other bodies have used the resources voted annually to them in the Estimates.

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Notre Dame Ravelin
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Mr. Speaker,

This report has been prepared and is being submitted in terms of sub-paragraph 8(a)(ii) of the First Schedule of the Auditor General and National Audit Office Act, 1997 for presentation to the House of Representatives in accordance with sub-paragraph 8(b) of the said Act.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'J. G. Galea', with a horizontal line underneath.

J. G. Galea
Auditor General

The Hon. Speaker
House of Representatives
Valletta

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Executive Summary

Introduction

1. A performance audit relating to activities undertaken by the Museums Department in connection with the promotion of national heritage sites was carried out by the National Audit Office (NAO) during the period July – August 2000. The main objective of this audit was to establish whether activities related to the marketing and promotion of heritage sites were effective and contributed towards increased awareness of the national patrimony.
2. The Department is the principal national cultural heritage organisation. It is responsible for the management and maintenance of a diversity of museums and archaeological sites and their collections. During 1999, over 1.24 million persons visited the various museums and archaeological sites, generating revenue amounting to about Lm880,000.
3. Estimates 1999 define another main function of the Department as *“to increase public awareness of the national patrimony of the Maltese Islands through specific initiatives that will be designed to attract more visitors to museums and historical sites.”* The promotion of national heritage sites is also one of the objectives indicated in the Department’s Business and Financial Plan for period 1999-2001 which entails that the Department undertakes marketing and promotion activities to influence the level, timing and composition of demand (visitors). Moreover, Heritage 2001, a Corporate Strategic Plan drawn up on behalf of the Department by the Management Systems Unit, envisaged the transformation of the Department into an Agency which should consider marketing as a critical function.

4. The National Audit Office sought to identify those performance indicators used by the Department to monitor its performance in respect of its marketing function. The Department collects limited data on its operations and does not have profiles of visitors of museums and heritage sites. The number of visitors, exhibitions held and other results are however, considered as indicators that could be used to evaluate the marketing function of the Department.
5. Moreover, the Museums Department lacked quantitative objectives against which actual results could be assessed.

Promotion of National Heritage Sites

6. The Department does not actively undertake marketing activities necessary to achieve its goals. The Department lacks a corporate philosophy as a customer-oriented provider of services. The major contributory factors leading to such a situation are insufficient funds and low or no prioritisation of this function by the Department's Management. Moreover, the Department lacks the human resources necessary to address such public oriented services.
7. Marketing of national heritage sites is handled by entities extraneous to the Department. These include the Malta Tourism Authority (MTA), the Ministry for Tourism, Air Malta and private organisations including tour operators. The Museums Department does not have formal representation on these government organisations and links with private entities are generally non-existent. It is however to be noted that the Museums Department is pursuing project development in the field of presentation and conservation with MTA.

8. This has led to a situation where the Museums Department is rendered fully dependent on these organisations for the promotion of its own services. Moreover, the Department fails to react to competition from private interests investing in complimentary services and products.

Visits

9. During the last five years 85 per cent of visitors to museums and sites paid for their visit. While almost two thirds of these used block tickets the remainder used the single Lm1 entry ticket.
10. There is weak association between tourist arrivals and the number of paying visitors over the last five years. One reason is that tourists arriving during summer months generally refrain from visiting museums and sites.
11. However there is strong association between paying visitors using the Lm1 admission ticket and tourist arrivals. This indicates that there is a minority but stable flow of tourists who visit museums but on a one off basis.
12. More than a quarter of complimentary tickets, which amounted to over 800,000 during the last five years, were afforded to students.
13. The number of local student visits to museums and sites can indicate the level of interest in cultural heritage fostered in schools. During scholastic year 1998/1999, 36,484 students, which amounts to 41 per cent of the student population, visited a national heritage site. The number of student visitors has been demonstrating a declining trend since scholastic year 1995/1996 when the number of visits to national heritage sites constituted 58 per cent of the student population.

Conclusions

- 14.** During 1999, the actual cost incurred per visitor to Museums and sites amounted to Lm0.99 while revenue per visitor generated from admission fees totalled Lm0.71. An effective market strategy could render the Department self sufficient, an objective which the Department should aim for.

Part 1 - Introduction

1.1.1 A performance audit relating to activities undertaken by the Museums Department in connection with the promotion of national heritage sites was carried out during the period July-August 2000. The audit was performed in terms of Paragraph 8(a)(ii) of the First Schedule of the Auditor General and National Audit Office Act, 1997.

1.2 Objectives

1.2.1 The main objectives of this audit were to establish whether activities by the Department related to the promotion and marketing of heritage sites are:

- in line with the overall national cultural policy;
- contributing to increased awareness of the national patrimony.

1.3 Audit Scope

1.3.1 In order to attain the above objectives, the National Audit Office reviewed whether:

- departmental strategy related to the promotion of heritage sites is documented in a policy statement;
- promotional activities, if undertaken, are bearing the desired results;
- the Department has benchmarks and targets against which to assess its results.

