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Submission to the Parliament of Australia's  
Joint Committee of Public Accounts and Audit -  
Inquiry into the effects of the ongoing efficiency  
dividend on smaller public sector agencies

# Collecting organisations and the ongoing efficiency dividend

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# Collecting organisations and the ongoing efficiency dividend

A submission by the Collections Council of Australia to the Parliament of Australia's Joint Committee of Public Accounts and Audit – Inquiry into the effects of the ongoing efficiency dividend on smaller public sector agencies

## ***About the Collections Council***

The Collections Council of Australia is the peak body for cultural and scientific collecting organisations in Australia. Our organisation was initiated and is supported by the Cultural Ministers Council. We speak with one voice for collections in Australia, on matters of shared interest. Our aim is to ensure the nation-wide sustainability of collections, wherever they are held. Keys to achieving this aim include:

- Coordination of effort across the collections sector;
- Strengthening of links between the collections sector and other sectors such as the community, education, industry, government and research sectors; and
- Stimulation of greater awareness and use of collections.

Our website is a primary vehicle for communicating our plans, proposals and reports. See: <http://www.collectionscouncil.com.au>

## ***This submission***

The Collections Council is grateful for this opportunity to comment on the effects of the ongoing efficiency dividend as it has been applied to smaller Commonwealth public sector agencies such as the Australian National Maritime Museum, the Australian War Memorial, the National Archives of Australia, the National Gallery of Australia, the National Library of Australia, and the National Museum of Australia.

On the following pages, we offer comments against a selection of the terms of reference for this Inquiry.

We would be pleased to participate in further discussion about the matters we have raised.

***Has the efficiency dividend had a disproportionate impact on smaller agencies, including ... a relative inability to obtain funding for new policy proposals?***

The National Library has reported that it has been unable to secure new funding for its digital collecting and preservation activities, and is now falling well behind other national libraries in this endeavour. It also reports that its capacity to innovate and to stay abreast of advances in digital technology has been significantly reduced. As the National Library has shown strong leadership with regard to digital collecting and preservation, and has innovated by developing new tools and techniques for making digital collections discoverable and accessible, this suggests that the future viability of Australia's digital collecting is in jeopardy.

The efficiency dividend is impacting at a time when the Australian collections sector, with the national institutions at the forefront, is poised to contribute real solutions to digital challenges as part of the government's Innovation agenda.

In 2005, the Australian National Audit Office (ANAO) reported that 'collections storage is a major issue across all the cultural institutions'.<sup>1</sup> The National Museum has recently advised that it still faces a chronic lack of storage and display space. This suggests a relative inability to obtain funding for new proposals. Lack of space restricts the Museum's ability to fulfil its potential, and to meet its obligations – both to the collections and also to current and future audiences, including Australian and international researchers. Almost inevitably, collections increase in size as the years advance and as an increasing body of evidence needs to be preserved to record the history of social, cultural, technological and environmental change. New funding is required to enable capital works such as increased storage facilities and expanded display spaces for the National Museum.

***Is the efficiency dividend now affecting the capacity of collecting organisations to perform core functions or to innovate?***

The National Museum has announced that a loss of staff is to be expected across the national cultural institutions from an efficiency dividend on the current scale.

A core function of collecting organisations is to develop their collections. Collections development requires knowledgeable and skilled staff who can work effectively with donors and dealers when acquiring items. The de-accessioning and repatriation of collection items also requires skills and sensitivity. The ANAO report observed that 'de-accessioning is a resource intensive activity'.<sup>2</sup> Staff reductions see a shedding of expertise from the public sector that, once lost, is not easy to replace.

Similarly, the maintenance of collections is an essential responsibility of the collecting organisations. Our *Conservation Survey 2006* identified significant

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<sup>1</sup> Commonwealth of Australia 2005, *Safe and Accessible National Collections*, ANAO Audit Report No. 59 2004-2005, p. 62.

<sup>2</sup> *Safe and Accessible National Collections*, p. 45.

skills shortages Australia-wide in the conservation and preservation field.<sup>3</sup> If the efficiency dividend forces the collecting organisations to reduce their staff in this area, it will be hard to rebuild conservation departments competitively in the future. The ability of institutions to hold their collections in trust for present and future generations of Australians will be seriously compromised.

Another core function of any collecting organisation is to make the collections accessible to visitors and users. This accessibility can be achieved through public programs (including exhibitions) and also in the online environment. The scale of the efficiency dividend threatens this core function in the national collecting institutions. For example, the National Museum has announced that its program of travelling exhibitions will be affected. Travelling exhibitions take the national collections to diverse parts of Australia, and make objects and stories accessible to the many Australians who are unable to travel to Canberra or (in the case of the National Maritime Museum) to Sydney.

