

JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT

Inquiry into Governance in the stewardship of public resources

Appearance by Director-General National Archives of Australia, 14 April 2021

OPENING STATEMENT

Thank you for the opportunity to appear before the Committee.

The National Archives of Australia provides leadership in best practice management of the official record of the Australian Government. In doing so it aims to ensure that Commonwealth records of enduring significance are secured, preserved and available to government, researchers and the community.

One of the ways that the National Archives provides leadership is by developing and promulgating policies to guide Commonwealth agencies towards improvements in managing their records and information. We do this because information is a critical asset for government and the community.

By Information, we mean 'Information Assets' collectively referred to as records, information and data.

The Digital Continuity 2020 policy was the second significant policy delivered by the National Archives in the last ten years and was intended principally to encourage the transition of agencies towards effective digital operations and information management. While the policy did support and assist agencies to make that transition we recognise that its implementation could have been improved.

The 2019 ANAO audit of the National Archives' implementation of the DC2020 Policy provided timely insights and advice that were drawn on to inform the development of its successor policy – *Building trust in the public record: managing information and data for government and community*, which took effect on 1 January this year. The findings and recommendations of the ANAO audit have been fully integrated into the development of the policy and planning for its delivery.

The *Building trust in the public record* policy aims to further improve how Commonwealth agencies create, collect, manage and use information assets as authentic records of government. This new policy continues to promote good information management as essential to building trust in

Commonwealth information, and to maximise its value to meet the current and future needs of the government and community. It also enables government to continuously improve how it creates, collects and manages its information assets.

The effective stewardship of public resources cannot happen without effective information management. Good governance is underpinned by the creation and management of records.

Accurate records must be created and managed for as long as needed to ensure continued accessibility to support sound governance, transparency and accountability. Without proper records, public resources may not properly be identified, valued, managed, accessed or maintained.

Without accurate and accessible records it would be impossible to account for the financial resources of the Commonwealth. The same applies to any public resource or asset, including information and data, which themselves constitute a significant public resource.

The Commonwealth response to the current COVID-19 pandemic illustrates the critical need for sound information asset management, supporting the recording, finding, sharing and re-use of information assets for national benefit. This information is vital not only in real-time, to inform evidential, accountable and best-possible decision making, but to inform future such responses.

An important aspect of the COVID response, as with any other government program, is trust. Trust in the Commonwealth is related to its capacity to deliver. The quality of both what is delivered and how delivery is achieved are each crucial to that trust, but it is only with sound information management that quality outcomes can be achieved.

A high level of information management maturity in government is therefore crucial.

Based on its annual survey of Commonwealth agencies, the National Archives has seen an improvement in agency information management maturity over recent years. However, it is apparent that there is still a significant way to go to ensure that all Commonwealth data and information assets are effectively managed. As I have stated, without effective information management, the proper stewardship of public resources is at risk.

The National Archives 2019 survey of agencies identified a number of gaps in information management capability. For example, an estimated one-third of agencies were not expected to meet all requirements of the DC2020 policy by its conclusion at the end of last year. A similar number indicated they have insufficient resources to identify information assets of long-term value or to undertake authorised and appropriate destruction of less significant records no longer required. These agencies risk loss of valuable information and face increased storage costs of

information no longer needed. The National Archives estimates that each year **\$25 million is spent** across government on storing information which is no longer needed for business purposes and can be legally destroyed under authorisations issued by the National Archives.

If agencies cannot guarantee the effective and appropriate management of their information and data, the information assets they hold cannot be readily located, used or transferred between systems. This results in operational inefficiencies and a reduced capacity for responsive service delivery. Accordingly, these agencies are less equipped to meet the demands of government, the expectations of citizens, or to ensure sound stewardship of their information assets.

Although digital options are available, some agencies are still using paper processes – resulting in the creation and storage of duplicate, redundant and obsolete information.

In addition to the National Archives' survey data, there is further evidence to indicate that recordkeeping and information management needs to improve across the Commonwealth. The Report of the Functional and Efficiency Review of the National Archives conducted by Mr David Tune AO PSM was released in March 2021 (Tune Review). The Tune Review noted that several recent whole-of-government inquiries have identified issues with poor recordkeeping, affecting the public's ability to access information. Since 2013 five out of seven royal commissions have highlighted poor information management practice across government and the private sector. One-quarter of all Commonwealth Ombudsman investigations in 2018 found information management was deficient and did not support good decision making. The Australian National Audit Office (ANAO) identified information management deficiencies in more than a third of all audits undertaken in 2016–17 alone.

Further examples cited in the Tune Review include the Royal Commission into Institutional Responses to Child Sexual Abuse which noted the impact on victims of lack of access to information, the Royal Commission into the Home Insulation Program which noted poorly informed decision-making as a result of not keeping records, and the ANAO which identified inadequate accountability and transparency as a result of poor recordkeeping in its March 2018 *Recordkeeping insights* report.