1.4 Methodology

- 1.4.1 The performance of this assignment entailed that interviews and meetings be held with the Director of Museums and other officials within the Department. The National Audit Office also reviewed documentation and analysed data related to visitors of heritage sites made available by the Museums Department.

1.5 Background

- 1.5.1 The Antiquities (Protection) Act, 1925 regulates operations undertaken by the Museums Department. It provides the basis for the protection of monuments, the acquisition of property, the control of archaeological investigation and the regulation of movement of antiquities. The 1925 Act does not designate the Museums Department in its current set up; instead it vests these responsibilities with the '*Director of the Museum*'¹ (i.e. the Museum of Archaeology which was the national museum at the time). This Act has undergone only minimal changes over the years.
- 1.5.2 The 1925 Act does not define a mission statement for the Department. The Antiquities Act is the only piece of legislation that provides the legal framework for the operations of the Department. An Heritage Act is scheduled for enactment during the first quarter of 2001.
- 1.5.3 The Museums Department is the principal national cultural heritage organisation. It is responsible for the management and maintenance of a diversity of museums and archaeological sites and their collections. Despite the fact that responsibility for these sites lies primarily with the Museums Department, its responsibilities and

¹ Articles 12(2) and 17(2) of the Antiquities (Protection) Act, 1925

jurisdictions at times over-lap with those of other Government departments and entities. The Planning Authority, through the Planning Development Act (1992) and the Ministry for the Environment, through the Environment Protection Act (1991) amongst others, also have varied responsibilities for cultural resources which are not always clearly defined.

- 1.5.4 Estimates 1999² define one of the Department's main function as *"to increase public awareness of the national patrimony of the Maltese Islands through specific initiatives that will be designed to attract more visitors to museums and historical sites."* This is a marketing function which would enable the Department to influence the level, timing and composition of demand.
- 1.5.5 The Museums Department is headed by the Director of Museums. The Department's current staff complement is 170. Of these, 16 general service grades are responsible for the administrative and operational functions of the Department. 7 curators³ and 5 assistant curators are responsible for specific museums and sites. 47 custodians and guides, who conduct visitors through museums, are deployed at the various locations on a roster-basis. 6 wardens and 29 watchmen are assigned security duties. The Department also employs 60 tradesmen and general hands/labourers responsible for maintenance. Another 49 personnel are assigned at the various museums and sites in Gozo. Personal emoluments pertaining to the 49 personnel are incurred out of Ministry of Gozo recurrent expenditure vote.
- 1.5.6 Funds are allocated to the Museums Department through the central government budgetary process. In 1999

² Estimates 1999, page 138

³ Includes one teacher on loan and one museums officer

recurrent expenditure incurred in respect of maintaining Museums and heritage sites in Malta and Gozo is as follows:

	Lm
Recurrent Expenditure (Museums Department) ⁴	1,004,953
Recurrent Expenditure (Ministry for Gozo) ⁵	211,752
Personal Emoluments (staff on loan)	<u>21,300</u>
Total	<u><u>1,238,005</u></u>

- 1.5.7 Capital expenditure, budgeted at Lm520,000, amounted to Lm369,671⁶ during 1999.
- 1.5.8 In 1999 total revenue earned by the Department, mainly through admission charges, amounted to Lm898,578⁷. This fell short of the estimated revenue for the year by Lm126,422. Recurrent expenditure for the year exceeded revenue by Lm339,427.
- 1.5.9 The number of visitors (both tourists and locals) to museums and sites, including free admissions, for years 1995 to 1999 is shown in Table 1.
- 1.5.10 In general, the principal function of the Museums Department is often perceived to be the management, conservation and safekeeping of cultural properties and heritage sites in Malta and Gozo.
- 1.5.11 The Department's Business Plan for 1999-2001 however, indicate that the Department is also responsible for promoting public interest and developing increased awareness, both national and international, in Malta's national patrimony.

