

Management of the National Collections — Follow-on

National Library of Australia

National Film and Sound Archive of Australia

Department of Infrastructure, Transport, Regional Development and
Communications

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Canberra ACT
22 February 2021

Dear Mr President
Dear Mr Speaker

In accordance with the authority contained in the *Auditor-General Act 1997*, I have undertaken an independent performance audit in the National Library of Australia, the National Film and Sound Archive of Australia, and the Department of Infrastructure, Transport, Regional Development and Communications. The report is titled *Management of the National Collections — Follow-on*. I present the report of this audit to the Parliament.

Following its presentation and receipt, the report will be placed on the Australian National Audit Office's website — <http://www.anao.gov.au>.

Yours sincerely



Grant Hehir
Auditor-General

The Honourable the President of the Senate
The Honourable the Speaker of the House of Representatives
Parliament House
Canberra ACT

AUDITING FOR AUSTRALIA

The Auditor-General is head of the Australian National Audit Office (ANAO). The ANAO assists the Auditor-General to carry out his duties under the *Auditor-General Act 1997* to undertake performance audits, financial statement audits and assurance reviews of Commonwealth public sector bodies and to provide independent reports and advice for the Parliament, the Australian Government and the community. The aim is to improve Commonwealth public sector administration and accountability.

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Audit snapshot

Auditor-General Report No.29 2020–21

Management of the National Collections — Follow-on



Why did we do this audit?

- ▶ Previous audits of cultural institutions have identified shortcomings in the acquisition, storage and security of collections.
- ▶ This audit is a follow-on from Auditor-General Report No.46 2017–18 *Management of the National Collections* which assessed the National Gallery of Australia and the Australian War Memorial.
- ▶ This audit assessed the collection management practices of the National Library of Australia (Library) and the National Film and Sound Archive of Australia (NFSA).



What did we find?

- ▶ The Library and the NFSA had largely effective governance arrangements and collection management practices.
- ▶ Both entities effectively develop their collections in accordance with their legislative requirements and respective collection policies. Neither entity had plans in place to provide guidance on the removal of items from their collections.
- ▶ Long term storage is an issue for both the Library and the NFSA.



What did we recommend?

- ▶ The Auditor-General made two recommendations to the Library and two recommendations to the NFSA to improve collection management practices.
- ▶ The Library agreed to both recommendations which focus on updating its business continuity plan and developing a deselection/disposal policy.
- ▶ The NFSA agreed to both recommendations which focus on developing a deselection plan and establishing a process to manage loans.



Key facts

- ▶ The Library has a mandate to maintain and develop a national collection relating to Australia established under the *National Library Act 1960*. There are legal deposit provisions under the *Copyright Act 1968* that requires Australian publishers to provide a copy of their publications to the Library, including digital works.
- ▶ The NFSA has a mandate to develop, preserve, maintain, promote and provide access to a national collection of audiovisual items and related materials under the *National Film and Sound Archive of Australia Act 2008*.

\$1.6bn

The Library's collection is worth \$1.3 billion and the NFSA's \$301 million.

2.5km

Growth each year in shelf space for the Library's physical collection.

300,000

Items added to the NFSA's collection during 2019–20.

Summary and recommendations

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

4. The objective of this audit was to assess whether the Library and the NFSA have implemented effective collection management practices.
5. 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

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.

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.

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 Paragraph 2.53

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 Paragraph 3.22

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 Paragraph 3.44

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
Paragraph 3.113

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.*

Summary of entity responses

20. The National Library of Australia's summary response to the report is provided below, and its full response is at Appendix 1.

The Library welcomed the ANAO performance audit - Management of the National Collections follow-on - and the opportunity it provided to review and improve Library strategic frameworks and collection management practices.

The Library notes the overall finding that the Library has established effective strategic frameworks to support the management of its collection, and that the Library has implemented effective supporting systems and processes.

The Library acknowledge the conclusions and findings of the report, including that the Library:

- has effective oversight arrangements through its Council
- has developed an effective risk management framework
- effectively develops its collection in accordance with legislative requirements
- has an effective process to allocate preservation resources to areas of most need, and
- effectively stores its collection.

The Library accepts the two recommendations made by the audit, noting the areas of improvement identified are currently being addressed. The Library will work to continue to improve its performance measurement, business continuity and security frameworks.

The Library welcomes the audit observation that the Library remains financially sustainable and uses Collection Development Acquisition Budget funding appropriately.

However, we also note that, until we have a path forward for funding storage for current collections and anticipated growth, there are significant future risks in relation to management of the Library's collections.

21. The National Film and Sound Archive of Australia's summary response to the report is provided below, and its full response is at Appendix 1.

The NFSA thanks the Australian National Audit Office (ANAO) for its work in conducting the audit into the management of the National Collections, in particular its flexibility while all participants faced the restrictions and pressures that have resulted from the COVID-19 pandemic.

The NFSA acknowledges the ANAO's finding that our collection management framework is largely effective and accepts the audit recommendations relating to planning and prioritising deselection work and managing loans. We are committed to implementing appropriate measures in response to the audit and its recommendations.

Key messages from this audit for all Australian Government entities

22. Below is a summary of key messages, including instances of good practice, which have been identified in this audit and may be relevant for the operations of other Australian Government entities.

Governance and risk management

- Entities which occupy and manage heritage listed facilities should ensure effective asset management plans are in place to provide a sound basis for planning and funding future conservation work, and ensuring future access to the facilities.
- To ensure that collection and other asset management frameworks are complete, up-to-date and accessible to staff, entities should: identify relevant policies, plans and procedures; assess and fill in any gaps in these framework documents, ensuring that they meet applicable standards; and maintain them using appropriate version control. Entities should ensure draft policies are approved on a timely basis. Regular review is necessary to ensure that they are current and relevant, as is maintaining them in a central and accessible location.

Procurement

- When acquiring assets entities should consider whole-of-life costs, including effective storage and preservation, where appropriate.

Audit findings

1. Background

National Collections

1.1 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 corporate Commonwealth entities and non-corporate Commonwealth entities that are designated Collection Institutions, and which receive a separate Collection Development Acquisition Budget, have approximately 59 million heritage and cultural assets, with a combined estimated value of over \$10.9 billion as at 30 June 2020, outlined in Table 1.1 below.

Table 1.1: Value and volume of Australia's national collecting institutions, June 2020

Entity	Value (\$million)	Volume (approx number of items '000)
National Gallery of Australia ^{abc}	6,159	156
National Archives of Australia ^b	1,483	40,000
National Library of Australia ^{bc}	1,291	10,250
Australian War Memorial ^{abc}	1,165	4,000
National Film and Sound Archive of Australia	301	3,300
National Museum of Australia ^{bc}	279	>210
Australian National Maritime Museum	73	>140
Bundanon Trust ^d	43	40
National Portrait Gallery	37	2,981
Australian Institute of Aboriginal and Torres Strait Islander Studies	12	>1,000
Museum of Australian Democracy at Old Parliament House	9	29
Total^e	10,852	59,128

Note a: Entities audited in the Auditor-General Report No.46 2017–18 *Management of the National Collections*.

Note b: Entities audited in the Auditor-General Report No.59 2004–05 *Safe and Accessible National Collections*.

Note c: Entities audited in the Auditor-General Report No.8 1998–99 *Safeguarding Our National Collections*.

Note d: Bundanon Trust is not a designated Collection Institution as per the Department of Finance's definition, but is considered a National Cultural Institution by the Department of Infrastructure, Transport, Regional Development and Communications' Office for the Arts.

Note e: The number of items in a collection can vary depending on how they are counted. An item could be made up of several parts and, therefore, one item could actually be counted multiple times because of the nature of its parts.

Source: ANAO analysis of annual reports and Auditor-General reports.

1.2 Effective collection management practices enable the collecting institutions to develop, maintain and exhibit the National Collections. These practices include:

- sound governance;
- risk management;

- strategic frameworks for developing the collection, including robust acquisition and disposal practices;
- sound financial management; and
- effective maintenance, security and documentation of the collection.

1.3 In 2018, the ANAO undertook a performance audit, Auditor-General Report No.46 2017–18 *Management of the National Collections*, to assess whether the National Gallery of Australia and Australian War Memorial had implemented effective collection management practices. This audit is a follow-on and focuses on the collection management practices of the National Library of Australia (Library) and the National Film and Sound Archive of Australia (NFSA).

1.4 The Library and the NFSA have a legislative responsibility to develop, maintain and provide access to a National Collection. Together, these two collections are worth approximately \$1.6 billion. The Library's collection consists of approximately 10.25 million objects with an estimated value of \$1.3 billion. The NFSA's collection consists of approximately 3.3 million objects with an estimated value of \$301 million.

National Library of Australia

1.5 The Library was established as a statutory agency in 1960, with the *National Library Act 1960* (Library Act) formally separating it from the Parliamentary Library. The Library Act and the *National Library Regulations 2018*, outline the Library's role, functions and powers. The Council, as the Library's accountable authority, conducts the Library's affairs. The functions of the Library are detailed in section 6 of the Library Act and summarised in Box 1.

Box 1: Functions of the Library

The core functions of the Library are to:

- maintain and develop a national collection of library material, including a comprehensive collection of library material relating to Australia and the Australian people;
- make library material in the national collection available to such persons and institutions, and in such manner and subject to such conditions, as the Council determines is the most advantageous use of that collection in the national interest;
- make available such other services in relation to library matters and library material (including bibliographical services) as the Council thinks fit, and, in particular, services for the purposes of the library of the Parliament; Commonwealth and Territory authorities; and public service agencies; and
- co-operate in library matters (including the advancement of library science) with authorities or persons, whether in Australia or elsewhere, concerned with library matters.

1.6 The Library's collection consists of a range of materials intended to enable Australians to understand their diverse social, cultural, creative and intellectual histories. It includes the contemporary Australian published output in all forms and formats, including physical books,

ebooks, maps, sheet music, posters, leaflets and ephemera², web publications, and unpublished materials including, documentary paintings, prints and photographs, manuscripts, digital archives, oral history, folklore recordings, in print, analogue or digital form. The National Film Lending Collection was transferred from the Library to the NFSA when the NFSA was established in 1984.

National Film and Sound Archive of Australia

1.7 The NFSA was established in 1984, and became a statutory agency in 2008 under the *National Film and Sound Archive of Australia Act 2008* (NFSA Act). The NFSA's Board is the accountable authority for the NFSA. The functions of the NFSA are detailed in section 6 of the NFSA Act and summarised in Box 2.

Box 2: Functions of the NFSA

The core functions of the NFSA are to:

- develop, preserve, maintain, promote and provide access to a national collection of programs^a and related material;
- support and promote the collection by others of programs and related materials in Australia;
- support, promote or engage in:
 - The preservation and maintenance of programs and other related material that are not in the national collection;
 - The provision of access to programs and related material that are not in the national collection; and
- support and promote greater understanding and awareness in Australia of programs.

Note a: Program is defined by section 3 of the NFSA Act to mean any of the following: (a) a screen production; (b) an aggregate of sounds embodied in any material; (c) an aggregate of images or sounds, or of images and sounds, that is, or is intended to be, distributed without first having been embodied in any material.

1.8 The NFSA's collection comprises films, television and radio programs, videos, audio tapes, records, compact discs, phonograph cylinders and wire recordings. It also encompasses documents and artefacts such as photographs, posters, lobby cards, publicity items, scripts, costumes, props, memorabilia, oral histories, and vintage equipment. The collection consists of 47 per cent analogue and 53 per cent digital material. The NFSA has digitised 26 per cent of the unique audiovisual content in the collection that was in analogue format. The digital component of the collection comprises 27 per cent digital born material (acquired in that format) and 73 per cent digitised material (digitised by the NFSA).

2 Ephemera refers to transitory written or printed materials that were to be used for a short time. The Library's ephemera collection includes: minor publications and pamphlets, handbills, invitations, cards, menus, junk mail, theatre programs, trade catalogues and election campaign materials.

1.9 In 2015, the NFSA released *Deadline 2025: Collections at Risk*³, which highlighted that magnetic tape⁴ that is not digitised by 2025 may be lost. On 30 June 2020, the Minister for Communications, Cyber Safety and the Arts announced that the NFSA will receive additional funding of \$5.5 million over four years to support digitisation of its at-risk audio and video magnetic tape collection material through upgrading existing operations to undertake large-scale digitisation.

Resourcing

1.10 The Library and the NFSA are administered through the Infrastructure, Transport, Regional Development and Communications portfolio. Total government funding in 2019–20 was \$65.6 million for the Library, and \$28.2 million for the NFSA; estimates for 2020–21 are \$68.9 million for the Library and \$27.3 million for the NFSA. In addition, the Library and the NFSA collected own-source funds in 2019–20 from the sale of goods and services, donations and interest of \$9.9 million for the Library and \$1.9 million for the NFSA.

1.11 Table 1.2 shows revenue, expenses and average staffing levels of the Library, the NFSA, and several state libraries and other Australian institutions.

Table 1.2: Comparison of 2019–20 revenue and expenses with other entities

	National Library of Australia	State Library of NSW	State Library of Victoria	National Film and Sound Archive	Australian Centre for the Moving Image	National Archives of Australia
Total revenue ^a (\$million)	67.8	97.3 ^b	100.0 ^c	31.6	26.8	77.1
Total expenses (\$million)	76.6	90.1 ^b	104.0 ^c	29.1	23.2	94.1
Revenue minus expenses (\$million)	(8.8)	7.2	(4.0)	2.5	3.6	(17.0)
Average staffing level	346	292	289	164	135	339 ^d

Note a: Total revenue includes own-source revenue, equity injections and funding from the Australian Government and/or state governments.

Note b: State Library of NSW figures are based on its 2018–19 Annual Report as its 2019–20 Annual Report was not publically available as at 1 December 2020. The State Library receives and allocates NSW Government funding to assist local authorities to provide public libraries; in 2018–19 \$24.5 million was allocated.

Note c: The State Library of Victoria's total revenue includes a capital asset charge grant of \$43.4 million and is matched by an equivalent state government capital asset charge of \$43.4 million.

Note d: The National Archives of Australia figure is the total number employees, including full-time, part-time, ongoing and non-ongoing.

Source: ANAO analysis of the entities' annual reports.

3 National Film and Sound Archive of Australia, *Deadline 2025: Collections at Risk*, [Internet], NFSA, 2017 available from <https://www.nfsa.gov.au/corporate-information/publications/deadline-2025> [accessed November 2020].

4 Magnetic tape technology has been used for audio from the mid 1940s and video from the mid 1950s. Magnetic tape was used professionally as well as in the home and the NFSA holds over 40 different magnetic formats across video and audio. *ibid.*, p5.

Previous ANAO performance audits of National Collections

1.12 The ANAO has undertaken three performance audits of National Collections: *Safeguarding Our National Collections* (1998)⁵, *Safe and Accessible National Collections* (2005)⁶, and *Management of the National Collections* (2018).⁷ The 1998 audit assessed four entities, including the Library. The 2005 audit assessed five entities, including the Library, and recommendations relevant to the Library are listed in Appendix 2. The 2018 audit assessed two entities, the Australian War Memorial and the National Gallery of Australia, and the objective, conclusion and recommendations are included in Table 1.3 below. The NFSA was not assessed in previous performance audits focusing on the National Collections. The objective and criteria from the 2018 audit have been adopted for this follow-on audit.

Table 1.3: Objective, conclusion and recommendations of the 2018 audit

Audit	Auditor-General Report No.46 2017–18 <i>Management of the National Collections</i>
Objective	<p>To assess whether the Australian War Memorial and the National Gallery of Australia had:</p> <ul style="list-style-type: none"> – established effective strategic frameworks to support the management of their collections; and – implemented effective systems and processes for managing their collections.
Conclusion	<p>The Memorial had implemented collection management practices which were effective. The NGA's collection management practices were not fully effective due to deficiencies in financial and asset management controls.</p> <p>The Memorial had effective governance and risk management frameworks. The effectiveness of the NGA's governance and financial management controls required improvement, with the entity in a high risk financial position.</p>
Relevant key learnings	<ul style="list-style-type: none"> • Entities should ensure that budget allocations for ongoing maintenance, storage and security are appropriate according to risk. • All entities should have systems in place to provide the Accountable Authority with assurance that budgets are being managed appropriately and within the intent of appropriations. • Entities using limited tender procurements (such as when procuring works of art) must ensure they comply with the mandatory requirements of the Commonwealth Procurement Rules, including providing an assessment of whole-of-life costs. • To ensure that collection and other asset management frameworks are complete, up-to-date and accessible to all appropriate staff, entities should: identify all relevant policies, plans and procedures; assess and fill in any gaps in these framework documents, ensuring that they meet applicable standards; and maintain them using appropriate version control and approval. Regular review is necessary to ensure that they are current and relevant; as is maintaining them in a central and accessible location.

Source: Auditor-General Report No.46 2017–18 *Management of the National Collections*.

5 Auditor-General Report No.8 1998–99 *Safeguarding Our National Collections*.

6 Auditor-General Report No.59 2004–05 *Safe and Accessible National Collections*.

7 Auditor-General Report No.46 2017–18 *Management of the National Collections*.

Parliamentary inquiry into Canberra's national institutions

1.13 In 2018, the Joint Standing Committee for National Capital and External Territories (JSCNCET) conducted an inquiry into the value, governance, engagement and resourcing challenges of the national institutions located in Canberra.⁸ The inquiry considered 16 Canberra-based national institutions including the Library and the NFSA.

