

The Treasury

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- [1] 9(2)(a) - to protect the privacy of natural persons, including deceased people
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In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.

Vote National Library

Four-year Budget Plan

30 November 2010

Submitted by:

National Library of New Zealand

Section 1: New Baseline and Summary of Changes

Direction of Change

The focus for the next four years is to complete the Wellington building redevelopment, grow usage at Auckland's new centre, implement all the activities to modernise services under the New Generation Strategy, and develop further the collaborative programmes being undertaken. These programmes include Digital New Zealand, the Aotearoa Peoples' Network Kaharoa, Kōtui, and the Government Digital Archive.

Overall Impact

Operating	Impact (\$000s)				
	2010/11	2011/12	2012/13	2013/14	2014/15
Current Baseline	72,026	67,730	68,827	69,934	69,934
Cost of new/increased activities	249	458	505	264	264
Amount reprioritised	(249)	(458)	(505)	(264)	(264)
New baseline	72,026	67,730	68,827	69,934	69,934

The operating cost of new activities is all related to one capital project: "Maximising Outcomes of the Wellington Building Redevelopment". The proposed refurbishment to the lower ground, ground and level three floors is required to address the degraded state of areas of the National Library building (essentially unchanged since 1986) that are outside the scope of the current redevelopment project. The proposed refurbishment area is 7000 m² making up just under one third of the total National Library building area. More than half of this area consists of main public entry and public services functions.

Operating costs are analysed below. Costs associated with capital will be funded from the Library's balance sheet and depreciation will be accommodated within existing baselines.

<u>Cost of new/increased activities</u>	2010/11	2011/12	2012/13	2013/14	2014/15
Operating associated with capital	249	458	307	0	0
Depreciation	0	0	198	264	264
Total	249	458	505	264	264

Reprioritisations totalling \$0.2m in 2012/13 and out years will be made to cover depreciation.

Capital	Impact (\$000s)				
	2010/11	2011/12	2012/13	2013/14	2014/15
Capital proposal seeking new funding in Budget 2011.	0	0	0	0	0
Capital proposal seeking decisions in Budget 2011 funded within baselines.	480	10,055	1,841	0	0
Total capital intentions	480	10,055	1,841	0	0

The capital above is for one initiative: “Maximising Outcomes of the Wellington Building Redevelopment”. No new capital is being sought for this initiative as it can be funded entirely from the Library’s balance sheet.

The Library has built up its balance sheet over a number of years with funds set aside from depreciation and by managing the use of these funds on asset replacement with the aim of ensuring that funds are available to restore the Wellington building to levels of functionality that align with the Library’s other activities to modernise services.

Section 2: Vote Priorities and Pressures

Priorities

- Wellington building redevelopment
- Completion of the NGIP
- Integration with DIA
- Access and Preservation - Heritage Collections
- Collaboration and Partnership

A. *Details of the four priorities and strategies for the National Library over next four years*

1. INTEGRATION WITH THE DEPARTMENT OF INTERNAL AFFAIRS AND ARCHIVES NEW ZEALAND

The major priority and 2011 milestone for the integration will be:

- a) *A new organisational and financial structure is in place from 1 February 2011*

2. IMPLEMENTING THE NEW GENERATION STRATEGY TO MODERNISE SERVICES

The implementation programme modernises all aspects of the National Library's operations.

Priorities and milestones for 2011 and the medium term will be:

- a) *Wellington building redevelopment* – maintaining services while decanted; redeveloping storage and infrastructure; and managing the return to the building:

- Reopening of the redeveloped Wellington building on time and within budget in early 2012
- 100% of the heritage collections held by the National Library are kept in appropriate environments by 2012 (currently 55%)

- b) *Service design and development* – redesigning frontline services over a two-year period to coincide with return to the Wellington building in 2012:

- Completion of realignment for services provided by the Alexander Turnbull Library, Public Programmes and the Services to Māori unit
- Comprehensive service redesign, including new visitor and online experiences, in place by the 2012 Wellington building reopening

3. HERITAGE COLLECTIONS – ACCESS AND PRESERVATION

The National Library will continue to add to the heritage collections while increasing access through digitisation and online services.

Priorities and milestones for 2011 and the medium term are:

a) *Digitisation* – increasing value of the National Library’s own collections through increased access online, through digitisation of heritage collections

- National Library’s online image collections will have increased by at least 1 million images in the period out of the Wellington building to 2012
- Retrospective audio preservation will result in at least 2,000 at-risk audio holdings digitised by 2012 and made available through the National Digital Heritage Archive

b) *Collection development* – New Zealand’s physical documentary heritage will be increased.

