



Te Rua Mahara o te Kāwanatanga

ARCHIVES

NEW ZEALAND

# Report on Archives New Zealand's 'line-by-line' Review

February 2009  
Version 1.2

# 1. Background

## ***Formation of Archives New Zealand***

- 1.1. The National Archive was formally established by the Archives Act 1957 as a business unit of the Department of Internal Affairs. The Archives, Culture and Heritage Reform Act of 2000 transferred the responsibilities of the National Archives to the then newly created public service department of Archives New Zealand.
- 1.2. The Public Records Act 2005 (PRA) replaced the Archives Act 1957 continuing both the repository of national archives and the department under the name Archives New Zealand Te Rua Mahara o te Kāwanatanga. The Public Records Act 2005 is consistent with and supports the Official Information Act and the Privacy Act.

## ***Overview of the department***

- 1.3. Under the Public Records Act 2005, Archives New Zealand focuses on government's information system to ensure it is robust and efficient. This is so government can be accountable and trusted through government agencies having records of business decisions and being able to find those records when needed. Effective management of information also means that government agencies can be accountable to the Crown. Effective management of government's information also results in efficiencies in that records of past experiences can be used to inform current decisions.
- 1.4. The volume of digital information being created by government agencies is increasing rapidly. At the same time, the amount of paper being produced remains high (although decreasing). Ensuring that digital records can remain accessible through ongoing changes in technology and those created using the emergent technologies (e.g. blogs, twitter, text), is challenging many agencies and represents a significant risk to government.
- 1.5. Archives New Zealand supports the effective management of the large volumes of information that government produces by working with agencies to identify records that can be destroyed when no longer needed (the Chief Archivist must authorise destruction of any government records). The department has developed sound frameworks to guide information management practices that support business needs and efficiency. Progress on effective information management is measured in an annual government recordkeeping survey and through independent recordkeeping audits that will start in 2010.
- 1.6. Government information that the Chief Archivist has identified with long-term value is transferred to Archives New Zealand when its administrative purpose is finished. The majority of these archives are held in Archives New Zealand's repositories in Auckland, Wellington, Christchurch and Dunedin. Others are held in behalf of the department in 11 approved repositories throughout New Zealand.

- 1.7. Archives New Zealand has developed several significant products over the last few years. These include an online catalogue for easy discovery of the over four million files held at Archives New Zealand and mandatory recordkeeping standards. These recordkeeping standards have been developed in consultation with agencies and will be used for compulsory recordkeeping audits. Archives New Zealand has developed a large amount of recordkeeping advice which is delivered through the brand 'Continuum' on the department's website. Agencies are working hard to improve their information management practices and there is strong demand for Archives New Zealand products.
- 1.8. Archives New Zealand is currently working on ways to digitise some of its archives to improve accessibility. Overseas experience has shown that use of the archives increases significantly when records are available through websites. The department holds many restricted access records that are allocated this status due to reasons such as security or privacy. Systems have been developed to ensure that users of public archives can only access those records they are entitled to see.
- 1.9. The infrastructure at Archives New Zealand has been built up over the last few years and is solid with recordkeeping pathways mapped for agencies to follow that are sound and pragmatic. The department's user base will continue to grow as more information becomes available through its website and other collaborative channels such as Digital New Zealand - a National Library of New Zealand initiative. A significant challenge is to ensure that Archives New Zealand can continue to offer current services while continuing to address the challenges of the changing digital environment.
- 1.10. The Chief Archivist has various responsibilities under the Public Records Act, including:
  - authorising the disposal, i.e. destruction or transfer, of public records
  - exercising a leadership role for recordkeeping in public offices and for the management of public archives in New Zealand
  - issuing standards (including mandatory standards) relating to any aspect of recordkeeping within public offices and local authorities including records creation, maintenance, management, disposal and access
  - providing advice, and issuing guidelines, on the procedures or best practice for the creation, maintenance and efficient management of public records and local authority records
  - monitoring and reporting on the compliance of public offices and local authorities with the Public Records Act
  - issuing criteria for the independent auditing of recordkeeping within public offices
  - controlling and administering public archives and ensuring their preservation
  - facilitating public access to, and promoting the use of, public archives, and
  - exercising a leadership role in facilitating and coordinating archival activities in New Zealand.