1.14 The JSCNCET report published in April 2019 made 20 recommendations, including:

- developing a formal consultative structure for cooperation between national institutions, the National Capital Authority and the ACT Government (Recommendation 11);
- adopting measures to offset the disproportionate impact of the efficiency dividend on small agencies including Canberra's national institutions (Recommendation 14);
- reassessing the Average Staffing Level caps on Canberra's national institutions (Recommendation 15);
- adopting a strategic and coordinated approach to the management and maintenance of national institutions' buildings and facilities (Recommendation 16);
- developing a permanent shared collection storage facility for Canberra's national institutions (Recommendation 17);
- ensuring plans and budgets include clear and documented processes to account for the whole-of-life costs of collections and acquisitions (Recommendation 18); and
- developing a clear and coherent whole of government strategy to ensure that all audiovisual material in national collections is digitally preserved by 2025 (Recommendation 20).

1.15 As at 1 February 2021, the Government had not provided a response to the Committee's recommendations.

Rationale for undertaking the audit

1.16 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.

1.17 This audit, as a follow-on to the 2018 audit⁹, 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 as at 30 June 2020. The Library's collection consists of approximately 10.25 million objects with an estimated value of \$1.3 billion, and its digital collection includes over 2.4 petabytes¹⁰ of material. The NFSA's collection consists of approximately 3.3 million objects with an estimated value of \$301 million, and its digital collection includes over 5.2 petabytes of material.

8 Joint Standing Committee on the National Capital and External Territories, Australian Parliament, *Telling Australia's Story - and why it's important. Report on the inquiry into Canberra's national institutions* (2019).

9 Auditor-General Report No.46 2017–18 *Management of the National Collections*.

10 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.

Audit approach

Audit objective, criteria and scope

1.18 The objective of this audit was to assess whether the Library and the NFSA have implemented effective collection 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?

1.19 The focus of the audit was on the:

- role of the governing council or board in determining strategic policies and directions to be followed to ensure appropriate and effective management of collections;
- entity's application of the governing council or board's priorities through effective management of the collections; and
- extent to which the Library has implemented the relevant recommendations of the previous ANAO performance audit into the National Collections involving the Library — Auditor-General Report No.59 2004–05 *Safe and Accessible National Collections*.

1.20 The audit did not include in its scope an assessment of the entities' effectiveness in promoting access to their collections or collaboration activities.

Audit methodology

1.21 The audit procedures included:

- reviewing Library and NFSA documentation;
- extraction and analysis of data from the Library's and the NFSA's collection management systems;
- testing a sample of acquisitions and disposals that occurred during 2019–20; and
- interviews with the Library, the NFSA and the Department of Infrastructure, Transport, Regional Development and Communication staff.

1.22 The audit also sought public submissions via the ANAO website.

1.23 The audit was conducted in accordance with ANAO Auditing Standards at a cost to the ANAO of \$520,000.

1.24 The team members for this audit were Judy Jensen, Shane Armstrong and Alex Wilkinson.

2. Strategic frameworks

Areas examined

This chapter examines whether the National Library of Australia (Library) and the National Film and Sound Archive of Australia (NFSA) have established effective strategic frameworks to support the management of their collections.

Conclusion

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.

Areas for improvement

The ANAO made a recommendation aimed at ensuring that the Library's business continuity plan and supporting documents are reviewed, reflecting lessons learned from recent experiences, and approved.

In addition, three suggestions for improvement were identified:

- The Library should improve performance information relating to its qualitative measures; and include efficiency and longer term measures and incorporate service charter measures into its corporate plan performance measures.
- The NFSA's performance information should include qualitative, efficiency and longer term measures.
- The Library should ensure the implementation of its Internal Audit recommendation, including updating its collection management documents and developing a program of review as agreed by June 2021.

2.1 Collecting institutions require effective strategic frameworks to support a collection management approach consistent with each entity's legislative requirements.

2.2 To assess whether the Library and the NFSA had established effective strategic frameworks, the ANAO examined whether:

- the entities established effective oversight arrangements and performance frameworks for the management of their collections;
- the entities developed effective risk management frameworks; and
- the entities developed effective collection management frameworks for their collections.

Have the entities established effective oversight arrangements and performance frameworks for the management of their collections?

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.

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.

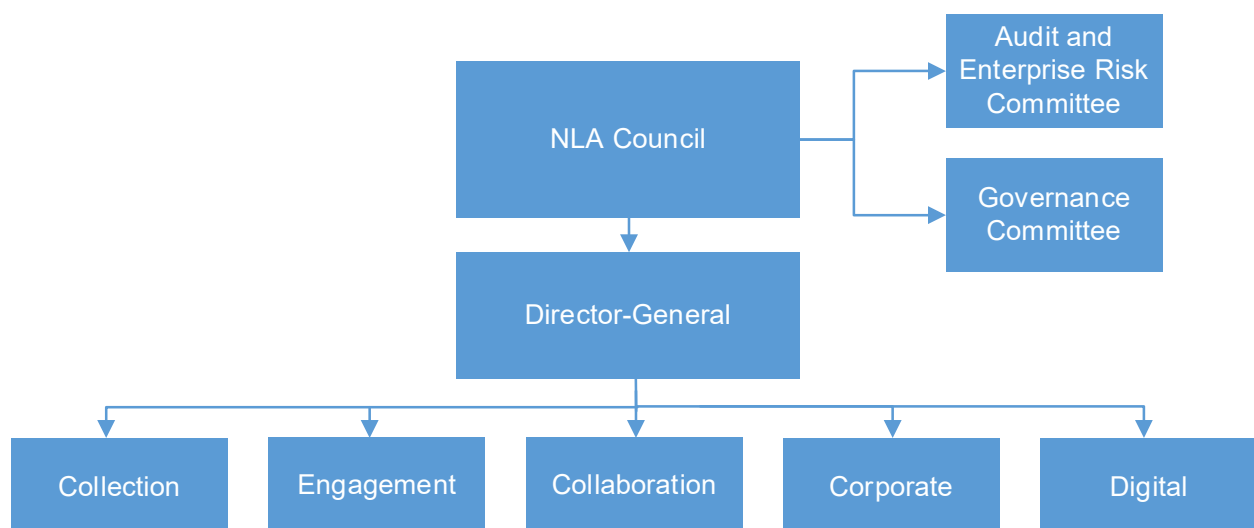
Governance arrangements

2.3 Governance arrangements over the collections are provided through the Library's Council and the NFSA's Board and their respective subcommittees; as well as internal management structures. The Library and the NFSA are both subject to the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), which imposes key reporting, financial and other obligations on each Council or Board as the accountable authority, and on associated officials. The Library and the NFSA are both accountable to the government through the Minister for Communications, Urban Infrastructure, Cities and the Arts.

National Library of Australia

2.4 The Library has established a governance framework to oversee the management of its collection. Figure 2.1 illustrates the Library's governance structure.

Figure 2.1: National Library of Australia governance structure, November 2020



Source: Library Annual Report 2019–20.

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

The Library Council

2.5 Section 10 of the *National Library Act 1960* (Library Act) establishes a Council as the accountable authority to conduct the affairs of the Library. Until August 2020, the Council functioned without a charter or terms of reference. Incoming Council members were provided with an induction pack which included an overview of practical matters relating to Council membership (such as completing a declaration of interests, and outlining upcoming Council meetings), as well as references to the Library and PGPA Acts. This did not provide guidance regarding the ‘soft attributes’ of governance, such as relationships, behaviour and culture.¹¹ The appointee to the Council in May 2020 was provided with a document prepared for the Council based on its February 2020 Strategic Directions Workshop, which better addressed Council culture and related attributes.

2.6 The Council Charter, approved in August 2020 outlines its purpose, the Library’s functions, and the roles, responsibilities, obligations of Council members, and the processes for out-of-session resolutions. Table 2.1 identifies the structure of the Council’s membership, and the frequency of its meetings.

Table 2.1: National Library of Australia Council at a glance

Element	Description
Meetings occur	The Library Act provides that meetings should be called when the Chair considers it necessary or on receipt of a written request signed by not less than four members. In practice, the Council has met five or six times annually for the last ten years, including meeting six times in 2019–20.
Membership	Not more than 12 members, the Director-General, one Senator elected by the Senate, one Member of the House of Representatives elected by the House, and nine other members.
	Eleven members in 2019–20, with a twelfth member appointed May 2020.
	The Director-General is a Council member.

Source: ANAO analysis.

2.7 The Council has established an Audit and Enterprise Risk Committee, as required under the PGPA Act, and a Governance Committee, both have a Terms of Reference and function in a review and advisory role. As at 30 June 2020, the Council has not delegated any such powers, function or authority to its committees, and each committee limits the number of Council members permitted to serve.

The Library Executive

2.8 The Director-General is supported by a senior executive consisting of three Assistant Directors-General (responsible for Collection, Engagement, and Collaboration respectively), a Chief Operating Officer responsible for Corporate, and a Chief Information Officer with responsibility for Digital.

2.9 The Library Executive has established a number of internal committees relevant to collection management. These committees have included:

- Collection Strategy Group (created in 2015, ongoing);

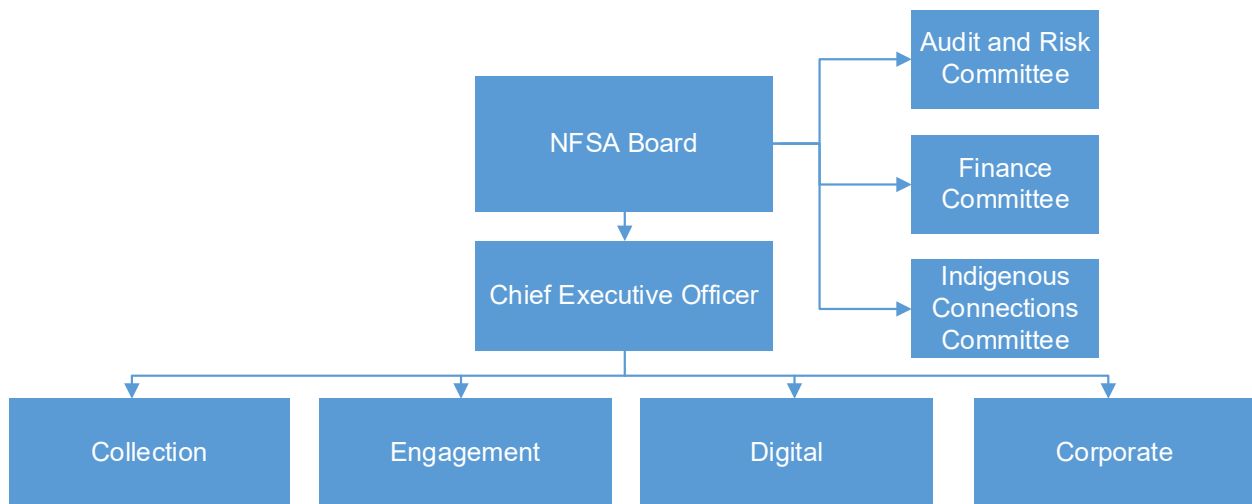
11 For example, the relationship between Chairs and CEOs, board behaviours and board culture. Auditor-General Report No.37 2018–19 *Effectiveness of Board Governance at the Sydney Harbour Federation Trust*, Box 2.

- Digitisation Committee (created in 2015, last met in November 2019, not ongoing);
- Exhibitions Committee (created around 1987, last met in September 2019, disbanded September 2020); and
- Collection Storage Working Group (met four times from August to November 2018, not ongoing).

National Film and Sound Archive of Australia

2.10 The NFSA has established a governance framework to oversee the management of its collection. The NFSA's governance structure is illustrated in Figure 2.2.

Figure 2.2: National Film and Sound Archive governance structure, November 2020



Source: NFSA Annual Report 2019–20.

The NFSA Board

2.11 Section 8 of the *National Film and Sound Archive of Australia Act 2008* (NFSA Act) establishes a Board as the accountable authority to conduct the affairs of the NFSA. Its 2017 Charter was updated and approved by the Board in November 2020. Table 2.2 identifies the structure of the Board's membership, and the frequency of its meetings.

Table 2.2: National Film and Sound Archive Board at a glance

Element	Description
Meetings occur	The NFSA Act provides that meetings should be called when the Chair considers it necessary or on receipt of a written request signed by not less than four members. In 2018–19 the Board met seven times and in 2019–20 the Board met six times.
Membership	The Chair, Deputy Chair, and no less than three and no more than seven other members. As at June 2019 and June 2020 there were nine Board members.
	The Chief Executive Officer is not a member of the Board.

Source: ANAO analysis of NFSA information.

2.12 Board meetings operate in accordance with legislative requirements in areas such as attendance and frequency of meetings. Board members are appointed by the Minister for Communications, Urban Infrastructure, Cities and the Arts under section 11 of the NFSA Act. Both the Board Chair and Deputy Chair are in their final terms of appointment in accordance with the

NFSA Act; and during 2020–21 there were four acting Board members. The Minister reappointed three of the acting members in November 2020. Board succession planning should be improved to avoid the loss of institutional memory and reduce the number of acting positions to support continuity. As per the Board's Charter, the Board may make recommendations to the Minister on potential appointments to inform the Minister's deliberations.

2.13 The NFSA primarily conducts its out-of-session approvals via its board management software; however, votes can also be submitted via email. A review of a recent out-of-session approval confirmed that the process was conducted appropriately and votes were properly submitted.

2.14 The Board has established an Audit and Risk Committee as required under the PGPA Act; and the following committees:

- Finance Committee (created September 2014, ongoing);
- Indigenous Connections Committee (created July 2017, ongoing);
- Property Committee (created August 2018, last meeting July 2019; replaced by Project Governance Group); and
- Project Governance Group (created December 2019, ongoing).

2.15 Each of the committees have a Terms of Reference and functions in a review and advisory role.

The NFSA Executive

2.16 The Chief Executive Officer is supported by senior management consisting of a Chief Operating Officer responsible for corporate matters, a Head of Collection responsible for the collection, and a Chief Engagement Officer responsible for public engagement. The NFSA Executive has also established internal management committees including the: Branch Heads Group, Portfolio Steering Committee, Media Asset Management System Steering Committee, Work Health and Safety Committee and Security Committee.

Cross-entity mechanisms

2.17 Both the Library and the NFSA are members of the Commonwealth Cultural, Collecting and Exhibiting Agencies Corporate Management Forum (Forum).¹² The Forum consists of five broader working groups:

- Facilities Management;
- Security, Risk Management and Insurance;
- Human Resources Management;
- Information Technology; and
- Financial Management.

2.18 These working groups meet separately, and transmit reports and meeting minutes to the Corporate Management Forum, where they are considered further. The Corporate Management

12 The Joint Standing Committee for National Capital and External Territories' report into Canberra's national institutions (refer paragraphs 1.13 to 1.15) in Recommendation 11 suggested a consultative structure for cooperation between national institutions, the National Capital Authority and the ACT Government. The Government has not yet responded to this report. The ACT Government is not involved in this Forum.

Forum and its working groups share information; provide training and learning opportunities; discuss issues emerging in the field; become more familiar with each other's operations; and seek collaboration opportunities.

Financial management

2.19 The 2018 audit identified the effect financial sustainability has on a collecting institution's operations and collection development.¹³ The ANAO reviewed the Library's and the NFSA's cash reserves as an indicator of financial sustainability and whether the Collection Development Acquisition Budget funding was expended appropriately.

Financial sustainability

2.20 The extent of liquid funds, or cash reserves, can be used as an indicator of financial sustainability. Table 2.3 shows the Library is in a strong liquidity position, and Table 2.4 shows that the NFSA's net liquidity has reduced.

Table 2.3: Library financial liquidity

	30 June 2016 (\$million)	30 June 2017 (\$million)	30 June 2018 (\$million)	30 June 2019 (\$million)	30 June 2020 (\$million)
Financial assets	48.7	53.6	56.2	61.9	66.6
Total liabilities	(16.4)	(16.0)	(15.6)	(14.6)	(18.1)
Net liquidity	32.3	37.6	40.6	47.3	48.5

Source: ANAO analysis of the Library's annual reports.