- Up to 70,000 items acquired for the Alexander Turnbull Library and 15,000 electronic documents ingested into the National Digital Heritage Archives in the year to June 2011.

4. COLLABORATION AND PARTNERING FOR GREATER EFFICIENCY

The National Library is a collaborator and partner with agencies across government, library, research, education and local government sectors. The National Digital Heritage Archive is being extended to create a secure Government Digital Archive for digital public archives for use by Archives New Zealand and other agencies. The National Library delivers the Aotearoa People’s Network Kaharoa (a managed service network) to 127 public libraries and three marae in 2009/10, encouraging skill development in digital literacy.

Priorities and milestones for 2011 and the medium term are:

a) *Data and information access and re-use* – continuing to build Digital New Zealand’s service offering in 2011 with a focus on digital assets that are licensed or freely available for re-use:

- Digital New Zealand applications are built to access digital assets for re-use

b) *Aotearoa People’s Network Kaharoa* – implementing from July 2011 a new subscription-based business model to secure future financial sustainability and growth of the network:

- Aotearoa People’s Network Kaharoa is financially sustainable by 2012

c) *Kōtui* - In collaboration with local authorities, implementing a shared service for public libraries to provide library management and discovery systems:

- Kōtui shared services phase 1 will have 4-5 libraries implemented by June 2012

d) *Government Digital Archive* – working closely with Archives New Zealand to ensure the Government Digital Archive goes live in 2013

- Government Digital Archive live by 2013

Pressures

- Retaining qualified staff
- Managing with reduced and changed leadership

1. *RETAINING STAFF*

A real risk in any process of integration is the loss of key and qualified staff. The Library is conscious that uncertainty can lead to staff choosing to move to another organisation, leaving critical roles vacant. The situation is being monitored and where significant gaps occur we are recruiting a mix of contract staff and reprioritising activities.

2. *CHANGING LEADERSHIP*

As already announced, there will be changes in the leadership roles for the National Library, beginning with the Chief Executive/National Librarian in mid-December. The Strategic Leadership Team members are aware that changes cause uncertainty and unrest, and are working together to mitigate further disruption.

B. *Changes to existing service delivery or mix of services provided*

No change to the existing service delivery is expected until 2012. The current level of service has been reduced temporarily while the National Library building reconstruction is underway, and will return to full strength once staff and collections are back in place. At this time, some new programmes aligned with the New Generation Implementation plan currently being developed will commence.

C. *How these will contribute to achieving government priorities*

The government expectations are that the National Library will:

Deliver better smarter services for the same cost or less.

To achieve this over the next four years, the National library intends to:

- Improve transparency in the costs of outputs by continuing to increase capacity in the area of organisational performance management, reporting and improvement, and demonstrate significant efficiencies over time
- Reduce costs through closing the Palmerston North Services to Schools office and providing the Curriculum Information Service and advisory services from a single centre in each island: Christchurch and Auckland While this will increase the cost of staffing in those offices to compensate for the additional workload, lower staff numbers are expected in total (6-7 staff, approximately 50% reduction) and operational costs, other than staff costs, will be saved.
- Review low-use storage facilities, and integrate with Archives where feasible. Analysis of the Palmerston North and Wanganui sites owned by the National Library by a joint working group from Archives and the National Library is

necessary to determine the most appropriate site and ensure alignment of future needs.

- Phase down the retrospective cataloguing project from 2015 and reduce resources from this date, although it is recognised that this will result in a longer “tail” in completing the retrospective cataloguing of general collections.
- Review general collections policy settings, in the light of moves to digital subscriptions-based resources. This could potentially extend the ability of the Library to house collections post-2030.

The library will meet these expectations by consciously examining all expenditure to ensure that we can continue to deliver our core business while undertaking the changes. Our focus must be on risk evaluation and effective controls – both fiscally and through demonstrable efficiencies in our management practices.

Section 3: Proposed Changes for Budget 2011 (Reprioritisation)

Other than the reprioritisation required to accommodate depreciation (refer section 1), no reprioritisation is possible within Vote: National Library over the next four years. The only movements will be those identified between Vote: DIA and potentially Vote: Archives as a result of the integration. Until there is clarity around the integration of the shared services delivery model, no additional savings or reprioritisation (i.e. not already in baseline) can be identified.

The National Library has committed to \$1.440 million of savings (over four years) as part of the integration with DIA. These savings are already reflected in operating baselines (2010/11 OBU).

The National Library is not seeking any new funding in 2011.

Section 4: Summary of Financial Movements

No changes to appropriations are being sought.