- 1.11. The Chief Archivist acts independently and is not subject to ministerial direction in making decisions about the disposal of public records under section 20 of the Public Records Act 2005. An exception to this applies to Archives New Zealand's own records, where the Minister Responsible for Archives New Zealand authorises their disposal.
- 1.12. The department has one output class and the major outputs produced to achieve its outcomes are:
- recordkeeping and disposal advice for public sector agencies
  - monitoring and compliance
  - a secretariat function for the Archives Council Te Rua Wānanga
  - archives storage; describing; and preservation
  - access services to public archives
  - advice and support to community archives
  - policy, planning, reporting and ministerial services.
- 1.13. The value of Archives New Zealand's holdings as a Crown asset is approximately \$503 million.

## 2. Line-by-line review

### *Programme alignment*

- 2.1. Archives New Zealand initiated the line-by-line review by examining the outputs that Archives New Zealand currently delivers. The department has followed the suggestions in the Cabinet Business Committee minute (CBC Min (08) 563) and reviewed its outputs against Government priorities based on policy statements, coalition agreements and discussions with the Minister Responsible for Archives New Zealand. This assessment is documented as follows.

Criteria	Assessment
<i>Programmes that are inconsistent with this government's priorities and should be discontinued</i>	Nil
<i>Programmes that are inconsistent with this government's priorities and should be looked at</i>	Nil
<i>Programmes that may be inconsistent with this government's priorities and should be looked into</i>	Nil
<i>Programmes and expenditures that are not efficient or effective</i>	Archives New Zealand is reviewing the efficiency and effectiveness of its outputs in line with government's expectations and also identifying the relative priority of each programme. Details of efficiency initiatives are noted below in this report.
<i>Areas where performance information is insufficient to make a</i>	In line with the 2007/08 Audit Report recommendations, as part of the Archives

<i>judgement about efficiency or effectiveness</i>	New Zealand Statement of Intent planning process, existing measures will be reviewed to reassess their appropriateness and it is expected that improvements will be made to the department's performance information.
<i>Actions agencies should take to make improvements by the next review period</i>	<p>Archives New Zealand proposes that a priority is to work with all agencies to ensure that government's digital information survives for as long as it is needed. The unintended loss of digital records is a significant risk.</p> <p>Archives New Zealand also advises there is significant potential to have more robust and cost effective government information systems e.g. the department proposes to work with agencies to identify the best procurement systems for managing their current records and also investigate whether records that are still needed, but used infrequently, could be more cost effectively managed.</p> <p>Archives New Zealand are assisting agencies in these areas as individual agencies are already investing in tools like electronic document management systems. (refer to the draft Digital Continuity Strategy which is currently being finalised after consultation with government agencies and the public). Archives New Zealand will fund this work by identifying and stopping its work of lower priority.</p>
<i>Initiatives of the previous government that are not funded</i>	Nil

- 2.2. The conclusion from this exercise is that Archives New Zealand's outputs are aligned with government priorities. Some further work is being undertaken as part of the Statement of Intent process to improve measurement frameworks to better quantify intervention impacts.

### **Financial pressures 2009 / 10 budget**

Figure1: Archives New Zealand Budget 2008 / 09

Expense category	Budget \$000	Percentage
Personnel	9,738	42
Expenses	5,828	25
Depreciation	2,646	11
Capital charge	5,213	22
Total	23,425	100

- 2.3. The department understands that it will not receive any additional funding for its 2008 / 09 baseline in the 2009 / 10 budget. Excluding depreciation and capital charges, the effective budget will remain at \$15.6 million.
- 2.4. In addition to work on digital information, Archives New Zealand is facing increasing costs in the areas of building rates, insurance, and energy and will need to manage any staff salary increases. These are calculated to be approximately \$500,000 or approximately 3 percent of its operational budget.
- 2.5. Additionally, as a result of the revaluation of Archives New Zealand's buildings, the capital charge levied by Treasury has increased. Compensation for part of this increase occurred automatically in the October baseline review. However, an outstanding change of \$141,000 remains against the department's budget. This represents a significant cost increase for Archives New Zealand given its modest budget. The department is seeking the Minister Responsible for Archives New Zealand's support to have the budget adjusted to compensate for this cost. Any adjustment would be fiscally neutral to the department.