Table 2.4: NFSA financial liquidity

	30 June 2016 (\$million)	30 June 2017 (\$million)	30 June 2018 (\$million)	30 June 2019 (\$million)	30 June 2020 (\$million)
Financial assets	7.5	7.5	8.4	8.1	6.5
Total liabilities	(4.8)	(5.0)	(5.6)	(6.3)	(9.1) ^a
Net liquidity	2.8^b	2.5	2.8	1.8	(2.6)

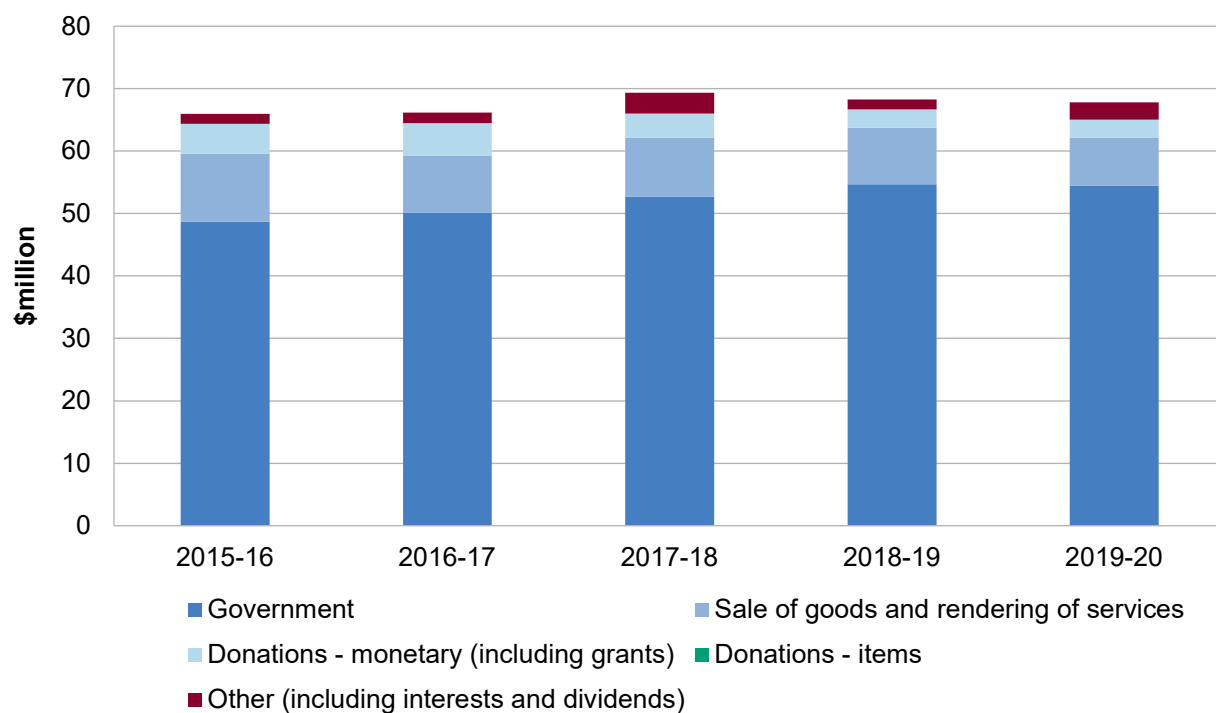
Note a: The NFSA have adopted accounting standard AASB16 Leases using the modified retrospective approach so 2019–20 liabilities include \$3.8 million for interest bearing liabilities.

Note b: Figures do not sum due to rounding.

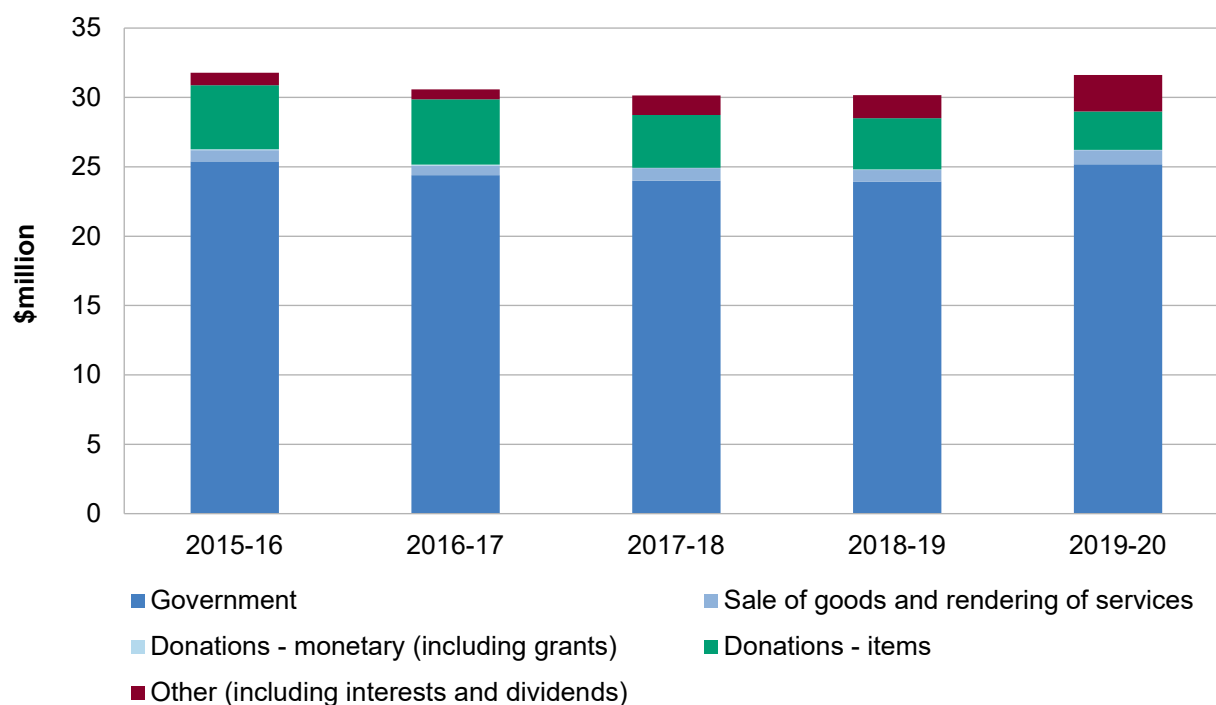
Source: ANAO analysis of the NFSA's annual reports.

2.21 Figure 2.3 and Figure 2.4 identify sources of revenue for the Library and the NFSA. Both entities are dependent on Australian Government funding.

13 The National Gallery of Australia was found to be in an 'at risk' financial position, resulting in limitations to its operations, and its ability to purchase items for its collection. Auditor-General Report No.46 2017–18 *Management of the National Collections*, pp. 24 and 29.

Figure 2.3: Library sources of revenue

Source: ANAO analysis of Library annual reports.

Figure 2.4: NFSA sources of revenue

Source: ANAO analysis of NFSA annual reports.

2.22 In response to COVID-19, the Library closed to the public from 24 March 2020 and reopened on 3 June 2020; and the NFSA closed to the public from 18 March 2020 and reopened 1 August 2020. On 26 September 2020, the Minister for Communications, Cyber Safety

and the Arts announced additional funding to several Arts portfolio cultural institutions, providing \$5.4 million to the Library, and \$2.5 million to the NFSA to support the provision of services to the public while experiencing a decline in revenue due to the impacts of COVID-19. *Appropriation Act (No. 5) 2019–20* provided further funding support to protect against own-source revenue losses associated with COVID-19, with the NFSA provided with an additional \$1.215 million in funding.

Collection Development Acquisition Budget

2.23 The Library and the NFSA receive Commonwealth funding through the Collection Development Acquisition Budget (CDAB). The Department of Finance describes this as ‘funding provided to Designated Collection Institutions ...to allow them to grow and maintain their heritage and cultural asset collections, rather than for asset replacement.’ CDAB funding is provided by Parliament through Appropriation Bill No. 2 to the Department of Infrastructure, Transport, Regional Development and Communications. In 2019–20, the Library received \$9.512 million CDAB and the NFSA received \$0.803 million.

National Library of Australia

2.24 The Library uses a two-step process to control the use of CDAB funding. An item selected for acquisition requires approval to purchase, and then approval to commit funds from the appropriate delegate. This process is paper-based, with details entered manually into the Library’s collection management system, Voyager. Voyager permissions enforce segregation of duties for inputting purchase orders and approving invoice payments and prevents expenditure of funds above the budgeted amount. There are monthly reports generated from the Library’s financial management system and information downloaded from Voyager to monitor actual spend against budgets. These processes and checks provide assurance that the CDAB is used for the purposes intended by the Parliament.

2.25 The Library agreed to a March 2020 internal audit recommendation to ‘Create a central repository in which all the costs relating to acquisition of items is documented to ensure that expenditure is monitored, ensuring compliance with the CDAB’. The Library reported to the Audit and Enterprise Risk Committee in November 2020 that it will complete implementation of this recommendation by 31 December 2020.

National Film and Sound Archive of Australia

2.26 The NFSA has a documented procedure which defines CDAB and documents the purposes for which CDAB will be assigned. The NFSA has controls in place to ensure CDAB is spent appropriately, with the use of account and project codes to identify the approved budget for collection acquisitions, credit card expenditure requiring a tax invoice approved by both the business and finance managers to ensure the spend is appropriate and meets the definition of an acquisition. The Chief Financial Officer and cost centre managers also review monthly budget to actual expenditure. CDAB is also used to fund digitisation of the collection through capitalisation of related supplier and salary costs.

Performance measurement

2.27 The Commonwealth's performance framework consists of the PGPA Act¹⁴, the accompanying Public Governance, Performance and Accountability Rule 2014 (PGPA Rule) and guidance issued by the Department of Finance (Finance). The performance framework specifies that there should be clear alignment of an entity's funding to its planned outcomes, and that an entity's performance information should provide the Parliament and public with information to assess the entity's progress towards achieving its purpose. The ANAO assessed the appropriateness of 2019–20 performance measures based on the characteristics of good performance information — relevance, reliability and completeness.¹⁵

National Library of Australia

2.28 The Library's Portfolio Budget Statements (PBS) 2019–20 have three performance criteria/strategic priorities areas identified: Collect, Connect and Collaborate; and one target identified for each of the performance criteria. There were ten measures reported in the 2019–20 Corporate Plan¹⁶ and in the Performance Statement, within the 2019–20 Annual Report.

2.29 The ANAO reviewed the Library's performance measures against the criteria in Appendix 3, to determine whether its performance measures were relevant, reliable and complete. The results are summarised in Table 2.5 below.

Table 2.5: Library performance information assessment

Performance criteria	Relevant	Reliable	Complete
Collect: We collect today what will be important tomorrow.	4/4 Relevant	3/4 Reliable 1/4 Not reliable	Partly complete
Connect: We connect with communities, and connect communities with their national collections.	4/4 Relevant	3/4 Reliable 1/4 Not reliable	
Collaborate: We collaborate with others to maximise the national impact of cultural collections.	2/2 Relevant	2/2 Partly reliable	
Totals	10/10 Relevant	6/10 Reliable 2/10 Partly reliable 2/10 Not reliable	

Source: ANAO analysis of the Library's 2019–20 Corporate Plan and 2019–20 Annual Report.

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- 14 Under section 39 of the PGPA Act, each Commonwealth entity's accountable authority must prepare annual performance statements and include them in the entity's annual report. The performance statements comprise the entity's assessment of its performance against planned performance detailed in the Portfolio Budget Statements and corporate plan.
- 15 Department of Finance, *Resource Management Guide No. 131: Developing good performance information*, May 2020.
- 16 The 2020-21 Corporate Plan identifies three additional performance measures under the strategic priority, Capability. These measures were not assessed as part of the review of 2019-20 performance measures.

Relevant

2.30 All ten performance measures were relevant as they were expressed in plain English, the beneficiary was clear, and they addressed a significant aspect of the Library's purpose.

Reliable

2.31 Finance guidance states that performance measures must use sources of information and methodologies that are reliable and verifiable, and provide an unbiased basis for measurement and assessment.¹⁷ Six of the 10 performance measures were assessed as reliable as they were measurable and free from bias, although for three of them a target or baseline was not specified in the corporate plan. Including qualitative criteria (case studies) improves the comprehensiveness of performance information. Identifying the methodology that was used to collect information and pre-selecting the case studies for inclusion in the performance statement would help to ensure that the qualitative information illustrate results and provide an objective basis for assessment.¹⁸

Complete

2.32 Six of the 10 performance measures are quantitative measures of effectiveness and four are qualitative measures using case studies and survey results. Finance guidance recommends also including performance measures that assess efficiency where this is appropriate in the context of the purposes or key activities of the entity.¹⁹

2.33 The corporate plan contains activities relating to the Library's strategic priorities with no linked performance measures. For example, to 'Increase and improve the representation of Indigenous and culturally and linguistically diverse communities in the collection through consultative approaches to acquisition and description'. The completeness of the Library's performance measures could be improved by including measures for these activities; and by including some medium and long-term timeframes.

2.34 In Auditor-General Report No.59 2004–05, *Safe and Accessible National Collections*, the ANAO found that the Library 'did not report against its main Service Charter indicator, specifically, in its Annual Report', recommending that the Library 'consider reporting against key measurables in [its] Service Charter.'²⁰ The Library agreed to the recommendation and reported against its service charter in its annual reports from 2005–06 to 2014–15. The Library publishes its Service Charter on its website, and in its 2020–21 Corporate Plan has included one Service Charter performance measure — website and Trove availability. The Library should incorporate its service charter measures into its performance measures.

National Film and Sound Archive of Australia

2.35 The NFSA's outcome, program objective and purpose outlined in the 2019–20 PBS is aligned with its purpose and vision in its corresponding 2019–20 Corporate Plan. There was a clear read

17 Department of Finance, *Resource Management Guide No. 131: Developing good performance information*, May 2020, p. 11.

18 Auditor-General Report No.17 2018–19 *Implementation of the Annual Performance Statements Requirements*, p. 14.

19 Department of Finance, *Resource Management Guide No. 131: Developing good performance information*, May 2020, pp. 19-20.

20 Auditor-General Report No.59 2004–05 *Safe and Accessible National Collections*, pp. 17 and 23.

from NFSA's PBS through to the corporate plan and annual report with consistency in reporting of its five strategic priorities, delivery mechanisms and performance criteria.

2.36 The ANAO assessed the NFSA's performance information reported in its performance statements against the criteria in Appendix 3 to determine whether the NFSA's performance measures were relevant, reliable and complete. There were 29 measures identified in the corporate plan, of these twelve were considered to be output measures²¹ so have been excluded from the assessment. While these are important activities, this lower level of performance information is of less value to the Parliament and the public, and is more suitable for internal performance monitoring. Table 2.6 below includes a summary of the assessment.

Table 2.6: NFSA performance information assessment

Performance criteria	Relevant	Reliable	Complete
Digitise the national audiovisual collection	1/1 Relevant	1/1 Reliable	Partly complete
Establish the National Centre for Excellence in Audiovisual Heritage	1/1 Relevant	1/1 Reliable	
Build our national profile	11/11 Relevant	9/11 Reliable 1/11 Partly reliable 1/11 Not reliable	
Collect, preserve and share multimedia and new media	3/3 Relevant	3/3 Reliable	
Redefine our physical presence	1/1 Relevant	1/1 Reliable	
Totals	17/17 Relevant	15/17 Reliable 1/17 Partly reliable 1/17 Not reliable	

Source: ANAO analysis of NFSA's 2019–20 Corporate Plan and 2019–20 Annual Report.

Relevant

2.37 All 17 performance measures were considered to be relevant. These measures had clear beneficiaries, were expressed in plain English and addressed a significant aspect of the NFSA's purpose.

Reliable

2.38 Finance guidance states that performance measures must use sources of information and methodologies that are reliable and verifiable, and provide an unbiased basis for measurement and assessment.²² Fifteen of the 17 performance measures were assessed as reliable. The partly reliable measure, *Deliver one interactive digital access program per year on time and within budget* did not

21 The measures considered as outputs include, for example, Eight current partnerships in place, ICIP Protocol Guidelines developed on time and within budget, and Physical presence maintained in all Australian capital cities through NFSA Access Centres. For more information on output measures refer to Department of Finance, *Resource Management Guide No. 131: Developing good performance information*, May 2020, pp. 18-19.

22 Department of Finance, *Resource Management Guide No. 131: Developing good performance information*, May 2020, p. 11.

include the timing nor budget. The measure that *12 million Australians viewed content from the collection* was not considered reliable as it did not identify how it would be measured.

Complete

2.39 All performance measures are quantitative measures of effectiveness. Finance guidance states that the assessment of performance should be supported by a mix of qualitative and quantitative measures.²³ Case studies can be used as qualitative performance measures where the methodology for selection is identified to help ensure their selection is free from bias. There were case studies included in the Annual Report, but they were not directly related to performance measures. Performance measures that assess the NFSA's efficiency, and medium and long-term timeframes for achieving outcomes could also be included.

2.40 The NFSA's Service Charter is published on its website, although it does not include service performance measures or targets.

National Cultural Institutions Impact Report

2.41 The ANAO recommended in its 2004–05 performance audit report that: 'cultural institutions discuss, with a view to developing, a set of key common performance measures' (KPIs).²⁴ All entities, including the Library, agreed to the recommendation (Australian War Memorial with qualification), and the NFSA was not subject to the audit.²⁵

2.42 National cultural institutions within the Infrastructure, Transport, Regional Development and Communications portfolio subsequently reported against a common set of Cultural Institutions KPIs. These include KPIs developed in relation to funding, visits and audience reach, education and collections. This information is collected and aggregated by the department, and consolidated in a report made available to national collecting institutions. Data is compiled to publicly report the current year and five year trend performance data via infographics.²⁶

2.43 In its reporting, the department lists the entities that take part as the 'National Cultural Institutions'. There are several collecting institutions operating under other portfolios which do not participate in the report, such as the: Australian War Memorial within the Veterans' Affairs portfolio; Australian Institute of Aboriginal and Torres Strait Islander Studies within the Prime Minister and Cabinet portfolio; and National Archives of Australia under the Attorney-General's portfolio.

23 *ibid.*, pp. 16-18.

24 Auditor-General Report No.59 2004-05 *Safe and Accessible National Collections*, p. 23.

25 Entities included in the audit were the: National Library of Australia, National Museum of Australia, National Gallery of Australia, National Archives of Australia and Australian War Memorial.

26 Department of Infrastructure, Transport, Regional Development and Communications' Office for the Arts, *Impact of our National Cultural Institutions* [Internet], available from <https://www.arts.gov.au/what-we-do/museums-libraries-and-galleries/impact-our-national-cultural-institutions> [accessed November 2020].

Have the entities developed effective risk management frameworks?

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.

