Safeguarding Our National Collections

Canberra ACT
28 September 1998

Dear Madam President
Dear Mr Speaker

The Australian National Audit Office has undertaken a performance audit of National Collections in accordance with the authority contained in the *Auditor-General Act 1997.* I present this report of this audit, and the accompanying brochure, to the Parliament. The report is titled *Safeguarding Our National Collections.*

Following its tabling in Parliament, the report will be placed on the Australian National Audit Office's Homepage - http://www.anao.gov.au.

Yours sincerely

P. J. Barrett
Auditor-General

The Honourable the President of the Senate
The Honourable the Speaker of the House of Representatives
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Abbreviations

ABN	Australian Bibliographic Network
ACT	Australian Capital Territory
ANAO	Australian National Audit Office
ILMS	Integrated Library Management System
ISSN	International Standard Serial Number
IT	Information Technology
NBD	National Bibliographic Network
OPAC	Online Public Access Catalogue

Summary and Recommendations

Audit Summary

National collections

1.   The collections held by Australian museums, galleries and libraries are an important part of the nation's historic, cultural and artistic heritage. The proper care and maintenance of these collections is of considerable and continuing public interest, as confirmed by the large numbers of people who attend art galleries (3.1 million), libraries (5.4 million) and museums (3.9 million) each year.[1] These institutions also attract significant support from the Government.

2.   Each of the institutions covered in this audit, that is the National Library of Australia, National Gallery of Australia, National Museum of Australia and the Australian War Memorial, is responsible for a different aspect of the national collection but shares a common responsibility for the safeguarding and management of the collections in its care. These institutions have faced a challenge from the combination of the increasing size and diversity in their collections, restrictions in their financial environment over time, and increasing public expectation for more sophisticated exhibitions. The collections of the Gallery, the Library and the Memorial are collectively valued at just over $2.6 billion. The Museum had yet to value its collection at the time of the audit.

Audit objective and criteria

3.   The objective of the audit was to assess the efficiency and effectiveness of the management processes employed in safeguarding national collections. The focus of the audit was on collection management, including the administrative framework, collection development, disposal, registration and documentation, conservation, storage, security and travelling exhibitions and loans. The audit was undertaken with a view to identifying better practices and areas for further improvement in all the institutions examined.

Overall conclusions

4.   The ANAO found that, although there were elements of better practice for selected collection management activities, there were notable gaps in the management processes employed in safeguarding national

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[1]   Australia Council statistics (1995).

collections in each of the institutions examined. At the time of audit institutions either did not have, or could not readily access, all the information required to adequately safeguard the collections in their care. This information included knowledge of the extent of the collection, or the significance, or condition of individual items.

5.   Although each institution examined had made some progress in developing or refining approaches to collection management, the audit found that, overall, there was a need for:

- collecting priorities to be reviewed to assess their continuing appropriateness and to ascertain the degree to which collecting objectives have been met in specific areas;

- more consistent and transparent approaches to assessing proposed acquisitions to determine their relevance and appropriateness to the national collections; recognition should also be given to the cost and impact of collection development on the key elements of collection management, such as registration, documentation, conservation, storage and security;

- action to address significant arrears in registering and documenting acquisitions and to develop standard procedures for these processes in some institutions;

- programs of preventative and corrective maintenance to be fully developed to reduce the risk of damage or deterioration to collections;

- systematically surveying the collections through a stocktaking process, as adopted by the Memorial, to provide valuable information on the condition of items in the collections;

- improved storage conditions for some collections to reduce clutter, provide better access or improve environmental control; and

- implementation of recommendations made in security reviews commissioned by the institutions.

6.   The ANAO had planned to undertake some comparative analysis of performance. However, appropriate data in a useful form was not readily available and little quantitative information on collection management had been collected. In addition, the institutions examined had not developed performance indicators or reporting frameworks to measure performance in collection management in terms of economy, efficiency and effectiveness. The difficulty measuring and reporting performance in collection management is a common problem for all collecting institutions, both in Australia and overseas. The ANAO subsequently hosted a workshop to enable the institutions audited to further explore performance measurement and indicators for collections management. This work is continuing.

Agency responses

7. In each institution, action was in train, or was proposed, to improve areas of their collection management practices and management information systems. There was general agreement on the opportunities for improvement in the areas identified above and on most of the ANAO recommendations. The Museum considered that de-accessioning (or disposal) would make only a marginal contribution to improving the overall quality and quantity of its collections but had commenced to identify and assess items for potential disposal. The ANAO notes that, consistent with industry and professional standards and practices, disposal action is an important part of collection development for collecting institutions in both Australia and overseas.

Key Findings

Planning for collection management

The administrative framework

8.   The Memorial, Museum and Library had well established administrative frameworks that provided a sound basis for collection management. The Gallery was undergoing significant review of its corporate planning and directions at the time of audit. Improvements could be made by institutions more directly linking corporate objectives, operational plans and priorities to specific elements of collection management (such as storage and security). In this context the Memorial has developed a strategic planning process which includes storage and conservation issues integrated with its corporate objectives outlined in its Corporate Plan. There would also be benefit in institutions developing risk profiles for each collection management activity.

Collection development

9.   Although established policies and procedures for collection development were in place at all of the institutions examined, the assessment of acquisitions against collection development policies was variable and tended to lack rigour within and across the institutions. Individual institutions had indicated that significant acquisitions were thoroughly evaluated. Nonetheless there is scope for institutions to develop a consistent and more transparent approach to assessing proposed acquisitions against their collection development policies and criteria. This step is essential in providing a basis on which to determine the relevance of proposed acquisitions to the collection, to provide documentary evidence of the reasons for acquisition and to ensure that the items accepted into the permanent collection are of a suitable standard.

Cost of collecting

10.   The process of assessing proposed acquisitions should consider the long term resource implications for storage and maintenance. Although all institutions recorded some of the costs associated with collection development, such as purchase price, transport and special packing and/ or storage requirements, at the time of audit, they did not systematically calculate the cost of on-going collection management activities. All institutions would benefit by developing a comprehensive costing regime to identify the monetary cost and organisational effort required to adequately safeguard the collection.

Consultative arrangements

11. A strong informal network existed between collection development staff across the four institutions examined. Liaison meetings occurred regularly and informal cooperative arrangements were in place. However, the extent to which institutions collaborated on the purchase of specific items was limited. There is an opportunity for all institutions to build on the informal networks to develop more formal consultative arrangements in relation to collection development.

Disposals

12. Overall, all institutions had policies and practices in place to govern their disposal practices. Disposal is an essential element of collection development because it provides an opportunity for institutions to ensure that their collections retain their relevance and usefulness. Several institutions indicated that disposals were pursued as part of the overall collection management process. However, the ANAO found that, although some limited disposal had occurred in several institutions, it was not a high priority activity in any of the institutions examined. There is an opportunity for all institutions to give greater consideration to the identification of items for possible disposal consistent with their policies and priorities.

Collection management

Registration and documentation

13. There were a variety of approaches to registration and documentation evident within and across institutions. This led to inconsistent practices within institutions which, coupled with competing priorities, directly contributed to:

- significant arrears in registering and documenting the different types of collection in each institution; and
- inconsistent standards of registration and documentation.

14. Performance varied in each institution and, although progress had been made, there remained significant arrears in most institutions. For example, the Memorial estimated that 55 000 records required correction and the Library estimated over 536 000 photographs were awaiting full cataloguing. Much of these arrears were the result of past approaches to collection development.

15. In addition, there were opportunities for the development of more standardised procedures. Priorities also should be established for dealing with the arrears in registration and documentation and provide institutions will better access and control over their collections. Registration provides

the means of identifying and locating individual collection items. Without a basic level of documentation available of each item in the collection, the usefulness of those items for exhibition, loan and resource purposes is limited.