⁴ Financial Report 1999, page 80

⁵ Ministry for Gozo

⁶ Financial Report 1999, page 137 and page 151

⁷ Financial Report 1999, page 24

Table 1: Visitors to Museums and Archaeological Sites 1995 – 1999

	1995 *	1996	1997	1998	1999
Malta					
Tarxien Temples, Tarxien	107,382	105,431	128,375	123,410	123,104
Hagar Qim Temples, Qrendi	98,519	95,583	113,451	132,223	134,927
Dalam Caves and Museum, B'Bugia	95,650	89,537	85,593	91,757	98,141
Museum of Archaeology, Valletta **	70,892	20,520	0	55,931	74,603
Museum of Fine Arts, Valletta	18,481	36,520	37,579	38,941	32,865
War Museum, Valletta	39,626	37,188	44,749	49,343	40,238
Palace State Rooms, Valletta	108,567	102,759	95,325	137,472	128,887
Palace Armoury, Valletta	77,720	76,623	83,674	112,652	97,376
St. Paul's Catacombs, Rabat	73,809	71,011	68,408	90,416	86,041
Museum of Roman Antiquities, Rabat	56,807	51,916	63,964	62,099	61,446
Museum of Natural History, Mdina	16,831	13,868	15,496	17,337	16,529
Inquisitor's Palace, Vittoriosa	24,935	32,765	52,888	41,822	44,503
Maritime Museum, Vittoriosa	18,413	24,256	33,849	45,031	36,910
San Pawl Milqghi, Burmarrad ***	1,694	1,851	1,508	871	0
Gozo					
Ggantija Temples	147,797	136,618	137,600	163,595	176,619
Windmill	25,020	36,390	40,090	37,962	42,933
Museum of Archaeology	16,339	18,658	20,374	20,761	20,177
Museum of Folklore	15,106	17,520	17,131	16,793	18,481
Museum of Natural Science	4,626	5,445	5,795	8,579	10,944
	1,018,214	974,459	1,045,84	1,246,995	1,244,724

Source: Museums Department

* statistics for period July 11th to 17th were not collated due to industrial action.

** closed for renovation during period 1st April 1996 and 30th March 1998.

*** closed on 30th March 1998 .

Part 2 - Promotion of National Heritage Sites

2.1 Strategic Objectives (Marketing)

- 2.1.1 According to the Department's Business and Financial Plan for period 1999-2001, the Museums Department aimed to *"increase the cultural awareness of the general public through a number of programmes and co-ordination of activities with other interested parties"*. The expected results by the Department were *"the increased participation in Museums cultural activities by the public at all levels and wider educational achievement relevant to the national heritage"*. Complementing the above, the Department's Business Plans also envisaged *"an intensification in marketing activities during the forthcoming years"*.
- 2.1.2 Heritage 2001, a Corporate Strategic Plan drawn up on behalf of the Department by the Management Systems Unit, envisaged that by the year 2001 the Department would be transformed into an Agency. The Agency would absorb the management and conservation functions of the Department and include a marketing function necessary to promote the cultural services and products of the Department.
- 2.1.3 The major strategic objectives of the Public Programmes Branch (Marketing) of the envisaged Agency include:
- to market, publicise and promote the organisation, its collections, activities, exhibitions and programmes;
 - to define and establish a marketing plan that identifies and targets potential niche markets through appropriate pricing, promotional and product strategies.

- 2.1.4 This is being quoted in order to stress the importance of a marketing function for the Department especially when its products and services should be considered as the infrastructure for cultural tourism.
- 2.1.5 Irrespective of whether the Department is transformed into an Agency or not, the marketing function remains an essential operation for the Department, whether it is carried out in-house or contracted out.
- 2.1.6 The Department does not undertake marketing activities and promotion is mainly handled by initiatives of third parties. The lack of human resources inhibits the Department from performing marketing and promotional functions. Moreover, no funds have been allocated to the Department for such purposes. All resource allocation is controlled at Ministry level.

2.2 Promotion of National Heritage Sites by Third Parties

- 2.2.1 Marketing of national heritage sites is handled by entities extraneous to the Department. These include the Malta Tourism Authority, the Ministry for Tourism, Air Malta and private organisations including tour operators. The Museums Department does not have formal representation on these public organisations and links with private entities are generally non-existent. This has led to a situation where the Museums Department is:
- rendered dependent on these organisations for the promotion of its own resource;
 - unable to control the standard or composition of promotional material utilised by third parties;

- not in a position to directly influence the marketing of Malta's cultural heritage.

2.2.2 The interests of third parties may not always correlate to those of the Museums Department. Marketing initiatives by these groups may transgress, if not directly conflict, with the objectives set out by the Department.

2.3 Exhibitions held by the Museums Department

2.3.1 Thematic exhibitions offer an added opportunity to promote culture as well as heritage sites housing such events. Between 1995 and 1999, the Museums Department held fourteen exhibitions at various museums, published three catalogues and hosted a seminar in connection with the theme of cultural heritage. Of these, two exhibitions were also held abroad. A collection of Maltese Prehistoric Art was exhibited in Florence, Italy during June/July 1996. Another exhibition, organised in collaboration with private entities, housed at Prague Castle, Czech Republic in May 1999 was entitled "An Island in Prehistory - Malta 5000-2500 BC".

2.3.2 Except for the publication of catalogues, promotional activity in such cases targeted the event rather than the site housing the event. The Department stated however, that interest in such events is generally positive although their effectiveness could not be assessed.

2.3.3 These exhibitions are often planned and designed with a specific scope and aim but minimal consideration is

given by the Department to promote the broader dimension of heritage through thematic exhibitions. Thus it is considered that any exposure gained to promote heritage sites housing such events is incidental.