2.44 Under section 16 of the PGPA Act, the accountable authority of each Commonwealth entity is required to establish and maintain 'an appropriate system of risk oversight and management for the entity.'²⁷ The ANAO examined the Library's and the NSFA's:

- risk management policies and frameworks against the Commonwealth Risk Management Policy²⁸ and considered entity performance in addressing specific risks, including cyber security²⁹ risks; and
- business continuity plans.

National Library of Australia

Risk management

2.45 An internal audit completed in August 2016, reviewed the Library's 2014 Risk Management Framework, and made two recommendations³⁰ that were agreed to by management. The Library's response included developing a Risk Management Policy (approved by the Security Manager October 2016), and updating the Risk Management Framework (approved by the Security Manager October 2017). The Council was identified as having responsibility for determining the Library's appetite for risk, and although not documented in the risk policy or framework, the Library's risk appetite has been included in the corporate plans since 2018–19.

2.46 In November 2020, the Library updated and combined its Risk Management Policy and its Risk Management Framework into a new Risk Management Framework. The Framework was endorsed by the Audit and Enterprise Risk Committee (AERC) in November 2020 and approved by the Council in December 2020. The ANAO assessed the Framework against the *Commonwealth Risk Management Policy* and found it was largely aligned, and included the risk appetite statement.

27 *Public Governance, Performance and Accountability Act 2013*, Part 2–2 — Accountable authorities and officials, section 16 Duty to establish and maintain systems relating to risk and control.

28 Corporate Commonwealth entities, such as the Library and the NSFA, are not required to comply with the *Commonwealth Risk Management Policy*, although it represents better practice.

29 The Protective Security Policy Framework (PSPF) assists Australian Government entities to protect their people, information and assets, including identifying eight essential strategies to mitigate cyber security incidents. The PSPF is not mandatory for Corporate Commonwealth entities although it represents better practice.

30 Recommendation 1: Develop a revised approach for the Library to identify, assess, report and monitor strategic level risks and identify who is responsible for the strategic risk assessment process. Recommendation 2 included adding risk appetite statements as part of the risk assessment processes, document and agree escalation paths and reporting processes.

2.47 The Library's AERC has a key role in engaging with risk on behalf of the Council. The Library Executive provides the AERC with an annual report on risk management and business continuity, and the AERC also considers emerging risks. Risk registers are reviewed annually.

2.48 Both the Council and the AERC maintain a watching brief on the current status of the Library's cyber security Essential Eight Maturity.³¹ The Committee is provided with an annual report on cyber security, and the Council is regularly updated on cyber security issues. In July 2019, a Cyber Security Prioritisation internal audit was completed; management agreed to all recommendations and in August 2020 reported to the AERC that they were implemented. In November 2020, the Library self-assessed that it had achieved Maturity Level Two across the eight mitigation strategies. ANAO did not audit the Library's self-assessment.

Business continuity

2.49 The Library's current Business Continuity Plan was created in May 2012 and revised in June 2014. An updated Business Continuity Plan was drafted in May 2019, but was not finalised. The Corporate Branch 2020-21 Business Plan, identifies updating the Business Continuity Plan as a priority. Key documents supporting the Business Continuity Plan are to be reviewed by the Emergency Planning and Business Continuity Committee (EPBCC). The EPBCC in its November 2020 meeting reviewed the Business Contingency/Recovery Plan for Critical Building Systems 2014 and air quality protocols.

2.50 The Library's Building Emergency Procedures Handbook 2016 includes an Influenza Pandemic Plan. In March 2020, in response to the COVID-19 pandemic, a Pandemic Protocol was developed and formed part of the Library's response.

2.51 The Library tests its business continuity procedures every two years via a desktop exercise. The most recent test, in December 2018, was conducted by an external facilitator and made ten recommendations to improve Library business continuity practices. Recommendations relevant to the Library's Business Continuity Plan were planned for incorporation in its next revision, which the Library advised would be completed by the end of June 2021.

2.52 Although the Library has not completed the scheduled reviews of its key business continuity documents, the Library deployed and evaluated the use of its business continuity procedures during the 2019–20 bushfires in the Canberra region, the January 2020 Canberra hailstorm, and the 2020 COVID-19 pandemic. Business continuity procedures provided a framework through which threats to business continuity were addressed.

31 Australian Signals Directorate, *Essential Eight Explained*, available from <https://www.cyber.gov.au/acsc/view-all-content/essential-eight> [accessed 18 October 2020]. The Essential Eight Mitigation Strategies are: application control, configure Microsoft Office macro settings, patch applications, user application hardening, restrict administrative privileges, multi-factor authentication, patch operating systems, and daily backups. Three maturity levels have been defined for each mitigation strategy. Maturity Level One: partially aligned with the intent of the mitigation strategy, Maturity Level Two: mostly aligned with the intent of the mitigation strategy, Maturity Level Three: fully aligned with the intent of the mitigation strategy.

Recommendation no.1

2.53 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.*

2.54 *The National Library of Australia has effectively maintained business continuity of onsite and online operations over many years, and particularly through the challenges of 2020. The Library has progressively reviewed and updated the Business Continuity Plan (BCP) and supporting documentation, and an internal audit review of the effectiveness and usability of BCP arrangements and supporting guidance is underway. Drawing on the internal audit recommendations, the Library will finalise BCP documentation during the first half of 2021, incorporating lessons learnt through 2020.*

National Film and Sound Archive of Australia

Risk management

2.55 The NFSA's Risk Management Policy (2020) is aligned with the *Commonwealth Risk Management Policy*. The NFSA's Risk Management Framework (2020) is also largely in alignment. The Audit and Risk Committee reviewed the NFSA's Risk Policy and Framework, and has regularly reviewed the NFSA's Risk Register. The Board, as the accountable authority, has endorsed the NFSA's Risk Management Policy and Framework. The NFSA's senior management held two risk management workshops in 2020.

2.56 The NFSA has developed a Security Risk Management Plan for the Essential Eight Cyber Security Mitigation Strategies (2019) which outlines its maturity level, implemented controls and residual risk. The NFSA Board is provided with project-level information relating to cyber security, including target maturity levels and implementation status. Updates are also provided to its Audit and Risk Committee, including annual updates on its progress with the 'Essential Eight'. In February 2020, the NFSA's Risk Management Framework expanded to include cyber security risks in its risk rating consequences. The NFSA self-assessed to have implemented one of the Essential Eight measures at Maturity Level 2, four at Maturity Level One and is working to meet Maturity Level One for the remaining three measures by the end of the 2020–21 financial year. ANAO did not audit the NFSA's self-assessment.

Business continuity

2.57 The NFSA's current Business Continuity Plan was created in July 2016, regularly reviewed, and last revised in November 2019. The NFSA tests its business continuity procedures approximately every two years via a desktop exercise. In addition, the NFSA implemented its business continuity procedures during the 2019–20 Canberra region bushfires and the January 2020 hailstorm in Canberra, and prepared Business Continuity Response reports describing the actions taken and impact of these events. In June 2020, the Board was updated regarding key NFSA issues and risks related to COVID-19 and referenced the COVID-19 Response Team that was set up as per the Business Continuity Plan.

Have the entities developed effective collection management frameworks for their collections?

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.

2.58 A collection management framework comprises integrated policies, plans and procedures covering: collection development, preservation, documentation, and collection access. The policies should be accessible and include regular review arrangements to drive a cycle of continuous improvement.³²

2.59 The following elements were reviewed to assess the effectiveness of the entities' collection management frameworks:













- policies and plans for the development of the collection;
- policies and plans relating to the care and conservation (refer to paragraphs 3.47–3.57);
- policies and plans for documenting the collection;
- policies and plans for accessing the collection; and
- review arrangements and document accessibility.


2.60 The ANAO reviewed the Library's and the NFSA's collection policies and plans against Australian and international collection management guidelines³³, and considered review arrangements and document accessibility. The collection management framework elements were based on *PAS 197: 2009 Code of Practice for Cultural Collections Management*. A summary of the analysis is presented in Table 2.7 below.

32 British Standards Institute, *PAS 197:2009 Code of Practice for Cultural Collections Management*.


33 These guidelines include: Department of Communications and the Arts, *Australian Best Practice Guide to Collecting Cultural Material*, 2015; Australian Museums and Galleries Association Victoria, *National Standards for Australian Museums and Galleries*, 2016; and British Standards Institute, *PAS 197:2009 Code of Practice for Cultural Collections Management*, 2009. Audiovisual archival guidelines, publications and professional associations include: International Federation of Film Archives; International Federation of Television Archives; International Association of Sound and Broadcast Archives; Association of Moving Image Archives; Image Permanence Institute; International Council of Museums.

Table 2.7: Collection management frameworks

Element	Library	NFSA
Collection development		
Has the entity developed policies and plans relating to the development of its collection?		
Care and conservation		
Has the entity developed policies and plans relating to the care and conservation of its collection?		
Documentation of the collection		
Has the entity developed policies and plans relating to documenting its collection?		
Access to the collection		
Has the entity developed policies and plans relating to the access of its collection?		
Policy review and accessibility		
Are review arrangements for collection management documentation well-established?		
Are collection management documents stored consistently and accessibly?		

Legend:  adequate elements were in place

 some elements were missing, in draft at the time of assessment or out of date

 no elements were in place, although they may have been in place previously

Source: ANAO analysis of documentation from the Library and the NFSA.

Collection development

2.61 A collection development policy should align with the entity's purpose, providing an overview of the current collection, identifying themes and priorities for future collecting and disposal, referencing information about the legal and ethical framework for acquiring and disposing of items, and consider the timeframe for policy review.

2.62 The development of a collection involves the acquisition and accession of items into the collection and the deaccession and disposal of items from the collection. Acquisition and disposal policies and plans support an entity in effectively planning, shaping and managing the development of its collection and identifying priorities in its collection for future development and consolidation.³⁴

National Library of Australia

2.63 The Library's Corporate Plan 2021–24 outlines that the Library's purpose, in accordance with the Library Act, is to 'collect documentary resources relating to Australia and the Australian people so that the Australian community can discover, learn and create new knowledge.' The Library's

³⁴ British Standards Institute, *PAS 197:2009 Code of Practice for Cultural Collections Management*.

vision is to ‘connect all Australians with national collections, enriching conversations about who we are and our place in the world.’

2.64 The Library’s current Collection Development Policy³⁵, approved by the Council in April 2020, reflects its purpose and defines the scope and nature of its collecting of Australian and overseas materials and outlines the key principles of ongoing development of the Library’s national collection. It does not include strategies for identifying items for disposal or a timeframe for when the policy will next be reviewed.

2.65 The Library has augmented its Collection Development Policy with a Collecting Strategy 2020–2023 which identifies high-level focus areas for the next four years. There is no reference to deselection³⁶ or disposal in these documents or a separate disposal policy or plan. This is discussed further in paragraphs 3.19 to 3.21.

2.66 The Collection Development Policy outlines legal and ethical considerations, references the Australian Best Practice Guide to Collecting Cultural Material³⁷, and the Library also has a Guideline to culturally sensitive material.

National Film and Sound Archive of Australia

2.67 The NFSA’s Corporate Plan 2020–21 to 2023–24 outlines the NFSA’s purpose, in accordance with the NFSA Act, to collect, preserve and share Australia’s national audiovisual collection and its vision to be Australia’s ‘living’ archive through five key strategic priorities.³⁸ The NFSA Strategic Vision for a Digital Archive 2018–2025 supports the five priorities.

2.68 The NFSA’s 2017 Collection Policy was updated and approved by the Chief Executive Officer in November 2020.³⁹ The Collection Policy sets out the guiding principles for the development, preservation and sharing of the collection, and identifies the key collecting areas and priorities. The Collection Policy is supported by the Collection Development Strategy 2020–23.

2.69 The NFSA’s collection development is also supported by the Accessioning Policy 2020. There is no deselection/disposal plan to outline the focus and priorities for deselection, although the Collection Policy outlines the criteria for when items may be deselected and the disposal methods and there are deselection procedures and disposal procedures. This is discussed further in paragraphs 3.38 to 3.43.

35 Supersedes the 2016 Collection Development Policy.

36 Deselection is the process of identifying items that are no longer required in the collection on the basis that it: is in a state of deterioration and cannot be recovered; requires return to its owner; duplicates other items in the collection; or is outside the entity’s collection policy.

37 Department of Infrastructure, Transport, Regional Development and Communications’ Office for the Arts, *Australian Best Practice Guide to Collecting Cultural Material* [Internet], available from <https://www.arts.gov.au/publications/australian-best-practice-guide-collecting-cultural-material> [accessed November 2020].

38 Priority 1: Digitise the national audiovisual collection. Priority 2: Establish the National Centre for Excellence in Audiovisual Heritage. Priority 3: Build our national profile. Priority 4: Collect, preserve and share multimedia and new media. Priority 5: Redefine our physical presence.

39 The CEO has responsibility for the Collections Policy.

2.70 The Collection Policy references the NFSA's ethical framework and the NFSA also has Indigenous Cultural and Intellectual Property Protocols, updated in September 2020, and the Indigenous Cultural and Intellectual Property Rights Guidelines.⁴⁰

Documentation

2.71 It is important collecting institutions have a clear policy statement defining a commitment to gathering and making available information about the collections. The policy should contain: a description of how collections information is documented, kept up to date and made available; reference to the legal requirements and ethical codes that govern collections documentation within the organisation; and a commitment to provide and maintain a process/system that enables input and retrieval of collections information.⁴¹

National Library of Australia

2.72 The Record Keeping Policy (2009, due for review in 2011) and the Corporate Information Management Policy (2008, due for review in 2011), provide corporate level guidance on collection documentation. The Library's 2019 draft update of its Collection Description Policy (2016), provides a statement of its approach to describing its collections of Australian and overseas resources in the Library Catalogue, which stores the descriptive metadata of the Library's collection. It covers collection description activities and references its standards. The Collection Description Policy is available on the Library's intranet and website. As at 1 December 2020, the policy had not been approved and was identified by the Library's Collection Branch in March 2020 as a priority for updating.

2.73 A Collection Description Strategy and Roadmap 2019–21 was drafted in 2019 and has not been finalised. The Sustainable Description for Treasured Voices Digitisation Policy was finalised in 2020.

National Film and Sound Archive of Australia

2.74 In September 2020, the NFSA issued an Information Management Policy to provide advice and direction to staff on the creation, maintenance, storage and disposal of information in accordance with relevant legislation and government policies. The NFSA's Data Integrity Framework was issued in May 2020 to:

... articulate the operational application of data integrity principles at the NFSA in relation to the information that documents and describes the national audiovisual collection.

2.75 The Data Integrity Framework references the 2017 Accessioning Policy, Data Standards Mapping for Catalogue Records, and Data entry guidelines and accessioning procedures.

2.76 The NFSA's Data Analytics Policy (May 2020) outlines the application of data analytics to analyse and monitor data integrity. The collection metadata is held primarily in the Mediaflex media asset management system. The two principal descriptive data sources in Mediaflex are the acquisition record and the catalogue record. The acquisition record captures the provenance, usage

40 NFSA, *Conditions of Use* [Internet], available from <https://www.nfsa.gov.au/conditions-use> [accessed November 2020].

41 British Standards Institute, *PAS 197:2009 Code of Practice for Cultural Collections Management*.

terms and significance of the work. The catalogue record captures the intellectual and technical description of a work.

Access

2.77 Access policies and plans should provide a description of how the entity aims to provide access to its collection and information about the collection that is in line with the entities' mission. This will include how the entity: facilitates access; lends and borrows items; displays items; and identifies users and their needs.⁴²

National Library of Australia

2.78 Access to the Library's collection is mandated by the Library Act subsection 6(b). The Library provides access to its collection digitally — through its public-facing online search engine⁴³ — and facilitates onsite use through reading rooms. Reader services are documented in the Information and Research Services Policy. The Library hosts Trove⁴⁴, an online discovery service which provides electronic access to collections of digitised newspapers, books, magazines, oral history, maps and images, and to search for books and other physical items.⁴⁵

2.79 The Library also holds public exhibitions and displays on site, lends works from its collections to other collecting institutions for the purpose of exhibition, and borrows works from individuals and institutions for the purpose of exhibition. The Library's Exhibition policy and Exhibitions Loans Policy support these activities.

2.80 In its Collection Development Policy, the Library signals that digitisation, as well as aggregation of metadata, is fundamental to increasing discovery and use of the collections. More than 30 million pages of digitised print collections and 51,000 hours of digitised oral histories have been created by the Library since 2005. Collections are digitised and made accessible through Trove when possible. These collections represent the majority of public engagements with the Library. The Library participated in the Australian Newspapers Plan with state and territory libraries to collect, preserve and digitise Australian newspapers, and also has a policy on Participation in Co-operative Microfilming Projects with Other Institutions to promote access to newspapers (2010). The Library's Digitisation Policy was approved by the Collection Strategy Group in January 2020 and the Digitisation Strategy 2021–23 was endorsed by the Council at the December 2020 meeting.

National Film and Sound Archive of Australia

2.81 Access to the NFSA's collection is mandated by paragraph 6(1)(a) of the NFSA Act and is reflected in the NFSA's Collection Policy which outlines principles for access and sharing, loan conditions, online access, collaborations and community engagement. The NFSA does not have a separate policy for exhibitions or loans although these are mentioned in the Collection Policy (also refer to paragraphs 3.107 to 3.112). The NFSA shares its collection and audiovisual material with the public through its program of onsite exhibitions, events and screenings. It also lends collection materials to other collecting institutions and cultural organisations, and conducts exhibitions.