Information technology for collection management

16. The use of information technology for collection management was limited to data storage. However, there were widespread inaccuracies and gaps in the information contained in the collection management systems. These problems did not impact upon statutory reporting requirements (such as the financial statements) but reduced the reliance that could be placed on management reporting. The introduction of data entry standards and other quality assurance mechanisms would help to reduce the frequency of these problems. Any upgrade of the existing system should address issues of data reliability and completeness as well as management and performance reporting requirements.

Conservation

17. Although all institutions had established conservation priorities, these were largely driven by those items required for exhibition or loan, items of particular significance or those items in a fragile or unstable condition where this had been ascertained. The Library advised the ANAO that specific programs of conservation were more the exception than the rule, and occurred mainly in special collections, such as photographs, film and official records. Through its gallery redevelopment project the Memorial has been able to achieve considerable efficiencies by harmonising its exhibitions, registration, curatorial and conservation functions. In this context, the Memorial expects that the progressive redevelopment of galleries will enable all parts of its collections to be systematically reviewed over the next few years.

18. Overall, institutions would benefit from introducing a program of preventative and corrective maintenance based on the needs of individual items and ensuring that sufficient resources are allocated to meeting both maintenance priorities and the demands for conservation services for exhibition and loans. Except for the Memorial, where a check of the condition of items formed part of the stocktaking process, collections were not regularly surveyed to establish their condition. For example, the Museum estimated that it would take the equivalent of 50 years to complete conservation reports on the collection, excluding the Aboriginal stone tools collection. The administration of conservation services, too, could be improved by developing information technology to link more directly their collection management and resource management information systems.

Security and storage

Storage

19.   Although there were particular exceptions, all institutions examined provided generally stable conditions for protecting and maintaining national collections and met the specific needs of the most valuable and significant collections. However, pests are a recurring problem for collecting institutions and, although all institutions had implemented some form of pest monitoring, there was room for further improvement through the development of pest management plans. There was an opportunity for institutions to introduce a dedicated quarantine or unpacking area to isolate incoming collections from other collection storage facilities, particularly for incoming exhibitions from overseas. This step would reduce the risk of introducing pests into the national collections when unpacking.

Stocktakes

20.   The importance of an effective stocktaking regime, supported by appropriate follow-up arrangements, cannot be overstated. Except for the Library, all of the institutions had established regular stocktaking programs. The introduction of similar arrangements in the Library can provide greater assurance regarding the accuracy of records, the location and condition of items, and their storage environment. There are also opportunities for all institutions to ensure that their stocktake sampling process specifically includes valuable, fragile and other high risk items.

Security

21.   All institutions except one had comprehensive security mechanisms in place and had commissioned reviews of storage facilities and security. However, not all the recommendations from these reviews had been implemented. There is also an opportunity for the Memorial to undertake a security assessment, provide higher-level clearance and appropriate training for staff responsible for the storage of high risk collections such as firearm, knife and sword collections.

Counter-disaster planning

22.   The Gallery, the Library and the Memorial had developed counter-disaster plans to minimise damage to or loss of the collections or property in the case of a disaster. The process of on-going review adopted by these institutions could serve as model for the Museum in developing a counter-disaster plan and procedures.

Travelling exhibitions and loans

23.   The travelling exhibition and loan programs have been an important link in providing the community with access to the national collections across

a variety of locations. Overall, the processes adopted by the institutions are intended to minimise the exposure of items to damage, loss or theft when they leave the home institution. However, there are opportunities for further improvements (subject to cost/benefit assessment) by:

- developing a central data base which includes a risk profile for all off-site facilities, to identify those areas which may represent the greatest risk; and

- introducing regular review of items in travelling exhibitions and/or on loan, particularly where they are valuable, fragile or dangerous (for example, firearms and swords).

Performance management

24. Performance management, based on an established management reporting framework incorporating performance indicators for collection management, was at an evolutionary stage in all institutions. It could be developed further by:

- identifying a range of quantitative and qualitative indicators of economy, efficiency and effectiveness that reflect the complex and diverse roles and functions inherent in collection management;

- using these indicators to provide indicative internal and external benchmarking and standards of performance; and

- introducing a management reporting regime that covers both corporate and collection management performance, including resource allocation and usage, that makes the most of the available information technology.

Recommendations

Set out below are the ANAO's recommendations with Report paragraph references and a summary of the institutions' responses. More detailed responses and any ANAO comments are shown in the body of the report. The ANAO considers that institutions should give equal priority to all recommendations.

Recommendation No.1 Para. 2.43

The ANAO recommends that:
- the Library and the Memorial upgrade their monitoring processes to ensure that proposed acquisitions are assessed in accordance with existing procedures; and
- the Gallery and the Library (for its music, map, projected media and ephemera collections):
  – develop key selection criteria against which to assess proposed acquisitions and specify them clearly in the collection development policy; and
  – introduce a process whereby all proposed acquisitions, regardless of their value and method of acquisition, are assessed against the collection development policy and key selection criteria before being accepted formally into the collection.

Australian War Memorial: Agreed
National Gallery of Australia: Agreed
National Library of Australia: Agreed with qualification

Recommendation No.2 Para. 2.54

The ANAO recommends that, except for items covered by legal deposit obligations, all the institutions work towards introducing a comprehensive costing regime to identify the costs of initial acquisition, continuing maintenance and storage.

Australian War Memorial: Agreed with qualification
National Gallery of Australia: Agreed
National Library of Australia: Agreed
National Museum of Australia: Agreed

Recommendation No.3 Para. 2.80

The ANAO recommends that, in order to ensure the continuing quality of their collections, all institutions allocate a high priority to identifying items for possible disposal, except for those items covered by legal deposit obligations or equivalent.

Australian War Memorial: Agreed with qualification
National Gallery of Australia: Agreed
National Library of Australia: Agreed
National Museum of Australia: Not Agreed

Recommendation No.4 Para. 3.11

The ANAO recommends that:
- the Library and the Museum set priorities for dealing with registration arrears;
- the Memorial continues to deal progressively with its registration arrears in accordance with defined priorities; and
- the Gallery ensure that all items are accession marked as part of the registration process and develop strategies for reducing the backlog in accession-marking.

Australian War Memorial: Agreed with qualification
National Gallery of Australia: Agreed
National Library of Australia: Agreed with qualification
National Museum of Australia: Agreed

Recommendation No.5 Para. 3.26

The ANAO recommends that all institutions review their priorities for documentation with a view to dealing with the significant arrears and ensuring that all aspects of their collections have at least a basic level of documentation.

Australian War Memorial: Agreed
National Gallery of Australia: Agreed
National Library of Australia: Agreed with qualification
National Museum of Australia: Agreed

Recommendation No.6 Para. 3.61	The ANAO recommends that all institutions:
	• review the level of resources allocated to conservation, including surveying and assessing collections; and
	• introduce a program of regular collection maintenance based on the identified needs of the collections.
	Australian War Memorial: Agreed with qualification
	National Gallery of Australia: Agreed
	National Library of Australia: Agreed with qualification
	National Museum of Australia: Agreed

Recommendation No.7 Para. 4.14	The ANAO recommends that:
	• all institutions implement routine pest inspections of all storage facilities where they have not already done so;
	• all incoming material be isolated from the existing collection in each institution when it is being unpacked; and
	• the Gallery establish dedicated quarantine and treatment facilities as a matter of priority.
	Australian War Memorial: Agreed with qualification
	National Gallery of Australia: Agreed
	National Library of Australia: Agreed
	National Museum of Australia: Agreed

Recommendation No.8 Para. 4.42	The ANAO recommends that where necessary institutions:
	• commission full reviews of security and fire alarm monitoring systems by appropriately qualified experts; and
	• review their use of resources in order to implement the recommendations made in previous their respective security reviews.
	Australian War Memorial: Agreed
	National Gallery of Australia: Agreed
	National Library of Australia: Agreed
	National Museum of Australia: Agreed

Recommendation No.9 Para. 4.50	The ANAO recommends that, as necessary, institutions:

Recommendation No.9
Para. 4.50

The ANAO recommends that, as necessary, institutions:

- develop a counter-disaster plan and associated procedures; and
- implement a review process in line with the development of security and counter-disaster procedures.