2.4 Promotion through Educational Visits

- 2.4.1 A way of promoting national heritage is by raising public awareness through education. Although educational campaigns can be diverse and aimed at different target groups, this part of the Report will address issues relating to educational programmes that are mainly targeted at students and educators.
- 2.4.2 The number of student visits to museums and sites is one indication of the level of interest in cultural heritage fostered in schools. Table 2 indicates the number of students in Malta⁸ visiting museums and sites between 1995 and 1999.

Table 2: Number of Student Visits 1995 - 1999

Scholastic Year	Student Population	Number of Student Visits	Student Visits as a % of Student Population
1994/95	87,926	48,349	54.98
1995/96	87,665	50,782	57.92
1996/97	89,369	46,736	52.29
1997/98	89,904	45,037	50.09
1998/99	88,869	36,484	41.05

Source: Central Office of Statistics and Museums Department

⁸ Number of students includes Government and private institutions up to Junior Collage, Third Level Courses and Special Education.

- 2.4.3 Table 2 indicates that student visits have, over the past three years, registered a downward trend and fell to 41 per cent of student population in 1999. Such a percentage rate is considered to be low when taking into consideration that a substantial number of students have not visited at least one national heritage site during a scholastic year. The National Audit Office considers that the lack of communication between the Museums Department and the Education Division is resulting in a situation where educators may not be adequately encouraged to organise student visits to heritage sites.

2.5 Private Ventures in Cultural Related Activities

- 2.5.1 Over the past years, a number of private museums and commercial ventures offering “cultural experiences” have been set up. These attractions are generally marketed as a depiction of Malta’s past eras and offer a “cultural experience” through history to both locals and tourists. Such ventures seem to be of commercial viability and a source of competition to the Museums Department.
- 2.5.2 The results registered by these private entities may be attributable to:
- innovative methods of presentation;
 - use of advanced audio-visual techniques;
 - aggressive marketing campaigns;
 - successful agreements with tour operators; and
 - the payment of commissions.

- 2.5.3 Despite the fact that these enterprises are promoting cultural attractions that are not comparable to authentic artifacts held by the Museums Department, these “competitors” seem to have attracted a considerable market share for cultural services. The Department has not reacted to this competition.

Part 3 - Visitors to Museums and National Heritage Sites

3.1 Visitor Targets

- 3.1.1 Currently, the Department is not cognisant of its carrying capacity. With the exception of the Hypogeum, the Museums Department has to date not established visitor targets per museum and site. In the absence of such targets, the National Audit Office can offer no opinion as to whether number of visitors to heritage sites constitutes departmental effectiveness. In addition, the lack of visitor targets hinders the compilation of an effective strategic marketing plan.

3.2 Admission - Method of Entry and Revenue from Sale of Tickets

- 3.2.1 Admission fee to the various museums and sites is Lm1. Moreover, comprehensive tickets costing Lm1.50 and Lm4 give unlimited access to various sites for a particular day or week respectively⁹. Comprehensive tickets (block tickets) are considered as promotional tools as they provide economic incentives to visitors. The Museums Department sells block tickets through tour operators. Complimentary tickets and free entry to museums and sites are allowed by the Department.
- 3.2.2 Table 3 gives annual number of visitors broken down in terms of method of payment and complimentary entry.

⁹ It is to be pointed out that Lm1 tickets sold at either Ggantija or Xaghra Windmill in Gozo enable entry to both these sites. Lm1.50 tickets sold at the Citadella sites in Gozo enables admission to the three museums located in this area.

Table 3 - Breakdown of admission to museums and sites

	Total visitors	Total paying visitors	Paying visitors (Lm1 tckt)	Paying visitors (block tckt)	Total complimentary visits	Students of complimentary visits
1995	1,018,214	904,026	332,961	571,065	114,188	48,349
1996	974,459	828,494	282,264	546,230	145,965	50,782
1997	1,045,849	838,365	303,332	535,033	207,484	46,736
1998	1,246,995	1,081,925	405,211	676,714	165,070	45,037
1999	1,244,724	1,062,028	375,102	686,926	182,696	36,484
Total	5,530,241	4,714,838	1,698,870	3,015,968	815,403	227,388
			36% of total paying visitors	64% of total paying visitors	15% of total visitors	28% of total complimentary visits

Source: NAO working papers/Museums Department

3.2.3 Over the last five years 85 per cent of total visitors were paying visitors. While 64 per cent of paying visitors use block tickets available through tour operators the rest use the Lm1 entry ticket available at sites. 28 per cent of complimentary tickets (average 3790 per month over period 1995 to 1999) were used by students.

3.2.4 In 1998 the total number of paying visitors increased by almost 30 per cent over the previous year and remained stable the year after. The Department explained that the increase in visitors is partly due to the opening of the Prehistoric collection at the Museum of Archeology in April 1998. This event contributed to 56,000 visitors.

3.2.5 The Department contends that another potential factor leading to an increase of visitors is that it embarked on enforcing revenue related internal controls. Such initiatives may have left a positive impact leading to an increase in revenue and consequently to the number of persons registered when visiting museums and national heritage sites.