42 British Standards Institute, *PAS 197:2009 Code of Practice for Cultural Collections Management*.

43 National Library of Australia's catalogue is accessible from <https://catalogue.nla.gov.au/>.

44 Trove is accessible from <https://trove.nla.gov.au/>.

45 In Library's 2019–20 Annual Report, the performance measure Percentage increase in use of the digital collection, notes that the Library's online digital collections were accessed for 10.89 million sessions, which is a 12 per cent increase on the previous year (9.72 million).

Collection users, including screen producers, educators, academics and media professionals, can search the collection online and access catalogue and content information about collection items.

2.82 In September 2020, the NFSA developed an Engagement Plan 2020–21 which outlines the guiding principles for public engagement, key performance indicators, and projects for 2020–21.

Policy review and accessibility

2.83 Regular management or internal audit review can assist with achieving ongoing improvements to the collection management framework. The review can encompass the suite of collection management policies and plans, assess whether planning objectives are being achieved, incorporate feedback from staff and stakeholders, promote integration between policies, and consider changes in the operating environment and legislation.⁴⁶

2.84 Both the Library and the NFSA store collection management framework documentation in a central intranet location facilitating access, and also publish abridged versions of key policies on their websites. The NFSA has recently refreshed its website with updated policies.

2.85 Both entities conducted an internal audit of collection management documentation in response to the ANAO's 2018 *Management of the National Collections* audit.⁴⁷ The Library's March 2020 internal audit, Collections Management, found that, 'collection management documents require updating' and made a related recommendation.⁴⁸ The Library agreed to implement the recommendation by June 2021 and a project was established in December 2020 to progress implementation. The Library advised that the updated Collection Management Framework will include mapping of the relationships and interdependencies of key documents, a schedule of review for all documents, and that documents will be accessible to staff. Given the poor practice in finalising policies also identified in this audit, implementing the internal audit recommendation should be a priority.

2.86 Responsibility for collection management practices at the Library has historically been decentralised to business areas according to collecting format, for example, oral history, manuscripts, and Australian collections. As part of its current organisational restructure, policies are being assessed and prioritised for review. As at January 2021, 36 per cent of collection management policies are current and approved.

2.87 The NFSA's February 2019 internal audit report, Gap Analysis, into the NFSA's collection management framework assessed that the 'maturity of these documents is adequate, however, the status could be improved' and it noted the Collection Development Strategy (2010) and Accessioning Management Plan (2011) have 'not been updated for some time.' The Collection Development Strategy and Accessioning Policy were both updated in 2020.

46 British Standards Institute, *PAS 197:2009 Code of Practice for Cultural Collections Management*.

47 Auditor-General Report No.46 2017–18 *Management of the National Collections*.

48 The recommendation stated that: 1. Process documentation should be reviewed to determine whether there are some processes that could be made consistent across the Library despite material type. 2. The policies and procedures should be periodically reviewed and promulgated to staff and a program of annual review developed, enabling the collections management framework to be continuously improved. 3. Determine which Library wide collection management documents should be stored centrally and make those documents easily accessible to staff.

2.88 The NFSA manages policy documents centrally and work has been undertaken with relevant business areas to update policies and confirm policy review dates. Since November 2019, the NFSA have updated 12 of its 15 collection framework policies and only the Information Governance Framework is overdue for review (approved August 2017 and scheduled for review in 2019). As at January 2021, 93 per cent of collection management policies are current and approved.

3. Managing the collections

Areas examined

This chapter examines whether the National Library of Australia (Library) and the National Film and Sound Archive of Australia (NFSA) have established effective systems and processes for managing their collections, including collection development, preservation practices, storage planning, management of their buildings and assets, and security.

Conclusion

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.

Areas for improvement

The ANAO made a recommendation to the Library to develop a deselection/disposal policy and ensure it is approved and incorporated into the collections management documentation program of review.

The ANAO made two recommendations aimed at ensuring that the NFSA:

- develop a deselection plan to outline the focus and priorities for deselection; and
- introduce systematic follow-up of overdue loans and to take action on items that have been overdue for many years.

The ANAO also identified the following areas for improvement.

- The NFSA should ensure, where appropriate, the relevance, significance and provenance of items is documented in the collection management system and, where appropriate, there is consideration of whole-of-life costs and storage implications in the acquisition decision.
- The NFSA should ensure there is a systematic process for prioritising accessions.
- The Library and the NFSA should review the prioritisation of backlog items, develop a processing plan, and report progress.
- The NFSA should take action on the deselected historical material.

3.1 The development of a collection by institutions involves the acquisition and accession of items into their collections in accordance with their legislative requirements, and the disposal and deaccession of items no longer relevant to the collection.

3.2 To assess whether the Library and the NFSA had established effective systems and processes for managing their collections, the ANAO examined whether:

- the entities effectively developed their collections;
- the entities have effective processes to (maintain) preserve their collections;
- the entities effectively store their collections; and
- the entities effectively secure and account for their collections.

Do the entities effectively develop their collections?

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.

National Library of Australia

Planning, monitoring and reporting collection development

3.3 The Library's responsibility to maintain and develop a national collection relating to Australia is established under section 6 of the *National Library Act 1960* (Library Act). There are also 'legal deposit' provisions under section 195 of the *Copyright Act 1968* that require Australian publishers to deposit a copy of their publications with the Library. From February 2016, legal deposit provisions have applied to both digital and physical publications and the Library has an increased emphasis on digital collecting. NED, the National edeposit system⁴⁹, based on a collaboration of National and State Libraries Australia members, facilitates electronic lodgement of publications provided through legal deposit.

3.4 In 2019–2020, 60 per cent of Australian published works collected were in digital format, compared to 36 per cent in digital format in 2018–2019. The collection includes many forms of publication such as ebooks, (.au domain) websites, and other born-digital materials, as well as more traditional paper based formats. In 2019–20, the Library collected 37,168 Australian publications through legal deposit, including digital; 43,747 Australian unpublished works (archives, manuscripts and oral histories), including digital; and 9,831 overseas works, including digital.

3.5 The Library's current Collection Development Policy, approved by the Council in April 2020, defines the scope and nature of its collecting of Australian and overseas material. It sets out the key principles and priorities for the selective acquisition of materials. The Collecting Strategy 2020–2023, outlines the Library's priorities for collecting, operating in conjunction with the Collection Development Policy, and identifies the focus areas for the next four years.

3.6 Each of the five branches within the Library — Collection, Collaboration, Engagement, Digital and Corporate — prepared a 2019–20 business plan outlining activities to support the Library's corporate plan. Monthly progress reports and a six monthly review are also prepared to provide an update to the Director-General against the corporate plan. The Collection progress reports include acquisitions, collecting highlights, operational updates, and cataloguing statistics.

3.7 The Collection Strategy Group (CSG) is a cross-branch group of senior Library staff that considers and approves policy and strategic directions for matters affecting the collections. The CSG agenda covers all aspects of the end-to-end management of the Library's physical and digital collections.

49 The National edeposit system is accessible from <https://ned.gov.au>.

Acquisitions and accessions

3.8 The Library has established long term relationships with suppliers, for example through blanket orders⁵⁰, and other collecting institutions to facilitate collecting. The scale and variety of the Library's collecting program has led to differing approaches to selecting and documenting acquisitions for each of the collecting areas, including: Australian Collections Management, Overseas Collection, Pictures and Manuscripts, Oral History and Indigenous Programs, and Maps.

3.9 There are nearly 200 guidelines, process documents and procedures related to acquisitioning and cataloguing. There are procedures that apply to all collecting areas such as: Researching Provenance and Due Diligence, Accepting Material via Deposit/Donation and Guidelines for Purchasing Collection Material at Auction; and format specific procedures, for example, Procedure – Acquisitions Asian Collections, Maps Cataloguing Procedures Manual, Rare Books Cataloguing Manual, and Selection and De-selection of Music. Many procedures contain outdated references.

3.10 A March 2020 Internal Audit report recommended that process documentation be reviewed to determine whether there are some processes that could be made consistent across the Library despite material type. The Library agreed to this recommendation and expects to complete it by June 2021 in conjunction with an organisational restructure which is reshaping collection teams around processes and workflows, rather than format.

Acquisitions testing





3.11 The ANAO tested a sample of items acquired by the Library during 2019–20 to assess how effectively it accessioned items into its collections (excluding legal deposit items). The ANAO examined whether:




- the relevance, significance and provenance of the acquisition was assessed;
- acquisition rights were assessed;
- whole-of-life costs and consideration of storage requirements associated with the acquisition were considered; and
- acquisitions were approved in accordance with legislation (where relevant) and delegations.

3.12 A summary of testing results is in Table 3.1.

50 A blanket order is an arrangement with a vendor, renewed annually, to select and supply materials according to subject profiles that detail the Library's requirements. Materials are sent to the Library 'on approval' and can be returned to the supplier if they do not fit the profile, are already held, or are on order with a different supplier.

Table 3.1: Summary results of ANAO testing of Library acquisitions 2019–20

Criteria	Result
Were the relevance, significance and provenance of items accessioned into the collection adequately assessed?	
Were acquisition rights adequately assessed?	
Were whole-of-life costs and storage considerations associated with the acquisition adequately evaluated?	
Were collection acquisitions appropriately approved ?	

Legend:  effective practices in place
 partially effective practices in place
 ineffective practices in place

Source: ANAO analysis of Library information.

3.13 The ANAO review of the sample of 49 acquisitions found:

- Relevance, significance and provenance were well documented for purchases when the Acquisition Recommendation form was used, for example for manuscripts and picture acquisitions; and considered for purchases under Blanket Orders. Otherwise they were not routinely documented, for example in music and monographs acquisitions, except for higher value acquisitions. In these cases, information for the items tested was able to be sourced from vendor emails or known by the curators but was not centrally documented or easily accessible.
- An Acquisitions Rights record was consistently completed where appropriate, for example, for all the pictures and oral history acquisitions tested.
- There was no documented assessment of whole-of-life costs or storage considerations, except in one manuscript purchase where transport costs were included in the Acquisition Recommendation.
- All purchases tested were approved by a delegate with appropriate authorisation.

3.14 The ANAO's 2018 *Management of the National Collections* audit⁵¹ reported that providing an estimate of whole-of-life costs as part of the acquisition process provides improved information for decision makers and is in accordance with the Commonwealth Procurement Rules.⁵² The Joint Standing Committee for National Capital and External Territories, in its 2019 report (refer to paragraphs 1.13 to 1.15), recommended 'national institutions to ensure that their plans and budgets include clear and documented processes to account for the whole-of-life costs of collections and acquisitions. Assessments of whole-of-life costs need to form part of strategies for managing institutions' existing collections, and also consideration of potential new donations and acquisitions.'⁵³

51 Auditor-General Report No.46 2017–18 *Management of the National Collections*.

52 The Commonwealth Procurement Rules require that entities consider whole-of-life costs when conducting a procurement. In this context, decision makers should be fully informed about all costs, including estimated transport, storage, preservation and disposal costs.

53 Joint Standing Committee on the National Capital and External Territories, Parliament of Australia, *Telling Australia's Story - and why it's important. Report on the inquiry into Canberra's national institutions*, 2019, p. 19.

3.15 The Library's March 2020 Collection Management internal audit report identified that there 'is no formal or consistent process to consider storage implications prior to acquiring one off, high volume items' and recommended a step in the acquisitions process in which the collecting area and storage planning team communicate regarding large collections to assist with storage planning. In November 2020, the Library developed a checklist, Notification of Planned Acquisition, to address this recommendation and to improve communication on condition, logistics, rights, description/cataloguing and the resourcing implications for large collections. The checklist also includes consideration of provenance and storage to provide assurance that they will be consistently assessed and documented, where appropriate.

3.16 For acquisitions using purchase orders, the purchase order is printed from the finance system and authorisation is noted on the paper copy. Depending on the purchasing area, the paper copy is filed in a lever arch file, or scanned and filed. The Library should ensure consistency in its records management of purchase orders to ensure efficiency in both filing and retrieving.

Accession backlog

3.17 As at September 2020, the total number of items without catalogue records is estimated to be 620,000 items plus 12,900 boxes of items. Approximately 18 per cent relates to Books in Process (BIP) which includes overseas material received from the 1960s to 1980s but not catalogued at that time. There is a high proportion of foreign language material in the BIP accession backlog. No work has been undertaken since 2016 to catalogue the BIP material.

3.18 In response to compiling the backlog summary in September 2020, the Library advised it will develop a backlog processing plan in 2020–21 to: estimate the capacity of collection management teams to process backlog material, identify priorities, and develop a deselection policy to deal with the items identified as beyond the scope of the Collection Development Policy. The Library should include in its backlog processing plan a mechanism to track and report progress.

Deselection, deaccession and disposal

3.19 Section 7 of the Library Act allows for the disposal of Library materials. The Library's Collection Development Policy does not refer to the deselection or disposal of materials. The Library has a Discard Policy – Guidelines for the Discard and Retention of Library Material (2011) for discarding materials from its print collections, which outlines that discarding materials is based on two principles:

1. The Library generally does not collect multiple copies ... and 2. The Library regards itself a research library and as such it will retain, and ensure the long term availability of any materials with ... information integrity.

3.20 The Library advised that deaccessioning has not been a focus given its legislated function to develop a comprehensive collection, and there is an expectation that the Library will retain collections even when they are no longer a collecting priority. However, there are opportunities to review alignment with the Collection Development Policy, and to refine and consolidate the collection. In 2019, the Library conducted several reviews which identified materials that were held in more than one format or fell outside of the Collection Development Policy.

3.21 There is no guidance, systematic process or collection management system updates required for approving, recording and reporting disposals. The Australian Collections Management area has disposed of unsolicited donated material that was not within the scope of the Collection

Development Policy, in poor condition and/or a duplicate'; although records of disposals have not been systematically collected. The Manuscripts, Oral History and Maps areas have disposed of items due to potential work health and safety issues, item deterioration, and duplicate holdings. The Library advised it plans to develop a Deselection and Disposal Policy in 2021. The Library's disposals for 2014–15 to 2018–19 are listed in Table 3.2 below.

Table 3.2: Library disposals 2014–15 to 2018–19

Collecting format	Number of disposals 2014–15 to 2018–19
Australian Collections Management	Not collected
Overseas collection and metadata management	Not collected
Pictures	0
Manuscripts	5
Oral history and Indigenous programs	2
Maps	3

Source: ANAO summary of Library information.

Recommendation no.2

3.22 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.*

3.23 *The National Library of Australia will have a Deselection and Disposal Policy approved and in use as part of the Collection Management Framework by 30 June 2021. Supporting procedures will be developed simultaneously. The need for consistent recording and reporting of disposals has been identified, and discussions regarding efficient and effective mechanisms for achieving this outcome commenced in December 2020. The Policy will be aligned with disposal procedures outlined in the Asset management principles and processes (or NLA Assets Policy) where this is practical and appropriate for collection material. As with all other documents forming the revised Collection Management Framework, review dates will be set for the Deselection and Disposal Policy.*

National Film and Sound Archive of Australia

Planning, monitoring and reporting collection development

3.24 Section 6 of the *National Film and Sound Archive of Australia Act 2008* (NFSA Act), requires the NFSA to develop, preserve, maintain, promote and provide access to a national collection of programs and related material. Collection development is governed by the NFSA's Collection Policy which sets out the guiding principles for the development, preservation and sharing of its collection. The Policy includes strategies for identifying items for acquisition, accession and disposal. The

Collection Policy is supported by the Collection Development Strategy 2020–23 and is guided by the Strategic Vision 2018–25.

3.25 The National Audiovisual Collection Accessioning Policy, updated and approved in August 2020, articulates the information management principles by which the audiovisual collection will be accessioned. Donation, deposit, bequest and purchase are the NFSA's four primary acquisition methods.⁵⁴ The NFSA does not have a central acquisitions committee and decisions are made by the curators according to delegation.

3.26 The Collection Branch reports to the Board via a standing agenda item covering on the latest activities, loans, exhibitions and access statistics; although acquisitions and disposals are not specifically reported. Each of the NFSA's branches prepares an annual business plan supporting collection development activities.

Acquisitions and accessions

3.27 The NFSA's collection grows primarily through receiving donations (donations were valued at \$2,774,000 in 2019–20) and it makes a comparatively small number of purchases (less than \$20,000 in 2019–20). The national collection grew from 3 million items in 2018–19 to over 3.3 million in 2019–20.

3.28 The NFSA's collection management system, Mediaflex, contains the acquisition and catalogue records for the NFSA's collection. The acquisition record captures the provenance, usage terms and significance of the work; the catalogue record captures the intellectual and technical description of a work. The catalogue has three levels of collection category: preservation, duplication and access copies.⁵⁵ Accessioning is to be completed in accordance with the NFSA's Data Integrity Framework and Accessioning Policy, to provide consistency in data management.

Acquisitions testing

3.29 The ANAO reviewed a sample of NFSA's 2019–20 acquisitions and examined whether:





- relevance, significance and provenance of items accessioned was adequately assessed;
- acquisition rights were documented as per the NFSA's Accessioning Guidelines;
- whole-of-life costs and consideration of storage requirements associated with the acquisition were considered; and
- acquisitions were approved in accordance with legislation (where relevant) and delegations.