Australian War Memorial: Agreed with qualification
National Gallery of Australia: Agreed
National Library of Australia: Agreed
National Museum of Australia: Agreed

Recommendation No.10
Para. 5.9

The ANAO recommends that each institution develop performance indicators that measure performance in collection management in terms of economy, efficiency and effectiveness.

Australian War Memorial: Agreed
National Gallery of Australia: Agreed
National Library of Australia: Agreed
National Museum of Australia: Agreed

Recommendation No.11
Para. 5.21

The ANAO recommends that, in each institution, a management reporting framework be developed to include a comprehensive range of indicators that concentrate on the specific activities of collection management.

Australian War Memorial: Agreed
National Gallery of Australia: Agreed
National Library of Australia: Agreed
National Museum of Australia: Agreed

Audit Findings
and Conclusions

1. Introduction

This chapter outlines background information to the national collecting institutions and the objective and methodology of the audit.

Background

1.1 The collections held by Australian museums, galleries and libraries are an important part of the nation's historic, cultural and artistic heritage. Their proper care and maintenance is of considerable, continuing public interest, as confirmed by the large numbers of people who visit art galleries (3.1 million), libraries (5.4 million) and museums (3.9 million) each year.[2]

1.2 Responsibility for the management of the major national collections falls under the umbrella of eight Commonwealth institutions: the Australian Archives; National Library of Australia; National Gallery of Australia; National Museum of Australia; National Film and Sound Archives; Australian National Maritime Museum; National Science and Technology Centre; and the Australian War Memorial.

1.3 Each of these institutions is responsible for the care and maintenance of their collections and for making them available for research; promoting public awareness and understanding; and providing a facility for educating the wider community. In undertaking these roles, each of these institutions collects, manages, conserves and stores a vast range of cultural and heritage material on behalf of both present and future generations.

1.4 The ANAO selected the National Library of Australia, National Gallery of Australia, National Museum of Australia and the Australian War Memorial in this audit because they receive significant support from the Government, attract large numbers of visitors and had not been the subject of a performance audit of this nature.

The nature of collections and institutions

1.5 Each of the institutions included in this audit is responsible for a different aspect of the national collection but has a similar function in the management of the collections in its care. The collections of the Gallery, the Library and the Memorial are collectively valued at just over $2.6 billion. The Museum had yet to value its collection at the time of the audit. The key features of the four institutions included in the audit are outlined below.

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[2] Australia Council statistics (1995).

Australian War Memorial

1.6 The primary role and function of the Australian War Memorial (the Memorial) is to maintain and develop a national memorial of Australians who have died on, or as a result of, active service or as a result of war or warlike operations. As part of this function, the Memorial is responsible for developing and maintaining a national collection of historical material to help Australians to remember, interpret and understand the Australian experience of war and its enduring impact on Australian society.

1.7 The Memorial collections consist of an estimated 34 000 works of art, 750 000 photographic images, 60 000 reference books and more than 90 000 items in the Military, Heraldry and Technology Section. These collections are stored primarily at Campbell and Mitchell, both in the Australian Capital Territory (ACT).

1.8 The Memorial estimates that in 1998-99 it will employ an average of 205 staff and will receive $22 million in government funding. This funding will be supplemented by approximately $3 million in revenue from independent sources, such as commercial activities.

National Gallery of Australia

1.9 The role and objectives of the National Gallery of Australia (the Gallery) are to increase awareness, appreciation and understanding of the visual arts by developing and maintaining a national collection of works of art in all media and across all geographic boundaries. In addition, the Gallery interprets collections in a range of programs for the enjoyment, education and stimulation of all Australians. The Gallery collection consists of approximately 100,000 individual items stored on-site at Parkes and in off-site storage at Hume, all in the ACT.

1.10 The Gallery estimates that in 1998-99 it will employ an average of 205 staff and will receive $19.5 million in government funding. This funding will be supplemented by approximately $4 million in revenue from independent sources, including corporate sponsorship.

National Library of Australia

1.11 The National Library of Australia (the Library) has a wide range of responsibilities including collecting and preserving Australian documentary materials of national significance, promoting community understanding of the Library as a national cultural and information services institution, and providing infrastructure services to the Australian library community, as well as providing co-operation and leadership nationally

and internationally. The Library's functions, specified in Section 6 of the *National Library Act 1960*, include:

> … to maintain and develop a national collection of library material, including a comprehensive collection of library material relating to Australia and the Australian people.

and have been interpreted by Government and the Library since 1901 as including the collection of overseas material.

1.12   The Library holds an estimated 4.9 million individual items stored on-site at Parkes and off-site at Hume and Fyshwick, both in the ACT. This material includes books, periodicals, newspapers, manuscripts, films, sound recordings, musical score, maps, plans, pictures, photographs, prints and other recorded material, including digital material.

1.13   The Library estimates that in 1998-99 it will receive $35 million in government funding and will employ an average of 456 full-time staff. This funding will be supplemented by approximately $11 million in revenue from independent sources, including computer-based services such as the Australian Bibliographic Network, to the library community, its bookshop and donations.

National Museum of Australia

1.14   The role of the National Museum of Australia (the Museum) is to collect, interpret and communicate what it means to be Australian. The Museum is committed to three integrated themes:

- Aboriginal and Torres Strait Islander Heritage and Cultures;
- Australian Society and History; and
- People's Interaction with the Environment.

1.15   The National Historical Collection contains approximately 175 000 items and documents that relate to the three themes outlined above. The bulk of the collection is stored at Mitchell.

1.16   The Museum estimates that in 1998-99 it will employ an average of 99 full-time staff and will receive $13.3 million by way of government appropriation. This funding will be supplemented by approximately $0.4 million in revenue from independent sources.

1.17   An indication of the comparative size of the collections and their total revenue for 1997-97 for the institutions examined in this audit are presented in Graphs 1 and 2. However, caution should be exercised in attempting direct comparison because of the different types of collection.

Graph 1
Total revenue for 1996-97
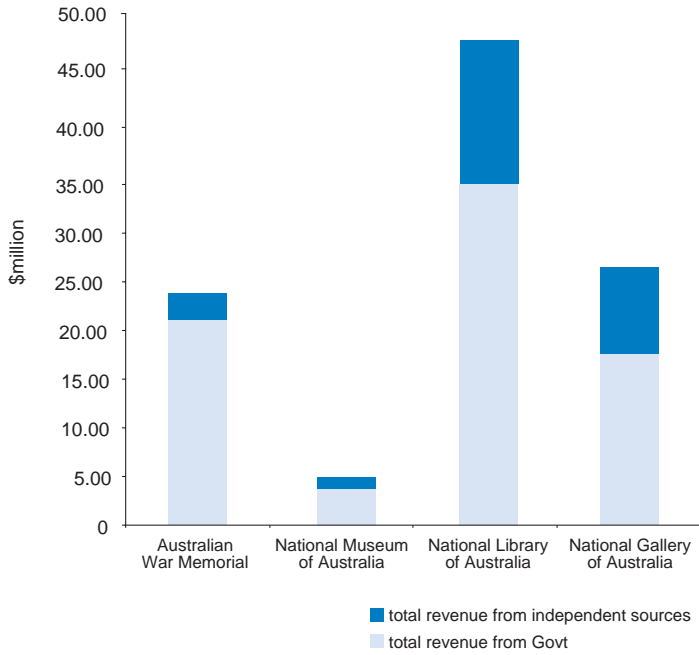
Source: ANAO analysis of quantitative data supplied by the four institutions.