3.2.6 Table 4 shows the revenue generated by the Department through admission fees for period 1995 to 1999.

Table 4: Revenue 1995-1999

Year	Revenue from Admissions (Lm)	Total Number of Visitors	Revenue per Visitor (Lm)
1995	609,871	1,018,214	0.60
1996	633,412	974,459	0.65
1997	663,599	1,045,849	0.63
1998	918,358	1,246,995	0.74
1999	879,953 ¹⁰	1,244,724	0.71

Source: Financial Reports 1995-1999 and Museums Department

3.2.7 The Department realised an average of Lm0.71 per visitor (paying or non-paying) to its sites and museums during 1999. Since 1995, revenue generated through admission fees did not offset the recurrent expenditure incurred. During 1999, the actual cost per visitor amounted to Lm0.99¹¹.

3.3 Ticket Sales - 1999

3.3.1 Table 5 provides a breakdown of ticket sales effected by the Museums Department during 1999.

Table 5 – Ticket Sales during 1999

Ticket	Number of Tickets Sold	Amount (Lm)
Lm4 – Block Tickets sold to tour operators.	45,400	181,600
Lm1.50 – Block tickets sold to tour operators ¹²	243,050	364,575
Lm1- sold at sites	NA	333,778 ¹³
Total	NA	879,953¹⁴

Source: Museums Department

¹⁰ Financial Statements 1999 (Departmental records quote Lm879,962)

¹¹ Recurrent Expenditure for 1999 amounting to Lm1,238,005 to service 1,244,724 visitors. (refer to para. 1.5.6)

¹² 2500 Tickets forwarded to Citadella Museums are excluded since payment in respect of such tickets have not yet been effected.

¹³ Includes Lm1.50 entrance tickets sold at Citadella, Gozo (see footnote 9).

¹⁴ Financial Statements 1999 (Departmental records quote Lm879,962)

3.3.2 The number of Lm1 entry tickets sold at sites could not be established since:

- (a) No record of ticket sales at entrance of sites is maintained by the Museums Department.
- (b) The number of tickets sold in Malta and Gozo could not be established through the number of visitors since:
 - Visitors at Ggantija and Xaghra Windmill can access both sites through the purchase of one admission ticket. These visitors are however registered at both sites;
 - Lm1.50 tickets, usually only available through tour operators, can be purchased from the Cittadella Museums. Admission through the Lm1 or Lm1.50 tickets are not differentiated neither when recording number of visitors nor when reconciling revenue.
- (c) When NAO tried to reconcile revenue with the number of paying visitors using the Lm1 ticket in Malta, by eliminating Gozo sites, figures did not match. Revenue from Lm1 ticket sales in Malta sites amounted to Lm270,165 in 1999 while visitors using this method of entry amounted to 274,279. The Department stated that such variances arise since end of year revenue accounts and statistics are taken days before end of year. It is to be noted that the automated ticketing project has been initiated in 1998. A tender has been issued by the Contracts Department and funds (Lm100,000) have been allocated in the estimates for 1999 and 2000. However the adjudicating process of tenders

submitted has not yet been concluded by the Board that has been established for the purpose.

(d) The Department is in the process of introducing an automated ticketing system. It is envisaged that this system will not only facilitate the sale of tickets and provide an audit trail but will also provide management with comprehensive data on sales, revenue and visitors.

3.3.3 288,450 block tickets of Lm4 and Lm1.50 sold in 1999 enabled 686,926 visits to be effected (Tables 3 and 5 respectively). These figures imply that on average each block ticket sold enabled 2.4 visits. The utilisation of block tickets of both denominations cannot be analysed separately since the Department does not keep such statistics.

3.3.4 The 686,926 visits effected through block tickets constitute 65 per cent of total paid visits during 1999. These figures illustrate the popularity of such tickets and highlights the fact that a substantial number of persons visit heritage sites through organised tours.

3.3.5 The non-availability of block tickets at national heritage sites to individuals is perhaps restraining the number of visitors to museums from increasing further since such tickets are not being made available to all, particularly to locals.

3.4 Free and Complimentary Admissions

3.4.1 The non-payment for admission to national heritage sites also serves to promote national heritage. Persons under the age of 19 years and over the age of 65 are entitled to free admission to national heritage sites. In addition, complimentary tickets are issued on request and authorised by the Director of Museums. Free admissions (including through complimentary tickets) amounted to 182,696 or 14.67 per cent per cent of total visitors during 1999 (Table 3).

- 3.4.2 Table 6 below provides a breakdown of organisations or groups afforded complimentary tickets.

Table 6: Distribution of Requests for Complimentary Tickets - 1999

Requesting Body	Number of Requests	Percentage
Local Schools	44	34.11
Government Departments	22	17.05
Local Councils	13	10.08
Foreign Schools	9	6.98
Religious Organisations	7	5.43
Social Clubs	7	5.43
Youth Organisations	7	5.43
Tour Operators	6	4.65
Higher Educational Institutions	6	4.65
Others	8	6.20
	129	100.00

Source: Museums Department

- 3.4.3 Complimentary tickets are being afforded to a wide spectrum of local residents. It is felt that such an approach constitutes an effective promotional tool conducive to increased awareness of cultural heritage.