54 As per the NFSA's Collection Policy: Donation – ownership of the physical items transfers to the NFSA although copyright usually remains with the original copyright holder. Deposit – physical items are lodged with the NFSA but physical ownership remains with the depositor. Bequest – ownership of physical items is transferred to the NFSA by will. Purchase – purchase is the final option but only when finances allow and when identified works are deemed sufficiently relevant to the collection.

55 Preservation versions of items are considered the original master version of an item, duplicate versions are copies of the original master kept in a different location as a backup of the original item and used to make additional duplicate versions, and access versions are further duplicates that are used for loaning or viewing. The Preservation category item of an analogue work should remain in storage for security and longevity reasons. The nature of audiovisual media is such that multiple copies (ie duping and access copies) can be made of an original work, thereby limiting the movement, handling and usage of the preservation category item.

3.30 A summary of testing results is in the table below.

Table 3.3: Summary results of ANAO testing of NFSA acquisitions 2019–20

Criteria	Result
Were the relevance, significance and provenance of items accessioned into the collection adequately assessed?	
Were the acquisition rights documented as per Accessioning Guidelines?	
Were whole-of-life costs and storage considerations associated with the acquisition adequately evaluated?	
Were collection acquisitions appropriately approved ?	

Legend:  effective practices in place
 partially effective practices in place
 ineffective practices in place

Source: ANAO analysis of NFSA information.

3.31 There were 569 acquisition transactions in 2019–20 (representing 37,747 items acquired). The ANAO reviewed a stratified random sample of 58 of the 569 acquisitions, and as at 20 August 2020 found:

- 37 of the 58 acquisitions (64 per cent) had been accessioned;
- relevance, significance and provenance were identified for only three of the 37 accessioned acquisitions;
- all 37 accessioned items tested had an Acquisitions Rights record;
- there were no documented assessments of whole-of-life costs or storage considerations; and
- 26 of the 569 acquisitions had a purchase cost and had been appropriately approved, although 14 of these had not yet been accessioned.

3.32 It was also noted that all but five purchases reviewed had a supporting records management reference. The NFSA advised the ANAO that there may be delays in accessioning acquisitions due to the securing of Indigenous cultural clearances, waiting on examination or conservation work, and the impact of office closures due to COVID-19. For discussion on whole-of-life costs refer to paragraph 3.14.

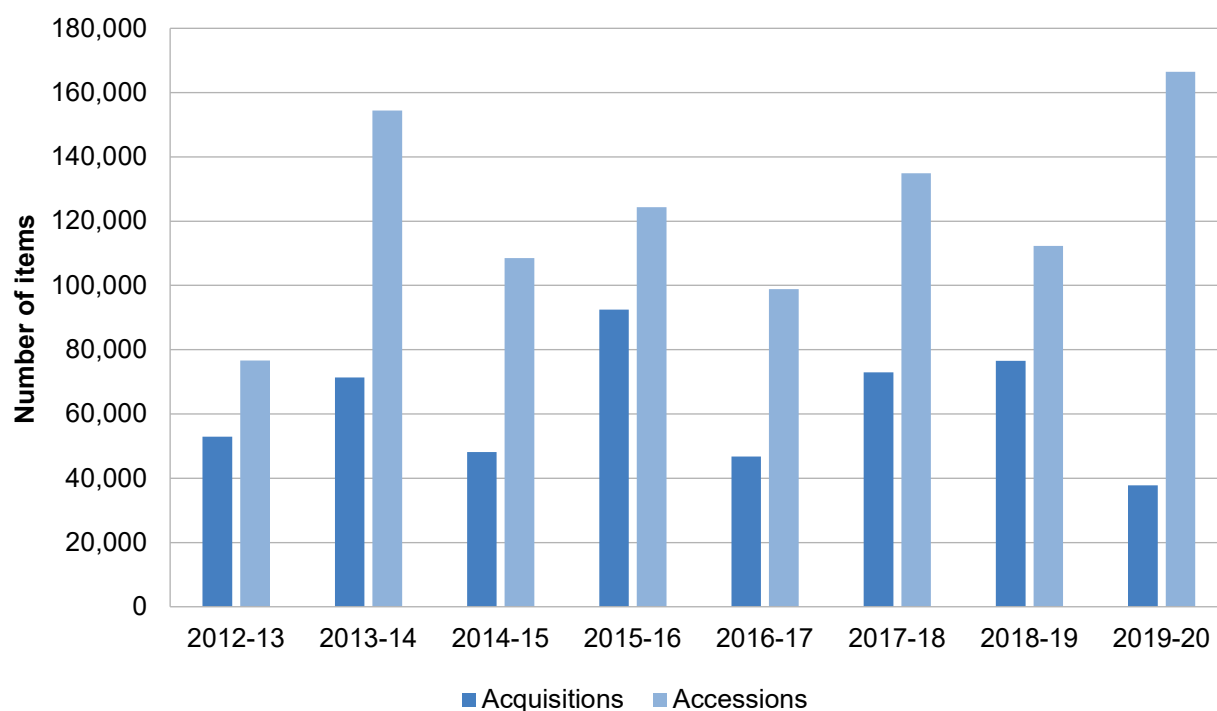
3.33 The NFSA should ensure, where appropriate, the relevance, significance and provenance of items is documented in the collection management system and that there is consideration of whole-of-life costs and storage implications in the acquisition decision.

3.34 Acquired items awaiting accessioning can be given a priority according to Mediaflex Procedures for Creating Acquisitions. Priority is not a mandatory field. During 2020, scripts have been created to generate accessioning queue reports to capture and list (in no priority order) all items to be accessioned regardless of whether priority has been assigned. The curatorial team meet quarterly to review the accessioning queue. The NFSA should ensure there is a systematic process for prioritising accessions.

Accession backlog

3.35 Historically, the acquisition rate has exceeded the accessioning rate which has led to a backlog of items to accession. Since 2012–13, the NFSA has included the number of accessions as a key performance indicator; and the reported figures show that since introducing this indicator, the number of accessions has exceeded acquisitions. In the 2019–20 Annual Report, it was reported that the target for acquisitions was 60,000 items and actual acquisitions were 37,747 items; and the accessions target was 100,000 items and the actual number of accessions was 166,451 items. Thus 128,704 items were cleared from the backlog. Figure 3.1 shows the acquisitions and accessions since 2012–13.

Figure 3.1: NFSA acquisitions and accessions 2012–13 to 2019–20



Source: ANAO analysis of NFSA annual reports.

3.36 The NFSA has three categories of items that are not currently accessioned in Mediaflex.

- As at April 2020, there were approximately 474,000 items waiting to be accessioned into Mediaflex. These backlog items have been entered as acquisitions in Mediaflex and are barcoded and controlled, but have not been accessioned.
- The Manually-accessioned Collection relates to foreign-made material relevant to the Australian experience of international cinema. It consists of approximately 251,000 items which are catalogued on approximately 35,000 cards. These cards have been scanned and placed in the NFSA's document management system, TRIM, so that they are accessible to staff.
- The Film Australia Collection (FAC) consists of over 3,000 documentary and docu-drama titles produced by Film Australia and its predecessors between 1913 and 2008. The FAC catalogue is managed in a separate database developed specifically for this collection prior to responsibility for the FAC being transferred to the NFSA. The catalogue is publically

searchable via the NFSA website. FAC titles are progressively accessioned into Mediaflex when required for access purposes.

3.37 The NFSA should review the prioritisation of backlog items, develop a processing plan, and regularly report progress to the Board.

Deselection, deaccession and disposal

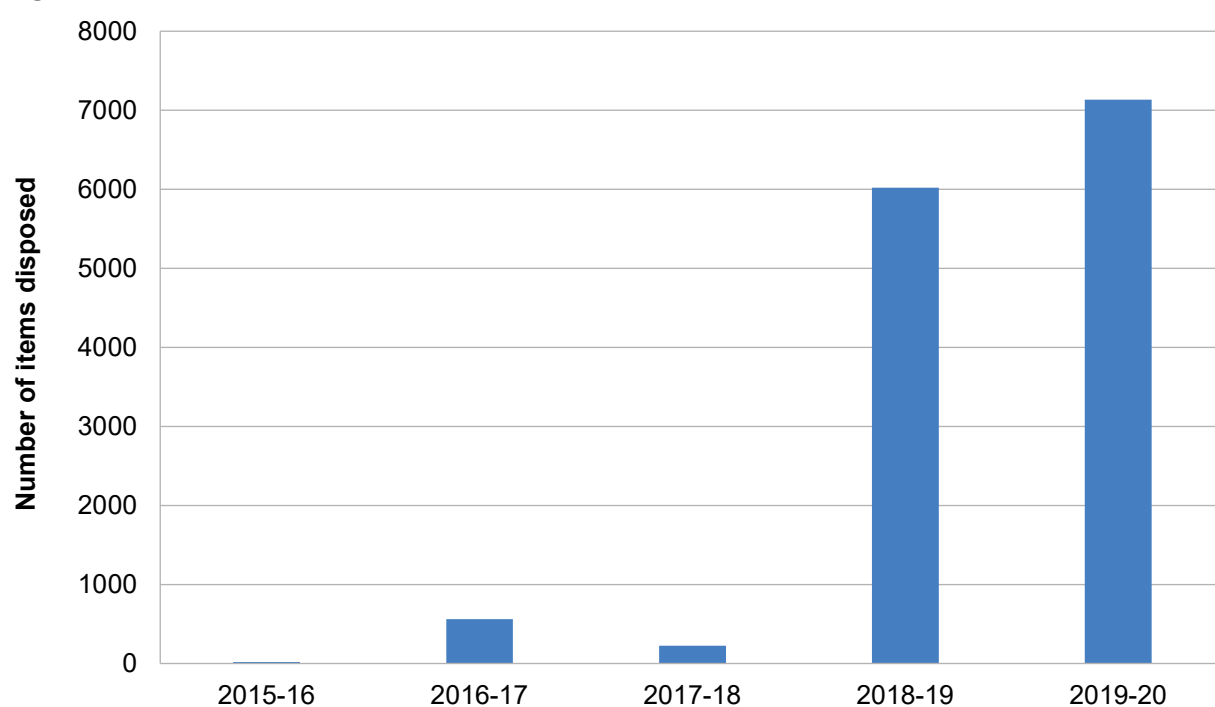
3.38 The NFSA defines deselection in its Collection Policy as the permanent removal of an item from the NFSA collection. Deaccessioning involves changing the status of the item's record and recording the disposal method in the collection management system, but not permanently deleting the record.

3.39 The NFSA does not have a deselection plan to outline the priorities for deselection; although there is a Collection Deselection Procedure (December 2018) and a Disposal of Non-Selected Material Procedure (April 2019) which outline the process, approval required and template form for items that have been deemed as unsuitable for the collection.

3.40 The NFSA Act includes provisions for the disposal of items from its collection.⁵⁶ Section 41 of the NFSA Act requires the Annual Report to include details of all disposals of items in the national collection considered significant — in the last five years no disposals have been reported in the annual reports.

3.41 Figure 3.2 illustrates the NFSA's disposals over the last five years. Disposals in 2018–19, were higher than previous years due to the deaccessioning of the access collections held in the Sydney and Melbourne offices. These collections were developed in the 1980s to provide on-site copies of the most popular titles in the collection for reference and access purposes. The collections had become obsolete due to digitisation and were deaccessioned. In 2019–20, several deselection projects were undertaken, including the Access VHS/Betamax Disposal Project.

56 See sections 6 and 41 of the *National Film and Sound Archive of Australia Act 2008*.

Figure 3.2: NFSA disposals 2015–16 to 2019–20

Source: ANAO analysis of NFSA information.

3.42 The ANAO reviewed a selection of disposals to determine whether procedures were followed, and to examine the rationale for disposal. The Collection Policy and the Collection Deselection Procedure require a Deselection Minute to be completed and approved by the Chief Curator and the Collection General Manager. In 2019–20 there were 7,132 disposals. A review of a sample of deselections found that Approval Minutes were signed by the delegate and reasoning was in accordance with the Collection Policy.

Box 3: NFSA's storage of non-accessioned items

The NFSA's Mitchell warehouse is used as a holding facility for material awaiting accession or disposal after deaccession. In 2019, the NFSA conducted an assessment of the provenance of its International Main Run (78 RPM shellac discs), the Mastertouch Collection (piano-rolls), and the International Cylinder Run (wax cylinders). The NFSA confirmed provenance, and that there were no outstanding obligations to donors of the discs. As these items were largely represented in overseas collections, it was decided to not select this non-Australian material for accessioning due to its non-compliance with the NFSA's Collection Policy and Collection Development Strategy. These items number approximately 80,000 discs, 11,600 piano rolls, and 11,950 wax cylinders and are stored in 115 pallets in the warehouse. The NFSA advised that options are being considered for the future of this material, and that the next steps will be determined in 2021.

3.43 As television broadcasters have rationalised their holdings of physical media, they have donated broadcast tapes to the NFSA for addition to the national collection. The NFSA's collection of television broadcast tapes currently constitutes 5,513 linear metres (out of 37,536 metres of

general shelf space⁵⁷) or 14.7 per cent of general shelf space. In addition, there are boxes of donated broadcast tapes awaiting accession. Retention of legacy material such as 35mm film or vinyl records provides the opportunity to experience content in its original format, and allows for an understanding of the historical reproduction and reception context. The television broadcast tapes, that only function on non-consumer or non-commercial machines, do not provide the same experience. Retaining material in its original format has implications for storage.

Recommendation no.3

3.44 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.*

3.45 *The NFSA will prepare a deselection plan setting out collection deselection and deaccessioning priorities across the next three years. In this three-year period, deselection projects will focus on collection material in non-preferred formats that has been made redundant due to its duplication and/or digitisation, and material that is identified as not being aligned with the priorities of the NFSA's Collection Policy, Collection Development Strategy and Statement of Curatorial Values.*

3.46 *The NFSA agrees that deselection and deaccessioning is an important aspect of collection management, but also notes that deaccessioning is a resource-intensive process. In the recent past, it has been necessary to focus our finite resources on acquiring and accessioning new collection items, and on the preservation and digitisation of the collection, in order to fulfil our legislative remit, and to meet Australian Government and public expectations. Any significant increase to deaccessioning would require staff and resources to be reallocated from other areas of the organisation and limit our ability to grow and share the collection.*

Do the entities have effective processes to (maintain) preserve their collections?

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.

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.

57 The ANAO calculation of 'general shelf space' excludes the Mitchell Nitrate facility – a purpose built facility for volatile nitrate film, and the Mitchell Annex Warehouse, which is a general purpose warehouse for acquisitions awaiting sorting, and large artefacts and props.

Planning and undertaking preservation activities

3.47 In addition to developing their collections, the Library and the NFSA are both required by their respective legislation to maintain them.⁵⁸ To assess whether the entities have effective processes to preserve their collections, the ANAO examined the Library's and the NFSA's preservation policies, strategies and plans, and how these were used to prioritise and record preservation work.⁵⁹

National Library of Australia

3.48 Subsection 6(a) of the Library Act sets out 'maintenance' as a core function of the Library. The Library's Preservation Policy was approved in August 2009, and outlines the Library's preservation mandate and responsibilities; the principles underpinning preservation; and provides notes on specific activities including storage, conservation treatment, and preservation copying, including digitisation. The Preservation Policy was scheduled for review in August 2011. It was reviewed in 2018 and the draft document was renamed the Collection Care and Preservation Policy (CCPP), however, it was not approved. In February 2020, the draft CCPP was again updated, and as at 1 December 2020 had not been approved.

3.49 The Library's Digital Preservation Plan 2015–2019 remains in operation, and outlines strategic objectives and priorities for digital preservation and guides the Library in its preservation planning and activities. Most of the Library's digitisation is carried out to increase accessibility to the collection, with the benefit that content is preserved.

3.50 In 2017, the Library engaged an external provider to conduct a review into the Preservation section. The Library used the review as a basis to develop an overall program of work for preservation services to better assist work planning, resource allocation and to prevent duplication of effort. The Library developed a bidding, prioritisation and programming system to access preservation services, which came into effect from 2018. A proposed program is developed based on identified priorities and resources and progress against the program is reported on a quarterly basis. There is currently no systematic reporting for items requiring preservation. The Library is planning to develop an incident reporting mechanism although no timeframe has been set.

National Film and Sound Archive of Australia

3.51 The NFSA Act specifies to 'preserve' and 'maintain' the national collection as two of the functions of the NFSA. The NFSA's Corporate Plan 2020–21 to 2023–24 identifies digitisation⁶⁰ as a key element in preserving the National Audiovisual Collection, describing it as a 'core program of activity', and indicating that it both preserves the national collection and makes it more accessible.

58 Subsection 6(a) of the *National Library Act 1960*, and paragraph 6(1)(a) of the *National Film and Sound Archive of Australia Act 2008*.

59 For the purposes of this audit, the term 'preservation' will be used as an all-encompassing term that includes the collection care, conservation and preservation of objects, as well as digitisation. In the case of at-risk media, such as magnetic sound and audiovisual recordings or unstable negatives and transparencies, digitisation can be a preservation strategy. Digital preservation are the activities intended to ensure the ability to meaningfully access digital collection content over time.

60 The NFSA defines digitisation as the process of transferring 'analogue film, tape and sound material to a digital format. Digitisation ensures that the collection is preserved for the future, and opens up opportunities to share the collection in ways that are not possible with analogue formats, in line with modern user expectations.'