Peter Shergold's August 2015 report *Learning from Failure: Why large government policy initiatives have gone so badly wrong in the past and how the chances of success in the future can be improved* highlighted similar issues and raised fundamental information management concerns about the Australian Public Service's lack of understanding of recordkeeping obligations, particularly in the digital era.

The National Archives of Australia Advisory Council's submission to the Tune review noted that the ANAO's 2018 report into *The Integration of the Department of Immigration and Border Protection and the Australian Customs and Border Protection Service* pointed to significant continuing failures on recordkeeping, with the department itself assessing the serious impact this had on the integrity of its operations.

Based on the National Archives assessments, there are a number of barriers to achieving effective management of information assets. In December 2019, the National Archives conducted a series of roundtable discussions with a broad range of Commonwealth agencies. Many agencies reported that implementing or maintaining appropriate information management arrangements was not considered a strategic priority. This was reflected in the allocation of resources. Some agencies do not have adequate records management functionality for their business systems. In an environment where agencies are under pressure to deliver quickly it appears at times that insufficient attention is given to creating and maintaining records effectively. A lack of appropriately skilled staff with a dedicated records management function was also identified. This is particularly concerning in an environment where data and information is increasingly a critical asset and requires greater recognition of records management as key area of professionalism in an effective public service.

Within the National Archives, resource constraints limit our capacity to provide the level of support that agencies require across the Commonwealth. The number of staff available to support agency information management and oversee Commonwealth recordkeeping has reduced by half in the last few years. While we continue to implement the best possible strategies to most effectively support agencies where we can, there are limits to what can be achieved under the current arrangements.

The barriers to fully effective information management can be overcome with appropriate focus and resourcing. The digital transformation of government and the way it interacts with citizens is a priority. This will result in the creation of huge amounts of data and information and give rise to ever increasing demands for its use and reuse. A similar prioritisation across government of the management of that data would ensure that the full value of these vital information assets can be realised.

Every instance of providing funding for digital and data initiatives within government must include sufficient allocation for establishing and implementing data governance and management processes, including identification of high-value data for permanent preservation by the National Archives for future use by all Australians.

Ongoing investment by government is essential so that agencies can implement arrangements to manage their information assets effectively. It also supports information management professionals to develop the skills and capability that their agencies, and their Accountable Authorities, need to better support their business requirements and implement information policy, including the *Building trust in the public record* policy. This is particularly vital for information interoperability which underpins the Commonwealth's ability to share information across common platforms. While common standards and formats support interoperability, systems capability also needs to be further developed as provided for under the Digital Transformation Strategy.

Financial sustainability of the National Archives of Australia as the lead agency also needs to be considered by government. Over the past 5 years, Government has appropriated several hundreds of millions of dollars to expand the ICT infrastructure of many Departments and agencies, however during the same period funding has been reduced for the institution with the responsibility for the long-term preservation and accessibility of the Government's digital information assets.

Efficiency dividends and savings measures incurred by the National Archives since 2014/15 add up to a reduction of \$7 million per annum, which is approximately 10% of its 2014/15 annual appropriation. Consequently, the annual staffing level has reduced over the same period by 57, which is 14% of its 2014/15 average staffing level. Without the resources to develop important capability, the National Archives will be unable to meet and accept anticipated level of information that will be transferred, will need to increase its data storage capacities as well as continually upgrading its cyber-security capabilities. The National Archives is making initial investments in its digital preservation capacity, however further investment is required by government to ensure that the most essential digital records of the Commonwealth will be maintained intact, and compatible with the technology of the future.

The Archives Act was drafted in the 1970s, well before the reality of today's digital environment could be conceived. The Act imposes strict obligations on the National Archives to preserve government records and make them accessible to the public. The cumulative effects of budget cuts, outdated legislation and the explosion in the volume and velocity with which government records are created has eroded the National Archives' ability to fulfil its obligations, leading to unmanageable backlogs and frequent appearances before the Courts and Tribunals, which in turn incur unaffordable legal expenses. Meanwhile, across government expenditure on data creation continues to grow, exacerbating the problem faced by the National Archives.

Following a succession of unsupported New Policy Proposals and rejected applications through successive rounds of Government's modernisation and sustainability funding, the National Archives

is currently in the process of spending its available cash reserves for urgent capability; a practice which is unsustainable.

The National Archives is doing what it can to support effective information management in agencies. In addition to policy advice, the National Archives has developed and made freely available a range of products, tools and advice to assist agencies improve their information management capability and maturity. It has committed to continue this to support implementation of its current *Building trust in the public record policy* in accordance with a public available release schedules. The National Archives also operates the Government Agency Information Network (GAIN) which includes regular gatherings of agency information managers (virtually and physically) as well as a monthly information bulletin. Through GAIN, agencies have the opportunity to engage with the National Archives to discuss issues and challenges. This is supported by the National Archives' Agency Service Centre, which responds to hundreds of enquiries each year. The National Archives consults widely across government when developing policy or advice, and conducts an annual survey of agency information management maturity, which also informs its activities.

The National Archives' current information management policy is about building trust in the public record. It follows that without trust in the public record, there can be no trust in the stewardship of public resources.

Thank you.