A different sort of 'outreach' from the collecting institutions is achieved in the online environment. The ANAO recommended that 'all cultural institutions formulate long-term digitisation plans'.<sup>4</sup> The scale of the current efficiency dividend now means that the level of activity in making digital collections discoverable to Australians and the world will be reduced. The national digital collections – and many other collections that are accessible via the National Library's innovative online portals (e.g. Picture Australia and Music Australia) – are likely to lose their visibility in the rapidly evolving online world.

The National Library has reported that not only has its own capacity to perform core functions been severely diminished by the efficiency dividend, but that its capacity to assist other national libraries in the Asia-Pacific region, as well as its participation in international forums, is also being eroded. Other collecting organisations are likely to be similarly affected.

***What measures are collecting organisations taking to implement the efficiency dividend, and what is the effect on their functions, performance and staffing arrangements?***

According to reports that we have seen or received, the collecting organisations are being forced to cut back on the public services for which they are very highly praised.

For example, the National Library is:

- faced with having to cut services in the reading rooms and to reduce opening hours; and
- making cuts to its core collecting activities in the Asia/Pacific region, and reducing its presence in Indonesia by withdrawing an acquisitions officer.

Further examples come from the National Museum, which announced late last

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<sup>3</sup> See: <http://www.collectionscouncil.com.au/conservation+survey+2006+report.aspx>

<sup>4</sup> *Safe and Accessible National Collections*, p. 70.

year that it will:

- not be able to fill positions when these become vacant; and
- have to cut back on touring exhibition schedules and activities.

***How is application of the efficiency dividend affected by factors such as the nature of a collecting organisation's work (for example, cultural, scrutiny, or regulatory functions), or the degree of discretion in the functions performed?***

Australia's collections hold the evidence from which communities build their understanding of Australian values and identity. Collections are actively used to:

- communicate links between past, present and the future;
- help Australians shape their place in an ever-changing environment;
- preserve memories and beliefs that underlie social systems and cohesion;
- provide contexts for decision-making;
- support many types of research projects and teams, including basic research, applied research and, e-research;
- enable the discovery of new information that contributes to problem-solving and innovation;
- disseminate information on issues of global importance;
- engage the imaginations of students, tourists and the global community, empowering them with information and knowledge;
- add to the sustainability of communities in respect to the four pillars of sustainability – cultural, social, environmental and economic;
- enrich the cultural vitality of the places where collections are held;
- bridge gaps between generations;
- contribute to the strengthening of communities - present and future.

Assisted by their skilled and professional workers, Australia's collecting organisations are constantly finding new ways of 'adding value' for all Australians.

Australians expect to be able to access their national collections in both purposeful and serendipitous ways. The efficiency dividend is impacting on their ability to do so effectively.

***Are there appropriate alternatives to an across-the-board efficiency dividend to encourage efficiency in the Commonwealth public sector? Should certain agencies be exempted from the efficiency dividend? Should the rate of the dividend vary according to agency size or function?***

The national collecting institutions play a vital part in the Australian government's relationship with past, current and future generations of

Australians, and of the world. Their collections relate to Australia's environment, history, technology, science, culture, innovation and creativity, and include valuable contemporary as well as historic materials. Their public programs and outreach services engage diverse audiences in a myriad of ways.

In most work-teams within these institutions, each individual brings highly developed and specialised skills, and there is little or no duplication. There is no 'reserve' or 'second eleven'. When staff numbers are reduced, this expertise is lost. When new staff are recruited, the high level of responsibility that they carry – particularly in relation to the collection – demands on-the-job training and an intense approach to quality assurance.

**We therefore recommend that the national collecting institutions be exempted from the efficiency dividend.** These institutions need increased support, not financial cuts, in order to contribute effectively to the objectives of government and society in the twenty-first century, and to build their collections and associated public programs for the future.

To support the funding of such an exemption, we recommend the abolition of what we understand to be the Government's requirement for staff vacancies to be advertised in the mainstream print media. Most organisations in the collections sector now advertise their vacancies via the electronic media, at considerably reduced costs in comparison to print, and with vastly greater reach. We fully support the public advertising of vacancies, but suggest that the public is more likely to find job advertisements online than in print. **We therefore recommend that the national collecting institutions be granted exemption from any requirement to advertise staff vacancies via the print media.**

**We would like to propose that a novel alternative to encourage efficiency in the collecting institutions might be developed in relation to the appreciation of the value of collections.** In other words, an agency that collects effectively and conserves its collection well (such that the value of the collection increases) while demonstrating efficiencies against other agreed performance indicators could be rewarded (in proportion to the increase in the collection's value) for exercising good judgment, sound decision-making and wise custody on behalf of the Australian community.

Finally, **we suggest that the rate of the efficiency dividend be applied according to a sliding scale.** Instead of imposing a standard rate on all agencies, the rate of the dividend could be varied according to the size of an agency's budget, and therefore in accordance with its ability to be able to implement efficiencies. Those agencies with operational budgets up to \$150 million could contribute at a zero rate, and the efficiency dividend rate could increase (on a sliding scale) for agencies with larger budgets.