



Auditor-General for Australia



7 March 2023

Senator Sarah Hanson-Young
Chair
Senate Standing Committees on Environment and Communications
By email: ec.sen@aph.gov.au

Dear Senator Hanson-Young

Inquiry into the National Cultural Policy

The Australian National Audit Office (ANAO) published the following performance audit report that you may find relevant to the Senate Standing Committees on Environment and Communications Inquiry into the National Cultural Policy.

- Report No. 29 (2020-21) [*Management of the National Collections — Follow-on*](#)

Information about what the audit assessed, concluded and recommended is attached. The audit report are available online at www.anao.gov.au.

Should the Committee require further information in relation to these matters, my office would be pleased to provide you with a briefing at a time convenient to you or appear as a witness at a hearing.

To arrange a briefing, please contact our External Relations area at external.relations@anao.gov.au.

Yours sincerely

Grant Hehir

Auditor-General Report No.29 (2020-21) *Management of the National Collections – Follow-on*

Background

1. Australia's National Collecting Institutions (NCIs) play a key role in collecting, preserving and sharing items which are integral to Australia's national identity, culture and achievements. The NCIs manage approximately 59 million heritage and cultural assets, with a combined estimated value of over \$10.9 billion as at 30 June 2020. The National Library of Australia's (Library) collection consists of approximately 10.25 million objects with an estimated value of \$1.3 billion and its digital collection includes over 2.4 petabytes¹ of material. The National Film and Sound Archive of Australia (NFSA) has a collection consisting of approximately 3.3 million objects with an estimated value of \$301 million and its digital collection is over 5.2 petabytes.

Rationale for undertaking the audit

2. Audits of cultural institutions undertaken both in Australia and overseas, including ANAO performance audits in 1998, 2005 and 2018, have identified shortcomings in the acquisition, conservation and security of collections.
3. This audit, as a follow-on to the Auditor-General Report No.46 2017–18 Management of the National Collections, assessed the collection management practices of two additional corporate Commonwealth NCIs with high value collections, the Library and the NFSA. Together, these two collections are worth approximately \$1.6 billion.

Audit objective and criteria

The objective of this audit was to assess whether the Library and the NFSA have implemented effective collections management practices.

To form a conclusion against the audit objective, the ANAO adopted the following high-level criteria:

- have the Library and the NFSA established effective strategic frameworks to support the management of their collections; and
- have the Library and the NFSA implemented effective systems and processes for managing their collections?

Conclusion

6. The Library and the NFSA have implemented largely effective collection management practices.
7. The Library and the NFSA have established largely effective strategic frameworks to support the management of their collections. Both entities could improve their performance measures to include efficiency and longer term measures, and enhance qualitative measures. The NFSA's risk management framework and business continuity plans were effective. The Library has recently updated its risk management framework and should review its business continuity planning documentation.
8. Largely effective systems and processes are in place to support collection management in accordance with the entities' mandates and collection policies. The NFSA could improve accessioning prioritisation and loan management, and both entities should develop deselection plans and review backlogs.

¹ A petabyte is a measure of memory or data storage capacity that is equal to 2 to the 50th power of bytes. There are 1,024 terabytes in a petabyte.

Supporting findings

Strategic frameworks

9. The Library and the NFSA have established effective oversight arrangements through their respective Council and Board to oversee strategic responsibilities. The Library's Council and the NFSA's Board have operated in accordance with their legislative requirements regarding membership and frequency of meetings. The NFSA's Board succession planning could be improved, as the Chair and Deputy Chair are both in their final terms of appointment, and during 2020–21 there were four Board members acting. The timing of appointments should be improved to avoid the loss of institutional memory and to support continuity. Both entities remain financially sustainable and Collection Development Acquisition Budget funding has been used appropriately.

10. Both entities have largely effective performance frameworks in place, except for the absence of efficiency and longer term measures and the NFSA should also consider including qualitative measures. The Library should also consider incorporating its service charter measures into its performance measures.

11. Both entities have developed effective risk management frameworks that are largely aligned with the Commonwealth Risk Management Policy. Both entities used their business continuity planning and documentation during the 2019–20 bushfires, 2020 hailstorm and COVID-19 pandemic, although the Library's Business Continuity Plan and supporting documents should be updated and incorporate lessons learned from the recent applications.

12. The Library and the NFSA have developed largely effective collection management frameworks centrally accessible on their intranets and websites, although the Library could improve arrangements to regularly review policies and plans and ensure draft policies are approved on a timely basis.

Collection management practices

13. The entities effectively develop their collections in accordance with their legislative requirements and acquisitions align with their collection policies. The NFSA should ensure a systematic prioritisation of items to be accessioned and ensure backlog items are prioritised. The Library should develop a disposal policy and a backlog processing plan.

14. The Library has established an effective process to allocate its preservation resources to areas of most need, as determined by collection areas; however, the recording of preservation work is not integrated with the Library's collection management system, and since 2009 the Library has had two draft preservation policies, neither of which has been finalised and approved.

15. The NFSA has effective preservation procedures, supported by its Collection Digitisation Strategy 2018–25, Collection Digitisation Plan 2020–25, and a fit-for-purpose mechanism that retains records of preservation work undertaken.

16. The Library and the NFSA both effectively store their collections. The Library needs to have a long-term storage solution by 2025 when current leasing arrangements end, and to accommodate ongoing annual growth in its physical collection. The NFSA has combined its long term storage planning with the need for enhanced digital capability and a building that is fit-for-purpose as a headquarters and storage facility.

17. The Library has a Conservation Management Plan and Heritage Strategy for its main building, in accordance with the Environment Protection and Biodiversity Conservation Act (EPBC Act), and identifies priority heritage works. It has a Life Cycle Maintenance Plan and Capital Works Forward Plan and the Capital Investment Committee provides oversight. The NFSA has not updated its conservation management

plan for its heritage building every five years as required under the EPBC Act. The NFSA has drafted a strategic asset management plan to assist with forward planning and budgeting.

18. The Library has established largely effective, and the NFSA effective, security frameworks that are largely aligned with the Protective Security Policy Framework. Both entities have controls over items at higher risk due to their cultural or monetary value, and have sound processes to reduce the risk of unauthorised building and IT systems access.

19. The Library's current library management system has limited functionality which has necessitated work-arounds and manual processes. The Library's inter-library loan processes are largely effective. The NFSA has a collection management system and data analytics processes to support collection management activities. There is no systematic follow up of overdue loans resulting in some items being overdue for many years with no documented follow-up. Both entities have supplementary systems for legacy collections.

Recommendations

Recommendation No.1

The National Library of Australia update and approve its Business Continuity Plan and supporting documents incorporating lessons learned from recent experiences.

National Library of Australia response: *Agreed.*

Recommendation No.2

The National Library of Australia develop a deselection/disposal policy to outline the focus areas and priorities for deselection, formalise procedures, and centrally report disposals. The Library should ensure this policy is approved and incorporated into the collections management documentation program of review.

National Library of Australia response: *Agreed.*

Recommendation No.3

The National Film and Sound Archive of Australia develop a deselection plan to outline the focus and priorities for deselection.

National Film and Sound Archive of Australia response: *Agreed.*

Recommendation No.4

The National Film and Sound Archive of Australia establish a process for managing loans to ensure there is systematic follow up of overdue loans and to take action on items that have been overdue for many years.

National Film and Sound Archive of Australia response: *Agreed.*