***Negative real growth in operating expenditure***

- 2.6. The Cabinet Business Committee minute (CBC Min (08) 563) notes on page 12 that between 2001 / 02 and 2006 / 07, Archives New Zealand had negative real growth in total operating expenditure of approximately 20 percent. Only one other agency has experienced a more negative funding growth during this period. Over this time, Archives New Zealand met, from baseline, an increased demand for services and started a digitisation programme to make paper records available digitally.

***Priority work – addressing the digital challenge***

- 2.7. As noted in the Treasury guidance, the line-by-line review offers the opportunity to identify areas where savings could be made by putting forward 'proposals that make savings'.

*[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]*

- 2.12. The overall aim is to ensure that Archives New Zealand allocates resources to activities that ensure government information, particularly digital information, is authentic, reliable and readily available. This includes desk top information, case file information, business system information, and information with archival value.
- 2.13. Archives New Zealand intends to redirect \$100,000 of existing funding to maintain some momentum in these areas.

***Savings and efficiency gains***

- 2.14. Archives New Zealand has undertaken a review of its expenditure categories to identify where efficiencies and funding for reprioritisation could be made to fund the \$500,000 essential cost increases and the \$100,000 necessary to advance these priority areas.
- 2.15. The review identified areas in operational service and support including reducing the volume of work in 'archival describing', reducing the use of consultants and contractors to a minimum, and reducing administrative support. This also involves reducing staff numbers by up to five percent, or six full time equivalent staff, through attrition, and reducing budget allocations for support areas such as travel and catering. These steps will enable the \$500,000 required to fund increased costs and the \$100,000 for reprioritisation.
- 2.16. As noted in the Cabinet Business Committee minute, point 3 (CBC Min (08) 32/6), Archives New Zealand recognises that achieving 'value for money' needs to be an ongoing exercise. The department is currently undertaking a review of its core business activities to identify more efficient ways to deliver

its outputs and improve service delivery. These reviews and further similar initiatives will continue.

- 2.17. Archives New Zealand is currently implementing an online payment facility which will allow customers to request and pay for archival documents online. This will replace the existing system of staff receiving orders and credit card details by phone. The online system will improve security, increase customer convenience and allow staff resources to be redeployed on more value-added activities.
- 2.18. Similarly, Archives New Zealand's 'Repoman' project will improve the back office support functions for access services by improving the management of the location of archives. The redevelopment will enable public users to request items from a single web-based system. At present customers are required to search in one system and manually note the catalogue details, then add this data to an entirely different system only available in Archives New Zealand's Reading Rooms to request its retrieval for them to view.
- 2.19. Archives New Zealand is also getting smarter about the way it delivers its services. It is undertaking an exercise on customer segmentation which will enable the department to provide more targeted service delivery resulting higher customer satisfaction as well as better matching service requirements with staff skill sets.
- 2.20. As noted, Archives New Zealand has used volunteers to assist with its digitisation programme and will continue to seek innovative use of partnerships with agencies and private organisations to increase efficiencies.

### **Conclusion**

- 2.21. In total, the department has identified opportunities to redirect approximately \$600,000 from its existing budget for 2009 / 2010 to meet unavoidable cost increases and to maintain some momentum in its priority areas.
- 2.22. The line-by-line review direction, outlined in the Minister of Finance's letter of 17 December 2008 to ministers, was to 'look to align incentives and retain savings so that the relevant portfolio minister can advance priorities within their role'. This is how Archives New Zealand intends to allocate the \$100K identified above and beyond the \$500,000 required to address unavoidable cost increases in the next fiscal year.
- 2.23. If the Archives New Zealand budget was reduced by \$600,000 and this amount put into the overall 2009/10 budget pool, more drastic cuts involving redundancies up to 10% of existing staff and reduced ability to fulfil statutory responsibilities will inevitably occur. The department would need to find an additional \$500,000 of funding to continue its core operations resulting in an effective decrease of \$1.1 million from its current \$15.6 million budget.