Graph 2
Size of the national collections
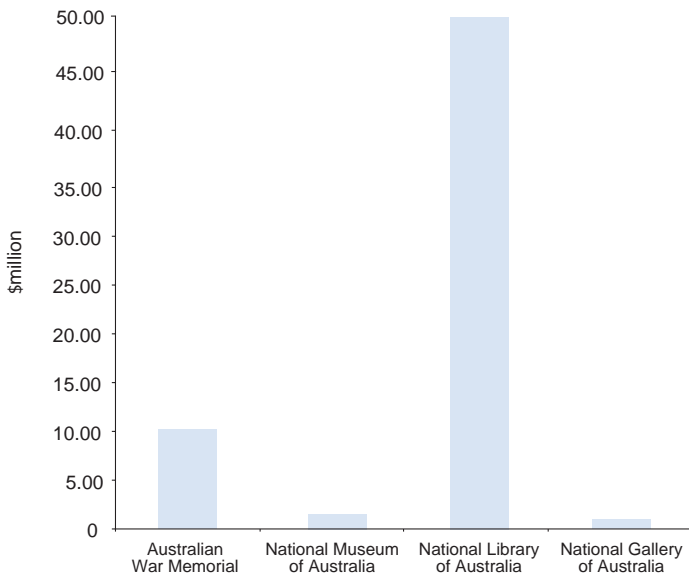
Source: ANAO analysis of quantitative data supplied by the four institutions.

Audit objectives, scope and focus

Audit objectives

1.18 The objective of the audit was to assess the efficiency and effectiveness of the processes employed in safeguarding the national collections of the following institutions:

- Australian War Memorial;
- National Gallery of Australia;
- National Library of Australia; and
- National Museum of Australia.

1.19 The audit examined the processes adopted for planning, collection management, security and storage, and performance management with a view to identifying better practices and elements for improvement in the four institutions.

Audit scope and focus

1.20 The audit concentrated on the core elements of collection management outlined in Figure 1. These include:

- planning and collection development;
- collection disposal;
- conservation;
- registration and documentation;
- storage, security and counter-disaster planning;
- travelling exhibition and loans; and
- performance management and reporting.

Audit methodology

1.21 The audit was undertaken using a mix of on-site inspections of facilities and operations, interviews with management and operational personnel, a review of documents and files, and analysis of operational and institutional arrangements. The audit also examined the measurement of performance in terms of economy, efficiency, and effectiveness in each of the specific areas audited. Terms and definitions used in this audit are explained in Appendix 1.

1.22 The audit model was developed by reference to reviews of collecting institutions within Australia and overseas, expert literature and external consultants, including the following sources:

- audits undertaken by state Auditors-General and the National Audit Office in the United Kingdom;

- material from professional bodies;

- Standards Australia material covering emergency and counter disaster planning; and

- input by experts from the institutions covered in the audit and external consultants, such as the Australian Protective Services, and Linda Young from the School of Cultural Heritage Management and Museum Studies, University of Canberra.

1.23 The audit was conducted in accordance with ANAO Auditing Standards. The audit commenced in September 1997 with fieldwork conducted between October 1997 and June 1998. The cost of the audit was $475 000.

Figure 1
Core functions of collection management

Planning for Collection Management	Collection Management	Storage and Security	Performance Management

Strategic Planning Framework
Corporate Planning
Formal Systems in planning
Priorities and resources
Risk management
Review and evaluation

Registration
Registration procedures
Registration arrears
Reliability and accuracy
Movement controls

Storage
Storage facilities
Storage review
Stocktakes

Performance Information
Using performance information
Opportunities for benchmarking

Collection Development
Collection development policy
Collecting priorities
Acquisition procedures and practices
Cost of collecting
Consultative arrangements

Documentation
Documentation procedures
Adequacy of documentation
Documentation priorities

Security and Counter-disaster
Security plans and procedures
Fire and security monitoring
Protection of sensitive information
Counter-disaster planning

Management Reporting and Information Technology
Management reporting arrangements
Information technology for performance management

Disposal
Disposal policy and procedures
Disposal practices

Conservation
Conservation policy
Conservation priorities
Management and administration
Preventative and corrective maintenance
Conservation resourcing

Travelling Exhibitions and Loans
Procedures for travelling exhibitions and loans
Protecting travelling exhibitions and loans

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2. Planning for Collection Management

The ANAO examined the strategic planning framework as well as collection development and disposal activities in each institution to ascertain the extent to which these elements helped in developing and managing the collection.

The strategic planning framework

Principles of good practice

2.1 The strategic planning framework includes the planning and review processes for collection management, and the way the plans developed for collection management provided a disciplined focus for direction-setting and decision-making. The ANAO sought to ascertain the extent to which each institution had established a strategic planning framework that included:

- corporate planning processes that provided objectives, strategies and directions for collection management;
- formal systems for implementing the collection management elements of the corporate plan;
- allocation of resources according to the priorities identified for collection management;
- the application of a risk management approach to planning; and
- review and evaluation of corporate and operational plans to ensure their continuing relevance, particularly to collection management.

Corporate planning processes

2.2 A corporate plan usually includes mission and vision statements and sets objectives, goals and strategies for the organisation as a whole and for collection management in particular. The plan should include performance indicators and the outcomes expected of each strategy. Performance information is discussed in Chapter 5 of this report.

2.3 All the institutions examined had corporate planning frameworks that outlined overall corporate philosophy and key objectives, goals and strategies. Except for the Gallery, collection management was identified as a key institutional objective but not all elements of collection management were covered in corporate plans. Emphasis was given to collection development, conservation, registration and documentation but storage

and security matters received little consideration (although these were generally deal with in lower-level plans).

2.4   At the time of audit, collection planning was not well developed in the Gallery but it had developed a revised corporate plan for implementation in October 1998. The revised plan represented a significant improvement in providing direction and goal-setting for the institution as a whole.

2.5   The importance of specifying a clear role for collection management cannot be overstated. By covering all elements of collection management in the corporate planning process, institutions can bring a disciplined focus to activities essential to safeguarding Australia's national collections.

Formal systems in planning

2.6   Formal systems, such as a hierarchy of linked plans at the branch and section level, can help translate corporate plans into definitive courses of action. This can be achieved by assigning responsibilities, resources and performance measures that coordinate and integrate activities and ensure that they are consistent with corporate objectives.

2.7   Formal planning systems were well established in the Library, the Memorial and the Museum and included a three-tiered hierarchy of corporate plans supported by operational plans and section work plans. In these institutions, links could be established between the collection management elements of the corporate plan and operational plans. These links flowed through also to the individual work plans developed by each section in the Memorial and the Museum. Responsibilities for specific collection management activities were assigned, resource implications identified and, in the majority of cases, time frames established for the completion of major activities.

2.8   However, in the Library, the individual section plans varied in form and content and it was difficult for the ANAO to identify whether responsibilities had been assigned for achieving all the collection management elements identified in the higher-level plans. The Library's planning could be improved by indicating section responsibilities for specific collection management objectives and introducing more consistency in the form and content of section work plans. These steps would help provide clearer links with the corporate plan and help sections assign implementation priorities.

2.9   The Gallery had not developed formal systems or an operational plan for collection management aspects of its corporate plan at the time of audit and few sections had work plans. There is an opportunity for the

Gallery to establish lower-level planning systems once the corporate plan has been finalised in October 1998.

2.10 Overall, planning processes for collection management in the institutions examined could be improved by:

- ensuring a greater degree of coordination between sections in developing individual work plans where this is not done; and

- developing work plans for significant projects that draw on staff and resources from a range of different sections.

2.11 This action will provide an opportunity for staff to prioritise activities across the various sections in an institution and to better understand the effect that tasks undertaken in one section have on other areas. For example, the development of travelling exhibitions is primarily the responsibility of curatorial staff but can have a significant impact on conservators who need sufficient time to assess and, if necessary, treat each item before it can be displayed.