For example, transferring works from an analogue format such as physical reels of film into a digital format removes film reel decay as a potential source of that work's deterioration

3.52 The NFSA's Digitisation Strategy 2018–25, and Collection Digitisation Plan 2020–25 outlines the NFSA's strategic vision to create a digital archive, identifies the challenges of digitisation, and addresses Deadline 2025.⁶¹ Deadline 2025 indicates material stored on magnetic media (video and audio tape) not digitised by 2025 may be lost forever as the media degrades and the skills and equipment needed to digitise become more difficult to source. The draft Plan also identifies how digitisation priorities are identified, specifies preservation digitisation standards, includes targets and resource allocation, and also provides detail on each form of digitisation (audio, video, film, and still images), breaking processes down to the workflow level.

3.53 The NFSA has considered emerging technologies and changing formats, monitoring industry developments in both digital storage technologies as well as formats and the need to transcode⁶² digital audio and visual files to ensure they remain consistent with industry-preferred standards.

3.54 Preservation plans and strategies for analogue material have been updated. A Conservation and Collection Management Overview was finalised in October 2020, which outlines key conservation principles, articulates responsibilities, and identifies conservation procedures.

3.55 The NFSA's collection management system, Mediaflex (see paragraphs 3.120 to 3.122) supports the digitisation processes, which are managed via Mediaflex's Digitisation Preservation Queues. The NFSA's Data Integrity and Analytics team works with the Curatorial and Accessioning, and Collection Digitisation teams to determine the selection logic⁶³ which drives the digitisation queues. The selection logic is then applied to Mediaflex, automatically generating preservation queues, automating part of the process for items to be brought from vaults to digitisation teams.

3.56 This system is also used to generate reporting on the progress of digitisation. Data can be interrogated down to the format level, allowing the NFSA to monitor and report progress of digitising items deemed to be relevant to Deadline 2025. Preservation and digitisation records are integrated into Mediaflex, which captures a history of both condition reporting and preservation work conducted, applying ratings of severity in the case of degradation.

3.57 The NFSA employs specialised staff to preserve a range of different physical media including film, paper, and photographs, and also engage external conservators when appropriate. External conservators will provide a quote against the work provided, with external conservators mostly engaged to work on documents, artefacts (such as props), and costumes. Mediaflex stores the external conservation reports, or a link to the TRIM⁶⁴ reference when filed in TRIM, although this does not always occur.

61 NFSA, *Deadline 2025: Collections at Risk*, 2017, available from <https://www.nfsa.gov.au/corporate-information/publications/deadline-2025> [accessed November 2020].

62 Transcoding is the process of converting an audio or video file from one encoding format to another (direct digital-to-digital conversion).

63 Mediaflex Digitisation Preservation Queues selection criteria – curatorial considerations include: cultural significance, age of work, published or unpublished; technical selection logic includes: Australian production, format hierarchy, format obsolescence, sibling media and copy history, origin and lone item/technology.

64 TRIM is the NFSA's digital records management system.

Do the entities effectively store their collections?

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.

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.

Storage

3.58 Previous Auditor-General and Parliamentary inquiry reports identify long-term storage as an issue for national collecting institutions.⁶⁵ In June 2018, the Department of Infrastructure, Transport, Regional Development and Communications (department) conducted a whole-of-portfolio exercise, the National Collecting Institutions Capital Review, which examined physical storage requirements. The department received funding during 2020–21 to scope options to address storage needs over the longer term.

3.59 Fit-for-purpose storage is recognised as part of preservation activities through providing appropriate accommodation and conditions to support preservation of the physical collections, and suitable secure systems for digital data collections. This is achieved through ensuring appropriate: storage building and location, environmental and pest controls; shelving and packaging; careful handling; accessibility; maintenance and security; and protection from disaster.

National Library of Australia

3.60 The Library reported in its 2019–20 Annual Report that physical storage comprises 279 shelf kilometres stored across four facilities: the main building in Parkes building; the Library-owned Hume Repository; the leased Hume Annexe; and short-term leased space at the National Archives of Australia (NAA) in Mitchell. The Library estimates current physical collection growth is two to three shelf kilometres of additional storage every year for the next one to two decades.

3.61 The draft Collection Care and Preservation Policy outlines the Library's storage principles. The Collection Storage Master Plan 2015–2025, updated in December 2019, identifies the storage facilities and outlines the storage asset program and tasks up to 2025, including changes that have already been made to compress the collection. As noted in paragraph 3.15, there has not been a

65 Refer Auditor-General Report No.46 2017–18 *Management of the National Collections*, Auditor-General Report No.59 2004–05, *Safe and Accessible National Collections* and the Joint Standing Committee on the National Capital and External Territories' report *Telling Australia's story – and why it's important*, 2019, available from https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/National_Capital_and_External_Territories/NationalInstitutions/Report [accessed September 2020].

formal or consistent process to consider storage implications prior to acquiring high volume items, such as for personal or organisational archives — and that the Notification of Planned Acquisition checklist does include storage. As at 1 December 2020 the draft Collection Care and Preservation Policy had not been approved.

3.62 The Library set up a Collection Storage Working Group in August 2018, to consider issues on collection storage and planning for future offsite storage, the implementation of the Collection Storage Masterplan, and monitoring collection storage environmental parameters. The working group developed terms of reference and met four times during August to November 2018. The working group facilitated the appointment of a property consultant to evaluate existing offsite facilities and assess costs for short term offsite storage options which informed the decisions to lease NAA premises and the Hume Annex. The Council has been regularly briefed on the storage situation and risks.

3.63 Leasing arrangements for physical storage at the Hume Annexe and NAA Mitchell are due to expire in 2025. The Library is unable to extend the Mitchell lease beyond 2025 as the NAA will require the space. The Library advised that unless additional facilities can be found it will not have storage for 47 kilometres of collection material currently housed at these two locations.

3.64 The Library has commenced working with the department to identify current and future storage requirements — building on the work undertaken in the 2019 National Collecting Institutions (NCI) Capital Review. As part of the 2021 Budget process the Australian Government has funded a feasibility study for long-term storage solutions for portfolio NCIs.⁶⁶ The Library will need to consider its risks regarding an alternate storage solution or leasing arrangements beyond 2025.

3.65 Since the *Copyright Act 1968* was amended in 2016 to allow for edeposit⁶⁷, providing the Library with the right to collect Australian publications in digital form, the Library has built significant capability to collect digital publications. In 2019–20, the Library has 2.4 petabytes of digital material with 25,425 new items acquired in digital format. Despite the transition from print to digital in parts of the Library's legal deposit collecting, the Library estimates that this will result in only a slight reduction in forward physical storage requirements.

3.66 The Library's digital collection is growing and requires additional digital storage capacity every year. The Library advised that current on-premises storage, with offsite tape backup, is adequate.

Environmental controls

3.67 Library material is stored according to type and sensitivity and this determines the level of environmental conditions and monitoring required. The highest value items are stored in the Library's strong rooms, which have heightened physical controls and access procedures, such as two rooms with dual authentication access controls, and staff access privilege control reviews; and there are cool rooms for more environmentally sensitive materials.

66 The Infrastructure, Transport, Regional Development and Communications portfolio NCIs are the: Australian National Maritime Museum, Bundanon Trust, National Film and Sound Archive of Australia, National Gallery of Australia, National Library of Australia, National Museum of Australia and National Portrait Gallery of Australia.

67 Section 195CA of the *Copyright Act 1968*.

3.68 The Library's Environmental Monitoring Procedures were updated April 2017. The Library uses Building Management System and data loggers to perform environmental monitoring of its storage areas and provides reports to management on a quarterly basis. The Integrated Pest Management Plan 2016, as at 1 December 2020, remained in draft form and is scheduled to be reviewed every two years, although it does provide guidance as to the frequency of pest inspections. There is regular reporting of pest inspections. Fire protection systems are installed, and disaster equipment kits are maintained in all stack areas.

National Film and Sound Archive of Australia

3.69 The NFSA's collection comprises over 3.3 million items, including films, television and radio programs, videos, audio tapes, records, compact discs, phonograph cylinders and wire recordings. It also encompasses documents and artefacts such as photographs, posters, lobby cards, publicity items, scripts, costumes, props, memorabilia, oral histories, and vintage equipment. The NFSA utilises the following storage facilities in the ACT: its headquarters in Acton – the former Institute of Anatomy building, and six offsite storage facilities in Mitchell comprising specialised vaults, including a vault for volatile nitrate film, totalling 5,415m² of storage space. There are state offices in Sydney and Melbourne to facilitate collecting, stakeholder relationships and temporary storage prior to relocation of items to Canberra.

3.70 The NFSA uses Mediaflex to manage the physical and digital aspects of the national collection. Since 2011, the NFSA has used a Content Storage Management software product called DivArchive to manage the long-term storage of digital collection objects stored on LTO (Linear Tape Open) data tapes. The NFSA's digital collection comprises born-digital collection material and analogue material that has been digitised.

3.71 The NFSA's storage strategy focuses on extending storage capacity and working towards the digitisation of fragile audio-visual material before it degrades, as driven by Deadline 2025. The NFSA prepared a Collection Storage Report in 2017 identifying the storage environment, and to forecast expected storage requirements across the next 20 years.

3.72 As noted in paragraph 3.31 there is no formal or consistent process to consider storage implications prior to acquiring high volume items.

3.73 The Property Committee, which met periodically between August 2018 and July 2019, was tasked to consider long term storage in conjunction with a new headquarters and an expanded digitisation facility. This committee has been folded into a new governance structure including a Project Governance Group as the key oversight body in regard to property strategy.

Environmental controls

3.74 The NFSA stores collection items of like nature and sensitivity together to facilitate an appropriate level of environmental monitoring. The NFSA has an objective to 'Maintain sustainable environmentally-controlled storage for the collection (analogue and digital) to ensure its long-term preservation and accessibility' and a key performance target to have an 'Average physical collection lifespan of 230 years'. The strategy to achieve this is to 'Preserve the collection through sustainable practices for storage and environmental conditions (passive preservation).'⁶⁸

68 National Film and Sound Archive of Australia, *Corporate Plan 2020–21 to 2023–24*, NFSA, 2020, p. 15.

3.75 The NFSA has an Integrated Pest Management (IPM) Policy 2020 and activities are supported by IPM site plans. There are monthly reports on the temperature and humidity readings for all of the storage areas in Mitchell and Acton. Results of pest and insect inspections are reported. Disaster management supplies are located in each storage site and in the heritage building.

Buildings

3.76 There are requirements under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) for the management of Commonwealth heritage buildings. This includes the requirement for a Heritage Management Plan and Strategy.

3.77 A strategic asset management plan can be used to identify funding required to ensure assets and heritage values are maintained, and to provide a sound basis for decisions on the management, utilisation and disposal of facilities in accordance with the entities' strategic and operational plans. The Australian Government provided the department with funding in 2020–21 to conduct a coordinated analysis of strategic asset management plans of National Collecting Institutions.

National Library of Australia

3.78 The Library's building in Parkes ACT, purpose-built in 1968, is listed on the Commonwealth Heritage List under the EPBC Act. In accordance with the EPBC Act, the Library has a Conservation Management Plan and has it registered as a legislative instrument. The Conservation Management Plan is supported by the Library's Heritage Strategy and provides information regarding the construction of its building, describes the elements that have heritage significance, and provides a framework to guide conservation policy and implementation strategies for five years to 2023. The Facilities' Life Cycle Maintenance Plan, March 2016, provides budget estimates and a plan of work for 15 years from 2016–17 for the main building in Parkes, and the repository building in Hume, ACT. Several of the priority heritage works identified as part of the Conservation Management Plan are incorporated.

3.79 The Library has a Capital Investment Committee to oversee and prioritise capital investment. Heritage capital works are identified in the Capital Works Forward Plan.

National Film and Sound Archive of Australia

3.80 The NFSA's headquarters is the former Australian Institute of Anatomy building completed in 1930. The Anatomy building was entered into the Commonwealth Heritage List in 2004 and the NFSA is required to manage the building in line with the EPBC Act. The NFSA's 2009 Heritage Management Plan (HMP) has not been updated every five years as required by the EPBC Act. The NFSA commenced a review of the 2009 HMP in 2018. In 2020, consultants were reappointed to complete the HMP draft, to undertake public consultation and to assist in drafting the linked Heritage Management Strategy. The draft HMP was provided to the Department of Agriculture, Water and the Environment Heritage team for review in August and December 2020. The NFSA advised that it plans to present the HMP to the Australian Heritage Council for approval in March 2021, and then to the Minister for the Environment.

3.81 There is ongoing building work including stonework repairs and restoration, repairs to wall render and planned replacement of the emergency lighting system. As part of the NCI Capital Review, additional funding was allocated to the NFSA for critical capital works. The NFSA advised

that the 2009 HMP was used to guide work such as the stonework project and repairs damage caused by hail stones.

3.82 The NFSA has identified the strategic priority to 'Redefine our physical presence' by 2025 due to the limitations of its current building, such as inadequate exhibition spaces. Progress is monitored by the Board through the Property and Physical Presence Project standing agenda item, and is currently facilitated through the Project Governance Group (refer to paragraph 3.73). The NFSA engaged a consultant to develop an initial business case to explore the building of a new public-facing facility and consolidate collection management services into a purpose-built archive facility. The discovery phase has been completed and includes the Strategic Assessment providing a summary of the current situation and potential opportunities.

3.83 The NFSA has also engaged a consultant to develop a ten year strategic asset management plan, with a draft developed in December 2020.

Do the entities effectively secure and account for their collections?

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.

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.

Security management

3.84 The Protective Security Policy Framework (PSPF) assists Australian Government entities to protect their people, information and assets. While the Library and the NFSA are Corporate Commonwealth Entities and are not required to comply with the framework, the PSPF represents better practice.⁶⁹

National Library of Australia

3.85 The Library's Protective Security Policy and Procedures Manual (June 2015), and its Agency Security Plan (June 2019) constitute its protective security framework. The Library maintains a suite of security policy documents and procedures that operate under this framework, however, two remain in draft form:

- IT Security Policy (May 2016, draft update July 2019);
- Staff Use of the Library's Printed Materials Collections (August 2005); and
- Draft Steel Cabinet and Restricted Material Procedures.

⁶⁹ Attorney-General's Department, *Protective Security Policy Framework*, AGD, available from <https://www.protectivesecurity.gov.au/> [accessed September 2020].

3.86 The Protective Security Policy and Procedures Manual largely aligns with the PSPF principles, although for IT Security the document references the IT Security Policy which was last approved in May 2016. The Agency Security Plan has been revised annually from June 2015 to June 2019 by the Security Manager. The Library does not currently enforce the application of protective markings or a dissemination limiting marker (DLM) on documents and emails to indicate the level of sensitivity and protection required. The Library advised that it is considering implementing DLMs for email correspondence.

3.87 A Protective Security Risk Review was last conducted in June 2016. The external provider found the Library's security to be 'robust'. The provider recommended that the Library's Director-General endorse both the Protective Security Policy and Procedures Manual and the Agency Security Plan. As neither document has been approved or endorsed by the Director-General, this recommendation has not been implemented.

3.88 An internal audit, Collection Safety and Security was completed in June 2018. It found the Library's controls around safety and collection security to be appropriate and effective, and noted the staff culture at the Library was a contributing factor.

3.89 The Library has policies and procedures in place to protect items at high risk of theft due to cultural or monetary value. The storage of these items is appropriate, and security classified material is stored in a security container with access restricted to those with the appropriate security clearance. Access to areas in which these items are stored is governed by policy, although the policy has not been updated since April 1996 and was scheduled for review in April 2011. Staff access to these areas is both limited and appropriately monitored. In August 2017, an internal audit into user access management was completed, making four recommendations that were agreed to by management and the Library advised were implemented by March 2018.

3.90 Items that have been restricted for legal or cultural reasons are logged in a register, including an explanation, and a reference to TRIM files are included where there is a record of related correspondence. These items are marked as restricted in Voyager and can not be identified on the Library's public-facing catalogue.

3.91 Physical security of regular collection items is also appropriate. The Library's off-site storage facilities at both Hume and Mitchell in the ACT, which store low-to-medium-use parts of the collection are appropriately fenced and secured, and staff access to the facilities is limited to staff with a business need, and monitored. Readers accessing the collection at Parkes are required to register for a library card, and to only access collection items in the appropriate reading room. Readers accessing special collection items must do so in the Special Collection Reading Room, remain in the line of sight of Library staff, and items removed from any reading room will set off an alarm. Staff-only access areas are also fitted with scanners near the exit that sound an alarm when collection items pass through.

3.92 Staff separation during 2019–20, and IT and security access lists were analysed, with one of 60 separated staff members remaining on the Library's IT system. This staff member's access was temporarily extended with approval from management; and no separated staff members retained security pass access.

National Film and Sound Archive of Australia

3.93 The NFSA's primary security documents are its Protective Security Policy (approved by the Board July 2018) and Protective Security Plan (approved by the Chief Executive Officer December 2018). The NFSA maintains a suite of security plans and procedures that operate under these documents, including:

- Information Governance Framework (2017);
- Security Incident Policy and Procedures (2018); and
- Site Security Plans (2020).

3.94 The NFSA has aligned its 'Protective Security Plan with the PSPF as a matter of good practice'.⁷⁰ The Plan is scheduled for review every two years, with the next review scheduled for December 2020. A sensitivity/security classification is applied to emails and some policy documents have protective markings added.

3.95 The NFSA has a Security Committee comprising the NFSA Chief Security Officer, the NFSA Agency Security Advisor, and the NFSA IT Security Advisor. The NFSA Security Committee meets approximately quarterly and considers standing items such as ICT security, recent security incidents, security clearances, and the NFSA's information governance framework, as well as emerging items of business. The NFSA's last physical security risk assessment was conducted in October 2010. The NFSA advised it will engage a consultant to update its security risk assessment.

