



AUSTRALIAN
SOCIETY *of*
ARCHIVISTS Inc.

The Secretary
Joint Committee of Public Accounts and Audit
Parliament House
CANBERRA 2600

INQUIRY INTO THE EFFECTS OF THE ON-GOING EFFICIENCY DIVIDEND ON SMALLER PUBLIC SECTOR AGENCIES

The following submission is made to the Inquiry by the Australian Society of Archivists Inc. (ASA). The ASA is the professional association for archivists and recordkeeping professionals and it has some 850 personal and institutional members. Members of the ASA are employed in a wide-range of organisations or are self-employed. The types of organisations employing archivists and recordkeepers include:

- National and State archives, libraries and other cultural agencies;
- Local government agencies; and
- Public and private companies.

For the purposes of this Submission, discussion is confined to the small agencies of the Commonwealth as defined in the Terms of Reference. I will not single out specific agencies for comment but will confine remarks to those aspects of the Efficiency Dividend the ASA believes impact generally on most if not all small agencies. For this purpose I will distinguish between cultural agencies and non-cultural agencies.

Commonwealth cultural agencies

The cultural agencies of the Commonwealth typically have enabling legislation by an Act which establishes an agency's existence and sets out its: governance processes, method of operation, and administrative functions. When legislated agencies are first established there is usually a reasonable connection between an agency's functions and the funding provided to it for undertaking those functions.

Over time demands are made on the agency which are additional to the original functions - and were initially funded. Such demands usually occur on a creeping basis and cover not only specific functions of an agency but represent requirements general to all agencies as, for example, with additional requirements for occupational health and safety. Equally significantly, the business processes in an agency gradually change due, for example, to new technologies and the overall expectations by government and the community for the agency. For instance, if cultural agencies have objects in their collections it is now expected by most these should be able to be viewed on-line. But changing or improving the operating model is not cheap to do and rarely these changes are directly funded. Twenty years of efficiency dividends and technological and environmental change mean that agencies can no longer meet the set-down functions in their legislation - let alone new expectations of users or the community generally. Thus quality or quantity of an agency's services have to suffer – there is no alternative.

General agencies of the Commonwealth

ASA members and other recordkeeping professionals in agencies across the board work either directly with records or with related functions. The types of tasks ASA members undertake are similar across agencies and their skills are transferable between agencies. Records work may involve activities ranging from the familiar records registry systems for paper-based records to the development and implementation of electronic recordkeeping systems which can both manage and preserve records. While all agencies have staff dedicated to records, there is no standard or typical formula as to staff numbers so we cannot have an ideal formula for staffing the function.

For an agency, the usual strategy when faced with an Efficiency Dividend or other budget cut is to try and protect what it sees as its core functions – i.e. those functions which it was established to administer. In this situation agency savings are often found by making cuts in the common service areas such as in staff training, purchasing operations, and the like. These types of activities may not be cut directly but rather are 'delayed' or 'postponed' such as through a failure to fill vacancies when they occur. Direct consequences of such cuts to an agency include line staff being burdened with tasks which more efficiently are performed by specialist areas. For example, as is the situation with the purchase of goods and services. More problematic than just inefficiency are the consequences of staff not knowing what is legally required when undertaking these types of tasks or for agencies as such to consider possible longer-term consequences of cuts.

Systematic recordkeeping processes are not seen by agencies as a core activity let alone a core function. But arguably recordkeeping is equivalent to a core function if it seen in the context of expectations by Parliament, the Government, and the community for both accountability and a general right-to-know. In other words recordkeeping requirements as seen in legislation such as the *Auditor-General Act 1997*, *Archives Act 1983*, *Freedom of Information Act 1982*, and any legislation specific to an agency.

A major issue with cuts to non-core functions in an agency such as recordkeeping is that while anecdotally all staff know there is an impact it is impossible to quantify the real cost of failure. These are the costs to agency effectiveness and efficiency in the both in the short-term and the long-term and let alone to staff morale.

However, to illustrate the long-term impact of the Efficiency Dividend on an agency from the recordkeeping perspective: consider a (hypothetical) Inquiry (Police, Parliamentary, Royal Commission, etc.) into some issue involving some action or inaction by a small agency. The Inquiring body may request from the agency all the records relevant to the investigation. The agency may well be unable to find all the records no matter how many staff members are directed to the task – or even for the agency to determine whether records existed in the first place. In short: while an agency policy will exist that records concerning its activities are created and preserved but without having any mechanism in place to ensure these requirements are in fact being met.

The ASA view is, despite any assertions to the contrary, the urgent needs of an agency (i.e. current needs) trump the important needs (i.e. long-term) of agency accountability and the reasonable expectations of the community for a government agency. This is not to argue that an agency budget should ever be reduced or agency functions should be changed. Rather, it is to argue that efficiency dividends are too crude a mechanism to achieve an outstanding result. That is to say small quantifiable savings come at the cost of far greater not easily quantifiable costs in agency efficiency and effectiveness.

If you have any questions on this Submission, please contact me at:
kim.eberhard@bigpond.com

Yours sincerely,

Kim Eberhard
President
Australian Society of Archivists

4 July 2008