Priorities and resources

2.12 Administrative processes should aim to ensure resources are matched with the priorities outlined in corporate plans and the specific priorities of collection management activities. Ideally, these processes should ensure also that resources are matched with workload and not diverted to lower priority tasks. To achieve this, institutions should:

- set overall corporate priorities and specific priorities for collection management activities;

- identify the resources required to achieve objectives, goals and strategies as outlined in the formal planning documents;

- measure the workloads associated with each collection management activity; and

- allocate resources accordingly.

2.13 All institutions, except the Gallery, had set corporate priorities. However, there had only been limited assignment of priorities to specific activities, including collection management activities, outlined in the lower-level planning documents. For example, most section work plans included all of their tasks without indicating priorities. This made it difficult to ascertain the most important activities and to allocate resources at the lower levels.

2.14 Resource allocation for collection management activities was based generally on past allocations adjusted for any new policy proposals or other changes in the level of budget funding. The exception was the Museum, in which individual areas bid for resources on a 'total need' basis for each

function, and senior management allocated resources to collection management activities according to corporate objectives and priorities. The Memorial had recently adopted a planning system that allocated resources to specific projects (such as storage and documentation) and this approach was being developed to include recording resource use against specific activities. At the time of audit, this system was still being developed to cover all aspects of collection management activity.

2.15   Overall, the degree to which resources were matched to workload and collection management priorities was not clear and workload analysis was rudimentary. Some basic data on workload and resource use was collected but analytical techniques were still being developed. Although resources were allocated at the higher-level in accordance with corporate priorities, there are opportunities for institutions to review their planning approach to indicate the relative priorities for collection management activities more clearly and allocate resources accordingly.

Risk management

2.16   The effectiveness of collection management planning can be increased by developing risk profiles based on appropriate risk assessments for each collection management activity so that all risks are considered adequately. This action can help ensure that:

- the specific outcomes identified in the planning processes for collection management are achieved;

- priorities for collection management are managed according the risk profile; and

- the strategies developed for achieving the outcomes required are appropriate to the risks identified.

2.17   Each institution had identified some of the more significant risks facing collection management activities. Fraud risk assessments were completed in each institution and the Gallery, the Library and the Memorial had analysed possible risks to collection security and emergency planning. However, at the time of the audit, a comprehensive assessment of potential risks to the full range of collection management activities had not been undertaken in any of the institutions examined.

2.18   Using the approach outlined above, there is an opportunity for collecting institutions to review their policies and processes for individual collection management activities so that strengths, weaknesses and potential risks are identified. The consequences of these risks should be examined and strategies developed to deal with them. Risks identified as common to all activities can be managed as part of a co-ordinated effort.

Review and evaluation

2.19   Continuing review and evaluation is an important aspect of the planning process because it ensures that plans and strategies remain appropriate and reflect any changes in the external operating environment or in institutional priorities.

2.20   The Library, the Memorial and the Museum reviewed their operational plans and individual section work plans annually. Because of the present rate of change, the lower-level plans are reviewed every six months in the Museum. The ANAO acknowledges the Museum's efforts to ensure that its plans remain appropriate to collection management activities during a period of significant change to its operating environment.

2.21   Although operational plans and section plans were reviewed annually, institutional corporate plans were reviewed and evaluated less frequently. At the time of audit:

- the Gallery's revised corporate plan was in draft form, for implementation in October 1998;
- the Library's strategic planning horizon covered 1993 - 1998, with a progress review due in 1996. The Library had commenced review in the latter stages of the audit;
- the Museum's 1997-2002 corporate plan was endorsed in April 1997; and
- the Memorial had undertaken a mid-term review of its plan at the end of 1997, with a final revision due in 1999.

2.22   Continual review and evaluation of the corporate planning framework would enable all institutions to ensure that their plans retained their relevance. The extent to which reporting occurs on progress toward achieving the objectives outlined in the corporate plan is discussed in Chapter 5.

Collection development

Principles of good practice

2.23   Collection development remains one of the primary objectives and functions of every collecting institution. A framework of planning and strategies is essential to ensure that the development of a collection occurs in the most efficient, effective and appropriate way. Since it is not possible to collect everything, institutions have to develop policies that define the overall objectives and scope of their collecting activities and procedures to ensure that collection development is undertaken in accordance with the policy.

2.24 All items being considered for inclusion in a collection, regardless of the type and value of the item and the method of acquisition, should be assessed against established criteria to determine their appropriateness and relevance. It is the relevance of an institution's collection that distinguishes it from a collection of memorabilia.

2.25 The ad hoc accumulation of material in contravention of established policy and procedures will not only compromise the integrity of a collection but divert limited acquisition resources away from more appropriate items. There are also long term implications for the continuing cost of maintaining and storing items that have limited usefulness for display. Once items are formally accessioned into a collection, it can be a time consuming and costly process to dispose of them.

2.26 The ANAO sought to establish the degree to which the collecting institutions examined in this audit had:

- a collection development policy that defined clearly the scope and focus of the collection;
- assigned priorities to guide collecting activities;
- processes in place to assess the appropriateness of proposed acquisitions; and
- established coordination and consultative arrangements in relation to collection development.

Collection development policy

2.27 The existence of a collection development policy is crucial in defining the scope and focus of a collection and allowing judgements to be made about the type of items to collect. The policy should outline the broad collecting principles yet be flexible enough to facilitate the acquisition of rare items of high cultural significance. Collecting institutions are under increasing pressure to manage their resources more efficiently. The development and implementation of a rational method of collecting will help concentrate collecting activities and minimise the accumulation of material that is irrelevant to the collection.

2.28 At the time of audit, all four collecting institutions had collection development policies, although the Gallery's most recent policy was in draft form. Each policy outlined the scope and focus of the collections. In addition to the broad collecting principles, which relate to the collection as a whole, the ANAO found that:

- the Gallery, the Library and the Memorial outlined the specific objectives and direction of the collecting activities in relation to each of their major collecting areas such as Australian art, oral history and military heraldry; and

- the Library set out detailed guidelines for collecting specific categories of material in their largest collecting field - printed materials, microforms[3] and electronic publishing.

2.29 The Museum included general collecting principles in its collection development policy but did not elaborate on the purpose or direction of its collecting activities within each collecting field. Although the Museum's specific collecting priorities were outlined in a separate document, the collection development policy could be improved by including information on objectives and collecting intentions in relation to the three main themes. This would help direct collecting activity along the lines adopted by the other institutions.

Collecting priorities

2.30 In addition to the overall collecting intentions outlined in a collection development policy, the setting of collecting priorities enables institutions to concentrate their collecting activities on fields of greatest interest.

2.31 The institutions examined, except the Memorial, had assigned collecting priorities. The ANAO found them to be consistent with the collection development policies of each institution. The Gallery set out its priorities in the draft collection development policy, whereas the Library and the Museum included specific details of subject area objectives and priorities in a separate document. The latter approach provides greater flexibility allowing collecting priorities to be changed without revising overall policy. There would be benefit in the Memorial identifying collecting priorities to inform its collection development activities.

2.32 Collecting priorities should be reviewed to assess their continuing appropriateness and determine whether sufficient material has been collected in a specific field. At the time of audit, the Library and the Museum had established processes to review their priorities annually and biennially respectively. There is an opportunity for all institutions to introduce a system of monitoring and reviewing collecting activities against the identified priorities more regularly to provide management with an assessment of the direction taken.

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[3] Microform is a generic term for microfiche and/or microfilm which is a piece or length of film bearing a microphotograph of a document. The Library purchases microforms rather than original documents such as newspapers, theses and scientific journals to save on storage space.