3.96 In May 2017, an internal audit assessed the NFSA's protective security framework against the PSPF requirements relating to governance, and personnel and physical security. It did not assess the NFSA against the PSPF's requirements relating to information security. It recommended the NFSA develop one overarching security document making reference to more detailed policies, that its Security Committee charter should be revised to take into account recent changes, that security incident reporting forms and the security incident register should be more closely aligned, and that the staff separation checklist should be completed and filed in accordance with human resources procedures. NFSA advised these recommendations were implemented and documentation was updated as recommended.

3.97 Staff separation lists and IT and security access lists were analysed, with no separated staff members identified with access to the NFSA's IT system or with active security pass profiles.

3.98 The NFSA's facilities in Acton and Mitchell have physical security controls in place. Access to all NFSA sites is controlled via access cards, and staff access to vaults restricted to staff with a business need and access is monitored.

3.99 Item movement in the NFSA is appropriately tracked, with all items barcoded and scanned to the shelf in which they are placed either in the vault or in holding areas. Barcode scanners are then synchronised with the NFSA's Collection Management System, Mediaflex (See paragraph 3.120 onward) to update item records.

3.100 The NFSA stores items of the highest cultural and monetary value in a locked safe, with access to the room and safe restricted. The NFSA could consider relocating this safe to a more central location within the building.

70 National Film and Sound Archive of Australia, *Protective Security Plan*, p. 5.

Loans

3.101 While both entities maintain national collections, it is within their legislative mandates to ensure these collections are ‘made available’ or are accessible.⁷¹ The Library and the NFSA can loan items where appropriate, especially in the case of the Library where items are often made available via inter-library loan.

National Library of Australia

3.102 The Library’s draft Loan of Library Collections Policy (drafted in 2014), for inter-library loans has the aim of ‘supporting and informing decision making for staff on the loan of items from the Library’s collections.’ It outlines key roles and responsibilities, standard loan conditions, and which parts of the national collection are available for loan. As at 1 December 2020, this policy had not been approved.

3.103 The Library’s loans procedures are recorded in a suite of documents which provide guidance to staff responsible for the handling of loans, including overseas inter-library loans. Library loans are managed through an inter-library loans management system, Relais, which interacts with Voyager. Library staff are also encouraged to consider whether an item should be sent for preservation work if required before being loaned out.

3.104 Relais generated overdue notices are sent to borrowing libraries at two and four weeks after the due date, followed by a final overdue notice at six weeks after the due date. After that time, Library staff follow up directly with a phone call or e-mail. After 16 weeks overdue, a final overdue notice is issued advising that a lost item invoice will follow a week later. If the borrowing library does not make contact with the Library or pay the invoice by its due date, borrowing privileges are blocked until the invoice is paid. Any items still not returned, replaced, or repurchased are added to the list of lost Library items.

3.105 A monthly non-supply report has been implemented to advise collection managers of catalogue maintenance issues and inform collection development decisions.

3.106 As at September 2020, there were 39 overdue staff loans and 78 overdue inter-library loans. These figures are reflected in Table 3.4 below.

Table 3.4: National Library of Australia — overdue loans

Year due	Overdue staff loans	Overdue inter-library loans
2016	0	1
2017	0	1
2018	0	0
2019	5	2
2020	39	78

Source: ANAO analysis of Library information.

71 *National Library Act 1960*, subsection 6(b).

National Film and Sound Archive of Australia Act 2008, paragraph 6(1)(a).

National Film and Sound Archive of Australia

3.107 Outgoing loans from the NFSA's collection are not centralised and can be raised by the Access, Collection Management, or Exhibitions teams. Loan items are to undergo a condition check as a separate workflow prior to dispatch. Procedures for preparing an item vary depending on the item and its destination, though at a minimum an item like a colour film reel or photographic still will undergo a period of acclimatisation after removal from its refrigerated vault. Films will also be appropriately wound for transit purposes. More sensitive items will be internally moved to the NFSA's conservation area for assessment, a condition report prepared, and the item and condition report are sent to the officer responsible for the loan.

3.108 Mediaflex does not generate automatic alerts of overdue items. Collection security area staff run a monthly report listing items out of the vault for more than three months, and these are to be investigated. NFSA advised that curators and access team members had primary responsibility for the follow-up of overdue items, and that an extension of the due date in Mediaflex could only be performed by collection security staff.

3.109 Overdue loans and extensions and changes to loan agreements are not adequately captured within Mediaflex, and loan records in Mediaflex do not routinely refer to TRIM files containing loan agreements. Sixty-eight overdue items were assessed with all 68 connected Mediaflex records containing deficiencies. Many included no details about the loan in Mediaflex, no references to TRIM files, and no associated TRIM files linked to Mediaflex, including missing information on loan extensions which were only recorded on TRIM. In several cases, TRIM files indicated that items had been returned.

3.110 While the NFSA was able to provide evidence that there was some follow-up to overdue loans, the records provided were not stored in TRIM, and generally related to more recent loans, rather than items that had been overdue for longer.

3.111 Over the last three financial years, an average of approximately 1,800 carriers⁷² were loaned out per year, or 0.006 per cent of the NFSA's collection.

3.112 In testing overdue loans, 11 items were found to be overdue for over five years, with the item the longest overdue having been out of the collection for nine years. There were also 14 items marked in Mediaflex as Preservation Material – that is, items considered to be the master and in some cases sole version of the item in the collection.

72 A carrier holds all or part of a media item – for example, a feature-length film may be stored across six separate reels of film, so has six carriers.

Recommendation no.4

3.113 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.*

3.114 *The NFSA will centralise and standardise the loans processes that are currently shared across a number of business areas of the NFSA. Concurrently, the NSFA will develop a loans policy to guide staff in undertaking these processes.*

3.115 *The NFSA is looking at options to develop or procure specialised software to manage loans of collection material. However, as noted, the percentage of the NFSA collection that is loaned each year is small (0.006% of the collection). Further, the majority of loans are made to cultural or collecting institutions, or trusted industry experts assisting with the conservation or digitisation of collection materials. Any long term approach will be commensurate with the volume and risk profile of the NFSA's loans program.*

Collection Management Systems

3.116 Collection Management Systems are a key mechanism for cultural entities to catalogue and control their collections as well as providing a central repository of information about the collection and facilitating record management and retrieval. Collection Management Systems modules could include: acquisitions, accession register, catalogue (including a minimum dataset and agreed nomenclature), and item or artist files (including notes, rights information and significance assessments). Libraries employ a Library Management System, an enterprise resource planning system designed for a library, comprised of separate software functions or modules integrated with a unified interface. Library Management System modules can include: acquisitions, cataloguing, circulation, serials, and online public access catalogue. Standards can be achieved through using mandatory fields at data entry level and developing data standards. Additionally, data should be regularly cleansed whereby duplicate records are deleted, missing fields completed, or the data quality of the record improved.

National Library of Australia

3.117 The Library's current Library Management System is Voyager, implemented in 2003, which underpins the Library's collection management operations including cataloguing and authority control, acquisitions, serials control, circulation and reporting. Voyager does not have the functionality to store or integrate preservation and exhibition information to ensure a complete record of an item's history. The Library advised that Voyager is approaching the end of its useful life and have commenced consideration of a replacement system.

3.118 Staff are provided with guidance on how to use Voyager in their day-to-day work, and there are mandatory data fields for record entry. In May 2020, the Library developed data cleansing documentation known as Voyager ILMS Data Integrity Processes. The documentation advises the user of data validation and protection measures, functioning as a control over potential invoice fraud. The document also provides guidance over bulk record edits and ongoing data maintenance.

3.119 The Library has a manual card catalogue/slips for overseas material received between the 1960s and 1980s that was not electronically catalogued at that time.

National Film and Sound Archive of Australia

3.120 The NFSA uses a commercial audio-visual collection system, Mediaflex, together with the work of the NFSA's internal Data Integrity and Analytics team, to manage its collection. Mediaflex stores a wide range of information on items, including preservation, loan and digitisation histories.

3.121 Staff roles and responsibilities for Mediaflex are identified, and staff are provided with guidance on how to use Mediaflex in their day-to-day work. Mediaflex also contains mandatory data fields for record entry, as well as requiring a minimum dataset of non-mandatory fields to 'provide additional descriptive and discoverability functions and ensure the NFSA's collection metadata meets the minimum data entry standards set by the [Galleries, Libraries, Archives and Museums] industry for archives and other cultural institutions'. The NFSA is planning to develop more methodical approaches to data cleansing on Mediaflex.

3.122 Mediaflex security was reviewed by internal audit in 2016 and the NFSA advised that all recommendations were implemented. In 2020, Mediaflex IT general controls were reviewed by internal audit, which made six recommendations. The NFSA agreed to the recommendations and expects them to be implemented as part of the ICT Governance and Security Project which is currently being scoped and planned.

3.123 The NFSA also retains legacy collection information in several other databases/systems — the Manually-accessioned Collection, the Film Australia Collection (refer to paragraph 3.36 for more information), and the Non-Theatrical Lending Collection.⁷³



Grant Hehir
Auditor-General

Canberra ACT
22 February 2021

73 The Non-Theatrical Loans Collection (formerly the National Film and Video Lending Service) is approximately 23,000 items consisting of training and feature films in various formats. The collection exists for library-like lending, these items are stored on their own database called Medianet and do not form part of the national collection.

Appendices

Appendix 1 Entity responses

NATIONAL LIBRARY OF AUSTRALIA

27 January 2021

Mr Grant Hehir
Auditor-General for Australia
Australian National Audit Office

Dear Mr Hehir

We enclose the National Library of Australia's response to the proposed report of the audit of Management of the National Collections follow-on.

The Library welcomed the performance audit and its overall finding that the Library had largely effective governance arrangements and collection management practices in place. The areas of improvement identified by the audit are being addressed.

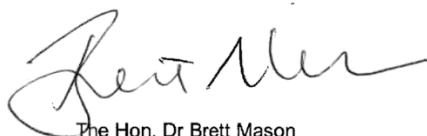
We acknowledge the conclusions and findings of the report, including that the Library has effective oversight arrangements through its Council, has developed an effective risk management framework, effectively develops its collection in accordance with legislative requirements, has an effective process to allocate preservation resources to areas of most need, and effectively stores its collection.

We welcome the audit observation that Library budgets are managed appropriately and within the intent of appropriations. However, we also note that, until we have a path forward for funding storage for current collections and anticipated growth, there are significant future risks in relation to management of the Library's collections

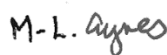
The Library accepts the two recommendations made by the audit. The Library will work to continue to improve its performance measurement, business continuity and security frameworks.

We would like to thank you for the constructive and collaborative manner in which your audit team worked with Library staff throughout the audit process.

Yours sincerely



The Hon. Dr Brett Mason
Chair of NLA Council



Dr Marie-Louise Ayres FAHA
Director-General



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25 January 2021

Mr Grant Hehir
Auditor-General for Australia
Australian National Audit Office
GPO Box 707
Canberra ACT 2601

Dear Mr Hehir,

On behalf of the National Film and Sound Archive of Australia (NFSA) I would like to thank the Australian National Audit Office (ANAO) for its work in conducting the audit into the management of the National Collections by the NFSA and the National Library of Australia. In particular, we appreciate the ANAO's flexibility while all participants faced the restrictions and pressures that have resulted from the COVID-19 pandemic.

The NFSA acknowledges the audit findings and recommendations and welcomes the ANAO's overall conclusion that the NFSA's collection management practices are largely effective. We recognise the value of independent review processes, we commit to implementing the ANAO recommendations and to continuous improvement in all our work.

The NFSA is the custodian of the national audiovisual collection, which consists of approximately 3.3 million items and has an estimated value of \$301 million. The NFSA's strategic vision is underpinned by a firm belief that the future of audiovisual archives is digital, and the collection includes over five petabytes of digital material. The NFSA's digital transformation recognises the impact of digital technologies on the creation, collection, storage, and accessibility of audiovisual material. The NFSA also continues in its role as steward of a vast analogue collection.

A key focus of our work over the recent years continues to be the digitisation of at-risk audio and video collections. Concurrently, we have taken strides to increase access to and engagement with the national collection. The NFSA has a vibrant program of physical exhibitions, screenings and events and has cultivated a strong online presence through our websites and social media, allowing us to share collection material widely. NFSA collection material is regularly accessed by screen practitioners, educators and media professionals and has appeared in a range of well-received documentary and narrative productions, both Australian and international, furthering our reach and delivering our content to new audiences.

The NFSA Board and management would like to thank NFSA staff who contributed to the audit process for their responsiveness and positivity in the difficult circumstances of 2020.

Regards,

Gabrielle Trainor AO
Chair

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Appendix 2 Implementation of recommendations to the National Library of Australia from Report No.59 2004–05 Safe and Accessible National Collections

Table A.1: Recommendations to the Library

Recommendation	Status
<p>Recommendation No.6</p> <p>As the conditions that collections are maintained in are a key indicator of the care of the collection, the ANAO recommends that cultural institutions consider reporting the actual parameters set and the standards achieved to their respective councils on a regular basis and also in their Annual Reports.</p>	<p>The Library's Storage Blueprint (Collection Storage Masterplan) outlines the environmental parameters for each stack location.</p> <p>Quarterly environmental reports to curators. There is environmental reporting to the Executive, but parameters and standards achieved are not included in Annual Reports. The 2019–20 Annual Report included information regarding how the existing offsite storage facilities operate passively, without reliance on heating and cooling.</p>
<p>Recommendation No. 7</p> <p>The ANAO recommends that the Library, Museum and the Gallery consider introducing performance targets for facilities repair and maintenance and a formal system to monitor key collection related repairs and maintenance.</p>	<p>The Library reports internally on performance measures covering preventive maintenance.</p>
<p>Recommendation No.8</p> <p>The ANAO recommends that each cultural institution (except the Memorial) evaluates its current exit procedures to ensure that staff ceasing employment do not retain security access cards and systems access to the network, Collection Management Systems and other IT systems.</p>	<p>ANAO testing of current exit procedures indicate there are adequate controls in place. Refer paragraph 3.92 for testing performed.</p>
<p>Recommendation No.11</p> <p>The ANAO recommends that the Library tightens its current controls over access cards and books in the main reading room.</p>	<p>ANAO testing of current exit procedures indicate there are adequate controls in place over access cards. Refer paragraph 3.92 for testing performed. Security controls over books in the main reading room appear reasonable, refer paragraph 3.91.</p>
<p>Recommendation No.13</p> <p>The ANAO recommends that cultural institutions formulate long-term digitisation plans, which contain evaluation criteria for the measurement of success of their digitisation programs.</p>	<p>The Library's digitisation plan does not contain evaluation criteria for the measurement of success of its digitisation program. It refers the reader to its regular KPIs.</p>
<p>Recommendation No.14</p> <p>The ANAO recommends that cultural institutions discuss, with a view to the developing, a set of key common performance measures. The ANAO also recommends that the: (c) Museum and Library consider reporting against key measurables in their Service Charters.</p>	<p>The Library included website availability, a key measure in its Service Charter, as a KPI in its 2020–21 Corporate Plan which will be reported in its 2020–21 Annual Report. Service Charter measures have not been publicly reported in its Annual Report since 2014–15.</p>

Source: Auditor-General Report No.59 2004–05 *Safe and Accessible National Collections*.

Appendix 3 Criteria for the assessment of the appropriateness of performance information

1. To undertake an assessment against the Department of Finance's *Resource Management Guide No. 131: Developing good performance information*, ANAO has applied the following audit criteria. This criteria has been applied for audits of performance information since Auditor-General Report No.58 2016–17 *Implementation of the Annual Performance Statements Requirements 2015–16*. The assessment characteristics and explanations have been updated over time to reflect ANAO's methodology development.

Table A.2: Criteria for the assessment of the appropriateness of performance information

Finance guidance	Assessment characteristics	Explanation
Relevant	Benefit <i>The performance criterion clearly indicates who will benefit and how they will benefit from the entity's activities.</i>	The performance criterion should explain who will benefit from the activity and how the recipient benefited.
	Focus <i>The performance criterion should address a significant aspect/s of the purpose, via the activities.</i>	The performance criterion should assist significantly in informing whether the purpose is being achieved, and the attribution of the entity's activities to it is clear.
	Understandable <i>The performance criterion should provide sufficient information in a clear and concise manner.</i>	The performance criterion should be stated in plain English and signal the impacts of activities to inform users.
Reliable	Measurable <i>The performance criterion should use and disclose information sources and methodologies that are fit for purpose.</i>	The performance criterion should be capable of being measured to demonstrate the progress of fulfilling the purpose. This includes documenting a basis or baseline for measurement or assessment, for example a target or benchmark.
	Free from Bias <i>The performance criterion should be free from bias and where possible, benchmarked against similar activities.</i>	The performance criterion should allow for clear interpretation of results and provide an objective basis for assessment.
Complete	Balanced <i>The performance criteria should provide a balanced examination of the overall performance story.</i>	The performance criterion should reflect a balance of measurement types (effectiveness and efficiency), bases (quantitative and qualitative) and timeframes (short, medium and long-term).
	Collective <i>The performance criteria should collectively address the purpose.</i>	The performance criteria should demonstrate the extent of achievement against the purpose through the activities identified in the corporate plan.

Source: ANAO and Department of Finance information.