3.5 Paying Visitors and Tourist Arrivals

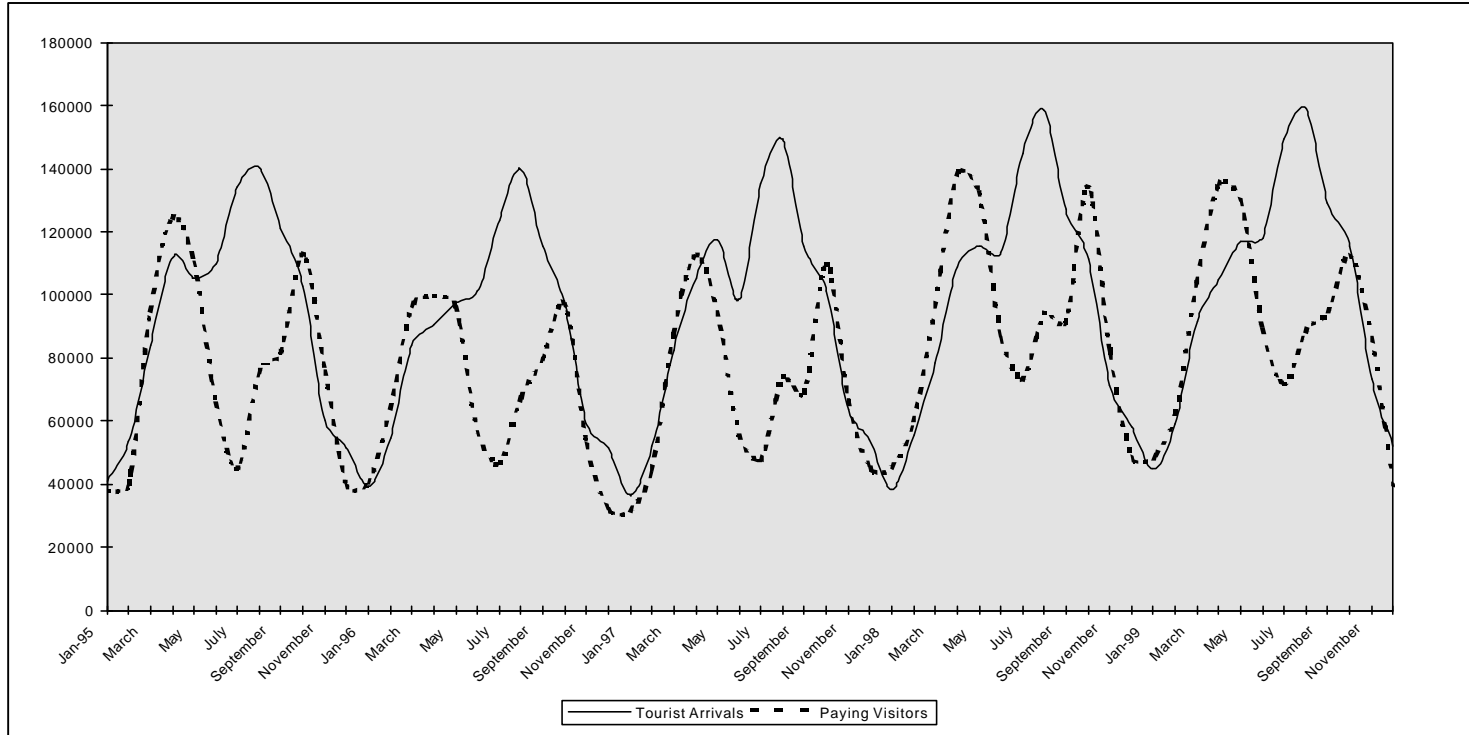
- 3.5.1 Table 7 gives monthly number of paying visitors against tourist arrivals for period 1995 to 1999.
- 3.5.2 Chart 1, where monthly paid visits were plotted against tourist arrivals, shows that the demand for museums and sites experiences seasonal peaks and troughs. Visitors peak in spring and autumn and drop during the winter and summer seasons. Troughs understandably occur during the winter months when tourist arrivals are at their lowest. However, they also occur, and almost as severe, during the summer months (July, August, September) when tourist arrivals peak.