Acquisition procedures and practices

2.33   The development of acquisition procedures is essential to the efficient and effective implementation of a collection development policy. Proposed acquisitions should be assessed to ascertain their relevance to collection development policy and collecting priorities. This assessment should be against defined criteria that permit the appropriateness of proposed acquisitions to a collection to be assessed, provide documentary evidence of the reasons for acquisition and help ensure that all items accepted into a permanent collection are of a suitable standard. The assessment process should provide sufficient information about an item to enable informed decisions to be made.

2.34   All the institutions examined had documented acquisition procedures in place at the time of audit. The Gallery advised that a review of its procedures was under way. However, although the same basic principles underpinned the assessments in each institution, the formality of the processes and the rigour with which they were undertaken varied within and across the institutions.

2.35   The Memorial and the Museum included key selection criteria in their collection development policies against which all proposed acquisitions were to be assessed. The criteria included significance, provenance, relevance to existing collection and condition of the item. The two institutions also developed proformas to guide the assessment process and ensure the same information was collected about all proposed acquisitions. The assessment processes in the Gallery and the Library were less comprehensive. They had not developed overarching selection criteria but required staff to provide information under a number of headings in an assessment proforma.

2.36   Except for the Museum, the established processes and/or the information provided on the assessment proformas did not contribute to comprehensive appraisal of all proposed acquisitions. The ANAO's findings, and the implications for effective collection development, can be summarised as follows:

- proposed acquisitions were not assessed routinely against the collection development policy and collecting priorities to determine their relevance to the collection;

- a consistent approach to assessing items for possible inclusion in the permanent collection had not been developed in the Gallery or the Library. Although the Memorial had identified key selection criteria, these were not used in all collecting areas;

- not all proposed acquisitions were assessed before being formally accessioned into the collection. It is important that all proposed acquisitions are assessed because:
  - although the initial financial outlay might be minimal, items received gratis or acquired at little cost have the same long-term resource implications in terms of on-going storage and maintenance as purchased items, so they should be assessed with the same rigour before being accepted; and
  - the assessment process provides background and contextual information about proposed acquisitions. Collections lose value and usefulness for display and loan if not documented appropriately, so it is important that at least a basic level of information be available on all items in a collection. It is more cost-effective to obtain this information at the assessment stage, if only to determine whether enough information exists to warrant the inclusion of the item in a collection. More research can be done as required; and
- existing monitoring processes did not ensure that written assessments took account of all selection criteria and provided enough information to permit an informed decision.

2.37 The assessment of proposed acquisitions could be strengthened in the four institutions. In particular, the Gallery should broaden its existing assessment processes to cover all proposed acquisitions, including gifts which currently account for over 50 per cent of acquisitions, rather than just those items valued at more than $20 000, because there are ongoing costs of collection management regardless of the value of the item. Items should be fully documented for the assessment process and, in this context, the ANAO found that, of the 189 works of art proposed for acquisition in May 1997, details of significance, provenance and other contextual information were documented for only two items.

2.38 There is also an opportunity for the Gallery to define more clearly the overall principles and key selection criteria that underpins its assessment process. Although artistic excellence was stated clearly as being the primary criterion for collecting, the Gallery should develop additional selection criteria, similar to those developed for the Memorial and the Museum and outlined in paragraph 2.35. These could be derived from the guidance contained already in the collection development policy and information requested in the assessment proforma.

2.39 Monitoring processes in the Library and the Memorial could be improved to ensure that assessments are undertaken in accordance with established procedures. In the Library, the existing assessment process should be broadened to include the music, map, projected-media (film and

video recordings) and ephemera[4] collections. There would be benefit in developing key selection criteria for these collecting areas.

2.40   The Library streamlined its acquisition processes for bulk acquisitions[5] as a result of the volume of material to be processed. Responsibility for approving acquisitions had been devolved to branch level and the assessment procedures simplified to minimise the administrative effort. However, this affected the amount of documentation available outlining the reasons for acquisition and the overall transparency of the acquisition process. The ANAO considers that the more significant, expensive and/or valuable items acquired through bulk acquisition should be referred to the Collection Development Management Committee with accompanying documentation for final approval before being accepted into the collection.

2.41   The Library, the Memorial and the Museum should modify their existing proformas to help ensure that all proposed acquisitions are assessed for compliance with the collection development policy and collecting priorities. The ANAO acknowledges that this information was provided for the majority of proposed acquisitions assessed in the Museum but the requirement should be formalised to help ensure the practice is followed at all times.

2.42   To help the assessment process more, the Library and the Memorial provided guidance on the matter to be considered when making assessments against the selection criteria. There would be benefit in the other institutions adopting this approach to help the assessment process and ensure that all staff consider the same general matters consistently.

Recommendation No.1

2.43   The ANAO recommends that:

- the Library and the Memorial upgrade their monitoring processes to ensure that proposed acquisitions are assessed in accordance with existing procedures; and

- the Gallery and the Library (for its music, map, projected media and ephemera collections):

  - develop key selection criteria against which to assess proposed acquisitions and specify them clearly in the collection development policy; and

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[4] Publications of fewer than five pages are generally treated as ephemera and may include booklets, leaflets, handbills, posters, invitations, brochures, programs and cards.

[5] Printed material obtained through legal deposit, blanket orders and any serial orders.

– introduce a process whereby all proposed acquisitions, regardless of their value and method of acquisition, are assessed against the collection development policy and key selection criteria before being accepted formally into the collection.

Agency responses

The Gallery

2.44   Agreed. The Gallery is in the process of establishing selection criteria for proposed acquisitions and will be building that into its Collection Development Policy as part of the soon to be announced Corporate Plan 1999-2001.

The Library

2.45   Agreed with qualification. The Library notes that selection criterion are not relevant to Australian maps and music covered by legal deposit.

The Memorial

2.46   Agreed. The Memorial is reviewing and enhancing its acquisition and disposal policy and procedures. Senior curatorial staff or senior management ensure that acquisitions are adequately assessed.

Cost of collecting

2.47   There are substantial costs associated with collection development. A report on collection management in UK museums[6] found that collections accounted for almost 70 per cent of the annual budget of the museums included in the survey group. This included the initial cost of acquisition as well as continuing collection management and care. The ANAO had planned to obtain similar information but institutions were unable to provide this information in a consistent and usable format. When assessing proposed acquisitions, collecting institutions should recognise the importance of the costs of maintaining a collection at an acceptable standard.

2.48   The ANAO found that three of the four institutions gave little or no formal consideration in their policies and procedures to the long-term resource implications of sustained collection development. The exception was the Memorial whose selection criteria included resource issues and acquisition procedures stated that:

> *Items acquired for the national collection are done so in a climate where the full costs and implications for the institution are recognised and an informed decision is made in light of this information.[7]*

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[6]   B, Lord; G.D. Lord & J. Nicks; Museum Enterprises Ltd, *The Cost of Collecting*, Report commissioned by the Office of Arts and Libraries.

[7]   Australian War Memorial, Ad*ministrative Circular No.7/92*, paragraph 9.

2.49   In practice, the Memorial's main concern was identifying the initial cost of acquiring items into the collection. This included purchase price, transport, conservation, special packing and/or storage requirements. The Library and the Museum had also developed proformas to obtain this information.

2.50   The Library, although accepting the importance of a costing regime, considered that its obligations for accepting material under its legal deposit would preclude a large part of its collection from a costing regime. In addition, it advised the ANAO that it would seek the acquisition of items of national importance and significance regardless of the total costs. In acknowledging the Library's position in respect of legal deposit, the ANAO considers that this would not preclude the Library from introducing a costing regime to better inform decision-making on collection development and resource allocation.

2.51   On the other hand, the Gallery advised the ANAO that it recognises the need to take into account the full impact and long-term consequences of all acquisitions. To this end it is establishing guidelines and criteria for submissions that look at the long-term overheads of storage, display and care provisions relating to acquisition. These will be taken into account and carried forward in all submissions to Council.

