

National & State Libraries Australasia

18 July 2008

Mr Russell Chafer
Committee Secretary
Joint Committee of Public Accounts and Audit
PO Box 6021
Australian Parliament House ACT 2600

jcpa@aph.gov.au

Dear Mr Chafer,

Please find attached the submission of National & State Libraries Australasia (NSLA) to the *Inquiry into the effects of the ongoing efficiency dividend on smaller public sector agencies*.

NSLA represents the National, State and Territory Libraries of Australia and New Zealand. We collaborate to improve access to library collections and services and to strengthen our information infrastructure. More information about NSLA is available at www.nsla.org.au.

Thank you for the opportunity to contribute to this inquiry.

Yours sincerely,

Alan Smith

Chairman,
National & State Libraries Australasia

Submission

Inquiry into the effects of the ongoing efficiency dividend on smaller public sector agencies

This submission is in response to the effects of the ongoing efficiency dividend on the National Library of Australia.

The National Library is the largest reference library in Australia with a unique collection documenting our history and culture, and a strong focus on leading collaborative national and international initiatives in the sector.

The National Library supports learning, creativity and intellectual endeavour across the whole community, and achieves this so successfully by encouraging innovation and experimentation in their staff and by leveraging collaborative and partnership opportunities. Nevertheless the body of work for libraries is increasing.

Rapid changes in information technology are shifting the needs and the expectations of our users, especially young people who are the scholars, innovators and researchers of the future.

The internet is the first choice for information, to obtain services and to access global culture. Production of books and printed material continues to increase along with the move to mass digitisation and an explosion of born-digital materials. These factors are driving the need for libraries to review and shift their services.

NSLA Libraries, with the leadership of the National Library of Australia, have developed significant programs and initiatives that are increasing access to library collections using new technologies and digital services, making them easier to find and to use. These include:

- Picture Australia – an archive of images held in more than 40 cultural institutions across Australia, managed by the National Library (www.pictureaustralia.org)
- Australian Newspaper Plan – ensuring access and preservation of the nation's newspapers (www.nla.gov.au/anplan)
- Libraries Australia – the combined catalogue of Australia's libraries (www.librariesaustralia.nla.gov.au)
- Pandora – the national web archive (www.pandora.nla.gov.au)
- Electronic Resources Australia (ERA) – a national approach to licensing subscription databases (era.nla.gov.au)

Many more initiatives and programs are underway or in planning and the importance of the National Library in leading these initiatives is critical. They have the agency scope to initiate and to deliver national and international collaborative programs and to drive the industry forward. Their leadership supports the participation of diverse jurisdictions and partnerships, and provides the cutting edge technological expertise and creativity to transform library services for the digital world.

National & State Libraries Australasia

Any, and each, cut to the funding of the National Library impacts the capacity of Australia's libraries to respond to the changing information environment. Already the ongoing efficiency dividends have significantly limited both their core functions and their ability to drive change in the library sector.

The result of this is that Australia's documentary heritage and culture are less visible and accessible on the internet.

Response to the Terms of Reference

1. *Whether the efficiency dividend has a disproportionate impact on smaller agencies, including whether or not smaller agencies are disadvantaged by poorer economies of scale or a relative inability to obtain funding for new policy proposals;*

No comment.

2. *Whether the efficiency dividend is now affecting the capacity of smaller agencies to perform core functions or to innovate;*

The efficiency dividend is affecting the core functions of the National Library by:

- Forcing cuts to services provided in reading rooms;
- Reducing opening hours;
- Cutting core collecting activities, particularly for the Asia/Pacific region where the staff presence based in Indonesia has had to be withdrawn;
- Reducing capacity to assist other national libraries in the region and participate in international forums; and
- Falling behind other national libraries in digital collecting and preservation responsibilities.

Their capacity to innovate has also been affected by declining resources, particularly by:

- Reducing the capability of the National Library to participate effectively in the digital world, and so reducing the visibility and accessibility of Australia's documentary heritage on the internet.

3. *What measures small agencies are taking to implement the efficiency dividend, and the effect on their functions, performance and staffing arrangements;*

The National Library has implemented the following major measures as a result of the latest round of efficiency dividend cuts. These have been

National & State Libraries Australasia

undertaken as agency-wide savings are already at capacity and in an environment of rising operating costs.

- Cutting services and opening hours
- Closing the Asia/Pacific acquisition office, based in Jakarta, Indonesia
- Not replacing a member of the senior executive team
- Reviewing and limiting collaborative projects, shifting some resourcing obligations to smaller partners
- Limiting loans to other cultural institutions for exhibitions

4. *Any impacts of the efficiency dividend on the use by smaller agencies of "section 31" agreements to secure non-appropriation receipts (eg through user charges and cost recovery) - noting that these receipts are not subject to the efficiency dividend;*

No comment.

5. *How application of the efficiency dividend is affected by factors such as the nature of an agency's work (for example, cultural, scrutiny, or regulatory functions) or the degree of discretion in the functions performed by smaller agencies; and*

No comment.

6. *If appropriate, alternatives to an across-the-board efficiency dividend to encourage efficiency in the Commonwealth public sector, including consideration of whether certain agencies should be exempted from the efficiency dividend, or whether the rate of the dividend should vary according to agency size or function.*

NSLA recommends that the National Library of Australia be exempted from the efficiency dividend due to:

- their critical role in leading information services in Australia;
- growth in demand and expectations for library services;
- rising ongoing costs of effective stewardship of the collections; and
- the importance of their contribution to the national research and innovation infrastructure.

18 July 2008