Table 7: Number of Tourist Arrivals against Visitors - 1995 to 1999

	1995		1996		1997		1998		1999	
	Arrivals	Paying Visitors	Arrivals	Paying Visitors	Arrivals	Paying Visitors	Arrivals	Paying Visitors	Arrivals	Paying Visitors
January	40,874	37,866	39,174	40,430	36,497	31,728	38,194	45,288	44,691	48,306
February	53,314	39,557	54,801	63,989	51,872	44,413	55,808	60,017	59,207	62,027
March	83,923	95,008	84,033	96,440	82,611	87,857	78,546	96,249	91,637	103,954
April	112,079	124,468	90,540	99,555	105,614	112,324	109,113	138,712	104,886	135,489
May	105,120	110,343	97,541	96,334	117,477	94,620	115,642	132,418	116,919	129,865
June	110,028	65,729	101,061	56,568	98,609	55,633	113,375	86,351	118,230	89,099
July	134,477	45,073	123,643	46,383	135,073	47,823	145,047	73,353	149,477	71,763
August	140,557	75,579	139,943	67,558	149,251	73,751	158,643	94,146	159,169	88,378
September	121,307	82,139	115,557	79,651	115,329	68,918	126,920	91,267	129,315	94,673
October	102,732	112,979	96,794	96,871	101,081	109,666	111,306	134,418	115,377	112,395
November	59,971	75,878	59,273	52,593	63,789	66,506	71,410	81,204	73,390	86,458
December	51,589	39,407	51,428	32,122	53,958	45,126	58,236	48,502	51,932	39,621
Total	1,115,971	904,026	1,053,788	828,494	1,111,161	838,365	1,182,240	1,081,925	1,214,230	10,620,28

Source: Central Office of Statistics and Museums Department

Chart 1 - Tourist Arrivals and Paying Visitors 1995 - 1999



3.5.3 Correlation exercises were carried out using data in Table 7 to determine some degree of association between the paying visitors and tourist arrivals. Since the Department's data is not broken down into local and foreign visitors, it is being assumed that paying local patronage of museums and historical sites has been constant or stable during the period under study.

3.5.4 The exercises¹⁵ showed that:

- there is a weak correlation (0.48) between paying visitors (who make up 85 per cent of all visitors) and tourist arrivals over a five year period;
- when data for the summer months were removed a strong correlation (0.84) between paying visitors and tourist arrivals emerged. It can be stated that generally, tourists arriving during the summer months refrain from visiting museums and heritage sites.

The reasons may be various and may include:

- i) the early closure of museums and sites;
 - ii) the hot climate;
 - iii) competition from other types of leisure; and
 - iv) the cultural orientation of summer tourists.
- a relatively strong correlation (0.72) or association emerged between paying visitors who use the single Lm1 admission ticket (who make up 36 per cent of paying visitors) and tourist arrivals. This indicates that there is a stable flow of tourists who visit museums and sites on a one off basis.

¹⁵ NAO working papers

Table 8: Museums and Heritage Sites ranked by Number of Visitors* 1995 - 1999

Overall Popularity of site during 1995-1999	1995**		1996		1997		1998		1999	
	Visitors	Rank	Visitors	Rank	Visitors	Rank	Visitors	Rank	Visitors	Rank
Ggantija Temples	147,797	1	136,618	1	137,600	1	163,595	1	176,619	1
Tarxien Temples	107,382	3	105,431	2	128,375	2	123,410	4	123,104	4
Hagar Qim Temples	98,519	4	95,583	4	113,451	3	132,223	3	134,927	2
Palace State Rooms	108,567	2	102,759	3	95,325	4	137,472	2	128,887	3
Dalam Cave & Museum	95,650	5	89,537	5	85,593	5	91,757	6	98,141	5
Palace Armoury	77,720	6	76,623	6	83,674	6	112,652	5	97,376	6
St. Paul's Catacombs	73,809	7	71,011	7	68,408	7	90,416	7	86,041	7
Museum of Roman Antiquities	56,807	9	51,916	8	63,964	8	62,099	8	61,446	9
Museum of Archaeology***	70,892	8	20,520	14	0	19	55,931	9	74,603	8
War Museum	39,626	10	37,188	9	44,749	10	49,343	10	40,238	12
Inquisitor's Palace	24,935	12	32,765	12	52,888	9	41,822	12	44,503	10
Xaghra Windmill	25,020	11	36,390	11	40,090	11	37,962	14	42,933	11
Museum of Fine Arts	18,481	13	36,520	10	37,579	12	38,941	13	32,865	14
Maritime Museum	18,413	14	24,256	13	33,849	13	45,031	11	36,910	13
Museum of Archaeology	16,339	16	18,658	15	20,374	14	20,761	15	20,177	15
Museum of Folklore	15,106	17	17,520	16	17,131	15	16,793	17	18,481	16
Museum of Natural History	16,831	15	13,868	17	15,496	16	17,337	16	16,529	17
Museum of Natural Science	4,626	18	5,445	18	5,795	17	8,579	18	10,944	18
San Pawl Milqghi****	1,694	19	1,851	19	1,508	18	871	19	0	19
	1,018,214		974,459		1,045,849		1,246,995		1,244,724	

Source: Museums Department

* includes both paying and non-paying visitors, local residents and students.

** no records were retained between the 11th and 17th July 1995 due to industrial action.

*** closed for renovation between 1st April 1996 and 30th March 1998.

**** closed on 30th March 1999.

Rank denotes placing in respect of number of visitors to site.