2.52   Each institution had some regard for the long term conservation implications of proposed acquisitions but the cost of storage, security and the continuing control of the collection was not examined. The ANAO acknowledges that it is easier to determine the initial cost of acquisition than to calculate systematically the long-term resource implications of collection development. Although it is possible to identify the factors that contribute to the cost of collecting (as outlined in Table 1), the costs vary widely with the type of collection, its condition and the standard of storage facilities.

2.53   There is an opportunity for all institutions to work towards developing a comprehensive costing regime to identify the monetary cost and the organisational effort required to safeguard the collection adequately in the medium to long term. This information could be used as part of the assessment process to make informed decisions on whether to accept proposed acquisitions into the collection.

Table 1

Factors to be taken into consideration when calculating the cost of collecting

Initial costs of acquisition (capital investment)	Operating costs of collection management[8]
• purchase price (if any)	• curatorial functions for collection management
• other costs associated with acquiring the item (transportation, valuation fees/expenses, transfer fees etc.)	• documentation
	• research
• curatorial (including time spent on the assessment process)	• conservation
• initial registration and documentation	• stocktaking
• conservation for intended use	• provision of appropriate storage facilities
• provision of suitable packing material	• security/fire protection
• storage (including hire of any special handling equipment or purchase of off-site storage)	• building maintenance and repair
	• administrative overheads

Recommendation No.2

2.54   The ANAO recommends that, except for items covered by legal deposit obligations, all the institutions work towards introducing a comprehensive costing regime to identify the costs of initial acquisition, continuing maintenance and storage.

Agency responses

The Gallery

2.55   **Agreed.** The Gallery is developing a costing structure for the care and security of the collections. The Gallery recognises the need to examine the relevance, necessity for and ways of introducing costing regimes for the acquisition, maintenance and storage of works of art that are submitted to Council.

The Library

2.56   **Agreed.**

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[8]   This does not take account of the costs associated with making the item accessible ie. travelling exhibitions, loans or the research/interpretation involved in preparing it for exhibition.

The Memorial

2.57 Agreed with qualification. This is an appropriate objective and is one which the Memorial applies when considering the acquisition of items which are likely to have major on-going resource implications. However, there are substantial practical difficulties in introducing a reliable, comprehensive costing regime, such as estimating the conservation costs of complex items, such as an aircraft, which may require major disassembly and detailed engineering and chemical analysis before firm costs can be established.

The Museum

2.58 Agreed. The Museum proposes to adopt and implement a comprehensive costing regime by 31 December 1998.

Consultative arrangements

2.59 In view of the limited resources available for collection development, it is important to establish strong, formal links between the collecting institutions responsible for cultural heritage, particularly at the Commonwealth level. Effective coordination and consultative arrangements will help avoid the development of collections that are well-established in other institutions and reduce the risk of potential competition. There are also opportunities for institutions to pool resources to acquire significant items that might be useful to a number of institutions.

2.60 Each of the institutions examined included reference to cooperation with other institutions in their collection development policies. They also indicated that they would take into account the collecting activities of other institutions in their own acquisitions program. For example, the Gallery plans to rationalise its collecting of Aboriginal and Torres Strait Islander Art to take into account the Museum's collecting policies. A strong informal network existed between collection development staff in the four institutions examined. Liaison meetings occurred regularly and informal cooperative arrangements existed covering specific categories of material. It was common practice for staff to contact colleagues in other institutions if an item on offer could be located more appropriately in another collection.

2.61 Notwithstanding an active inter-institution loans program, the extent to which institutions collaborated on the purchase of specific items was limited, although the Library and the Museum collaborated on the acquisition of the Lindy Chamberlain-Creighton Collection. Improvements could be made to coordination between collecting institutions by introducing more formal consultative arrangements to help ensure that there is no unintentional collection development competition.

2.62   There is an opportunity for all institutions to build on existing arrangements whereby senior management of each institution meet biannually. Institutions could consult on collecting priorities, proposals for future acquisitions and any significant changes in the direction of their collecting activities. This would enable the institutions to exchange information to their mutual benefit and to identify better practice and benchmarking opportunities. It could also help facilitate a national approach to collection development, particularly in relation to Australian materials.

Disposals

Principles of good practice

2.63   An objective of efficient and effective collection development is to ensure that items acquired and retained in a collection are, in the best curatorial judgement, necessary for exhibition, research, or loan both now and in the foreseeable future. Disposal is an integral component of collection development. Given the significant costs of retaining items in a collection, good management practice requires the disposal of items that:

• have not retained their significance or relevance;

• are duplicates or of inferior quality;

• are not authentic; or

• have deteriorated beyond usefulness.

2.64   Decisions to dispose of items from a collection require careful consideration. Important and valuable items can be irrevocably lost because of an error in judgement or interpretation. Disposal can lead also to public criticism and influence potential donors' willingness to give material to an institution. As a result, disposal action should be undertaken in a strategic, responsible and ethical manner in compliance with established policies and procedures. Disposal decisions should not be based on fashion but have regard to the potential and intrinsic heritage value of items and the overall integrity of a collection.

2.65   The ANAO sought to ascertain:

• the existence of disposal policies and procedures;

• the extent to which disposal action was undertaken in each of the four institutions; and

• whether the disposal policy and procedures had been followed.

2.66   Graph 3 shows the level of acquisition activity, as a proportion of the existing collection of all institutions examined. Although there is a comparatively small increase in the size of collections each year, the

cumulative effect of continuous collection development with little or no rationalisation of the existing collection has significant implications for storage and other collection management activities

The number of new acquisitions as a percentage of the existing collection
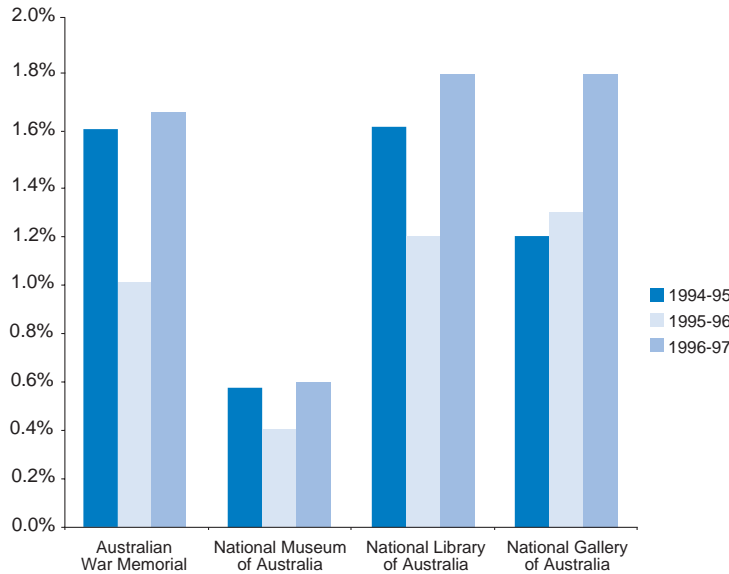
Source: ANAO analysis of quantitative data supplied by the four institutions.

Disposal policy and procedures

2.67   A well researched disposal policy and clearly defined procedures are essential to ensuring that items are disposed of effectively. The development of criteria for identifying items for possible removal from a collection and appropriate methods of disposal is part of this process.

2.68   All the institutions examined had developed disposal policies that reflected their legislative authority to dispose of items from their collections.[9] General procedures for implementing the policy had been established also, including clearly defined criteria for identifying items for possible removal from the collection and preferred options for disposal. However, the Library had developed disposal policies for only specific

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[9]   The Museum had also developed policies and procedures in relation to the return of cultural objects, human remains and secret/sacred material. The ANAO did not examine issues associated with repatriation or other requests for the return of cultural items from the Museum's collections.

types of material such as some overseas material and Australian newspapers. It considered that disposal action was in conflict with its responsibilities for accepting Australian printed publications on legal deposit under section 201 of the *Copyright Act 1968* and had been urging government to extend these provisions so that a wider range of material, including electronic material, would become subject to legal deposit. This issue is further considered in the next sub section (paragraphs 2.76 and 2.77 refer).