3.6 Heritage Sites most frequented by Visitors

3.6.1 Visitor data for years 1995 to 1999 provided information regarding the most frequented museums and heritage sites and whether particular visitor trends emerged during this period. The ranked popularity of heritage sites is illustrated in Table 8.

3.6.2 Table 8 indicates that:

- over the past five years, the top five heritage sites most frequented by visitors have not changed;
- prehistoric temples have generally attracted the highest number of visitors;
- the Ggantija Temples have persistently registered the highest attendance;
- no drastic changes in the popularity of any particular site have occurred during this period;
- despite extensive refurbishment works undertaken at the Museum of Archaeology, this particular site registered only a marginal increase in the number of visitors which however constitutes a percentage decrease in relation to total visitors to heritage sites.

3.6.3 The Museums Department stated that although the number of visitors may be related to the historical and archaeological importance of particular sites, the number of visitors is also dependent on the location of the site. If sites are considered to be near or en route to main tourist

areas and facilities, more visitors tend to be attracted to them. Such a situation further highlights the importance that the Museums Department increases its communication with tour operators and agencies to influence the composition of cultural tours offered to tourists.

3.7 Heritage Sites as an Economic Resource

- 3.7.1 Museums and heritage sites contribute to cultural tourism infrastructure and may be viewed as an important economic resource.
- 3.7.2 The Department should exploit its assets in order to earn revenue and promote cultural tourism. It is felt that the Department is not maximising returns since:
- the Department lacks a corporate philosophy as a customer-oriented provider of a service;
 - no marketing to promote museums and heritage sites is directly undertaken by the Department;
 - possible commercial opportunities associated with cultural heritage, such as merchandising, the sale of publications and the leasing of utilities at heritage sites, are not exploited;
 - a number of important sites are closed to visitors while other sites have been closed for considerably lengthy periods.
- 3.7.3 The operating results of the Department over the last five years have shown that revenue from admission fees

did not offset recurrent expenditure. The excess expenditure has averaged Lm0.28 per visitor in 1999.

- 3.7.4 The Department should plan to build on its strengths and exploit opportunities towards self sufficiency.

Part 4 - Conclusions

- 4.1.1 The promotion of national heritage is considered to be an important function of the Museums Department since it contributes to cultural awareness and cultural tourism.
- 4.1.2 The vision and structure of the Department seem to be exclusively concerned with the management, research and conservation of its assets. The '*promotion*' function is not considered a primary function of the Department even though it figures in its plans. Such a situation may be the result of lack of staff and funds.
- 4.1.3 The Department generally relies on third parties, namely the Ministry of Tourism, Air Malta and the Malta Tourism Authority for the promotion of its services and products. The Department has little, if any, say on the approach applied to such promotion.
- 4.1.4 The absence of direct marketing initiatives by the Department diminishes its effectiveness in promoting national heritage sites. Moreover, the Department is not reacting to competition from private interests who are investing in products and services complimentary to those offered by the Department.
- 4.1.5 The Department lacks comprehensive data on which it can design a strategic marketing plan to fit its own objectives. Obvious market related shortcomings, such as low demand coinciding with peak tourist arrivals in summer, should be given priority.
- 4.1.6 Cultural activities are not generally known to be profit makers. However, this may be proved wrong in some cases. The Department may be a case in point if it adopts the strategic plan presented in the Heritage 2001 report.

Part 5 - Recommendations

5.1 Short Term

5.1.1 The National Audit Office recommends that in the short term the Museums Department:

- i) considers the revision of summer opening times of some museums and sites. The opening of museums and sites in late afternoons/evenings may be developed into a marketable product in its own right;
- ii) takes initiatives to reverse the downward trend of student visits registered during the past three years. The Museums and the Education Departments should liaise to encourage more schools to organise visits to heritage sites. Classroom presentations related to heritage should be complemented with site visits. The recent changes to the National Minimum Curriculum address this issue;
- iii) considers that block tickets be available at entrance of museums and heritage sites to encourage visitors (including locals) take advantage of the economic benefits associated with these tickets.

5.2 Medium and Long Term

5.2.1 In the medium and long term it is recommended that the Museums Department:

- i) adopts responsibilities for the promotion and marketing of national heritage sites;

- ii) establishes an organisational structure that allows a balance between the conservation and marketing functions of the Department;
- iii) collates data relating to visitor characteristics and related information;
- iv) establishes maximum carrying capacity for each site. Such information is not only essential to safeguard against spoilage or deterioration but also to facilitate planning a market strategy;
- v) formulate and own marketing strategies for the services it offers. These strategies should include self sufficiency as an objective;
- vi) establishes targets related to the number of visitors in respect of each site and museum. The establishment of benchmarks will provide the Department with an effective management control tool;
- vii) Co-ordinate its marketing activities with those of other Government entities and private organisations promoting cultural interests.