2.69   Each institution required items identified for possible disposal to be assessed critically against established criteria to determine their continued appropriateness to the collection before any disposal action was taken. This assessment process could be improved by introducing a formal analysis to determine whether the cost of disposal is likely to exceed the potential benefits. The Memorial indicated that, in its experience, disposals could generate revenue but do not generally result in a net profit, particularly if the focus was on the disposal of inferior quality items. Nonetheless, analysis of costs and benefits will provide additional information to permit informed decisions when identifying items for possible disposal and should involve collection management staff.

2.70   All institutions, except the Library, had developed procedures to govern the administration of the disposal function and required all proposals for possible disposal to be referred to the governing body for approval. In accordance with legislation, items valued at more than a specified amount were referred to the relevant Minister.

2.71   The Museum and the Gallery had established 'cooling off' periods as part of their disposals processes. A nominated period has to elapse after the initial recommendation to consider an item for disposal before the decision to remove the item permanently from the collection. Although this period provides an opportunity to reconsider disposal action, it should not be necessary if items for acquisitions are adequately assessed against collecting priorities and are comprehensively documented.

Disposal practices

2.72   The disposal of collection items is more rigorous than the acquisition process because there are specific statutory provisions and/or Ministerial directions that must be followed. It is a time-consuming and resource-intensive activity. Despite this, vigorously pursued disposal action can generate revenue to improve the quality of a collection and reduce collection management costs. It can also have a significant effect on safeguarding a collection by directing collection management activities to items that will remain part of a collection in perpetuity. However, to help

ensure that the 'right' items are retained, disposal activities should be undertaken in compliance with the established policy and procedures.

Extent of disposal action undertaken

2.73 Disposal action was not a high-priority activity of any of the institutions examined. Although a small number of disposals could be indicative of a well-defined and rigorously implemented collection development policy, at the time of audit the ANAO found that none of the institutions had examined their collection thoroughly to determine whether this was so.

2.74 The Museum had the most active disposal program. In 1996-97, 29 items were approved for permanent removal from a collection of more than 175 000 items. Additional objects were waiting final approval of the Council at the time of audit. Similarly, the Memorial considered that disposal was a high priority but not necessarily an over-riding one. Action had been taken to dispose of up to 150 000 items in the past three years, including medals, badges, uniforms, aircraft and aircraft parts, vehicles, weapons and paper-based records.

2.75 Disposal action had been more limited in the other institutions, for example:

- disposal action in the Gallery had been limited to one work of art since 1990 but a rationalisation of its collections was proposed; and

- under the auspices of the Distributed National Collection, the Library had transferred a substantial number of newspapers. Its Latin American holdings were on permanent loan to La Trobe University but remained part of the Library collections.

2.76 The Library advised the ANAO that, because of its obligations under legal deposit and its role in preserving cultural heritage material, it was limited in the extent to which it could pursue disposal action across its collection. Nonetheless, with these reservations, the Library saw benefit in targeted disposal for collection development purposes and will consider such action for relevant elements of its collection.

2.77 In acknowledging the responsibilities of the Library for accepting Australian printed material on legal deposit, the ANAO notes that these materials are only one part of the Library's collection. There is an opportunity for the Library to initiate an active disposals policy enable it to identify, from those items not covered by the legal deposit requirement, those items that are not, in the best curatorial judgement, necessary for exhibition, research, or loan both now and in the foreseeable future. This step would be consistent with both accepted practice for collecting

institutions and the Library's wider responsibilities for ensuring the expenditure of public moneys in the most efficient and effective manner.

2.78 All institutions should give more consideration to the identification of items that might no longer be retained appropriately in their collections, unless there is a legal requirement not to do so. This could be done in the course of a comprehensive stocktake of the entire collection or by introducing a system whereby appropriately trained staff, as part of their duties, note any items that might not be appropriate to the collection. This could be followed up by appropriate curators. A database containing information on items earmarked for possible disposal could be maintained and priorities assigned to any action proposed.

Recommendation No.3

2.79 The ANAO recommends that, in order to ensure the continuing quality of their collections, all institutions allocate a high priority to identifying items for possible disposal, except for those items covered by legal deposit obligations or equivalent.

Agency responses

The Gallery

2.80 **Agreed.** The Gallery has a Disposal Policy which was approved by its Council in April 1995 and is currently reviewing its collection with a view to identifying items for possible disposal.

The Library

2.81 **Agreed.**

The Memorial

2.82 **Agreed with qualification.** The Memorial agrees disposal is an important part of managing a major collection properly. The level of disposal action has increased substantially in recent years because it has become an integral part of the collection management process. Properly based disposal can only be undertaken when the documentation of each relevant part of the collection has been undertaken, and the information is available to allow firmly based comparative evaluations.

The Museum

2.83 **Not agreed.** The Museum considers that the report overstates the impact of a de-accessioning program on freeing up collection storage space and underestimates the resources required to undertake such a program. A de-accessioning program, while a central aspect of sound collections management, will only make a marginal contribution to the overall quality and quantity of collections

Compliance with disposal policy and procedures

2.84   The ANAO examined the disposal action undertaken at the Gallery, the Memorial and the Museum and found that procedures had been followed in the majority of cases, except by the Gallery.[10] Despite the Gallery's disposal activities being limited to one work of art in the last eight years, the mandatory six-month 'cooling-off' period had not been observed; the work was returned to its previous owner within one month of the Council's in principle decision to approve the disposal. There was also no documentation to support the decision which outlined the reasons for, and implications of, removing the work from the collection. The Gallery should ensure that its disposal policy and procedures are implemented.

2.85   Records of the reasons for, and method of, disposal and associated processes should be maintained for each item removed permanently from the collection. The disposal proforma developed by the Museum provided an effective means of helping to ensure that all procedures were followed and appropriate documentation was provided. There is an opportunity for the other institutions, especially the Gallery in the light of the proposed rationalisation of its collections, to develop a similar proforma to help ensure that established policies and procedures are implemented appropriately and followed.

Conclusion

2.86   Except for the Gallery, which was undergoing significant review of its corporate planning and directions at the time of audit, each institution had a well established strategic planning framework that provided a sound basis for collection development and management. However, improvements could be made by institutions including all the elements of collection management in their corporate plans, setting priorities for collection management to assist with resource allocation and developing risk profiles for each collection management activity.

2.87   All institutions had policies and procedures to govern their collection development practices and three of the four institutions had set collecting priorities. The ANAO considers that collection development could be improved by institutions:

• monitoring collecting priorities regularly to provide management with an assessment of the direction taken;

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[10]   Disposal action was not examined in the Library since there were no documented procedures against which to assess compliance.

- ensuring that new acquisitions are assessed clearly and directly against key selection criteria to determine compliance with the collection development policy and appropriateness for inclusion in the permanent collection;

- working towards introducing a comprehensive costing regime to identify the cost of collecting in terms of both the initial cost of acquisition and the maintenance and storage; and

- building on the informal networks among the collecting institutions to develop more formal consultative arrangements.

2.88   The ANAO found also that policies and general procedures had been established to govern the administration of the disposal function. However, disposal was not a high priority activity in any of the institutions examined despite its being an essential element of collection development. An active disposal program gives institutions an opportunity to ensure that their collections retain their relevance and usefulness. There is scope for all institutions to give more consideration to earmarking items for possible disposal.

3. Collection Management

This chapter examines the way in which the essential elements of collection management, that is the registration, documentation and conservation functions, provided adequate safeguards to the collection and ensured its continued availability for exhibition, loan or research purposes.

Registration and documentation

Principles of good practice

3.1   The registration and documentation function is an essential element of collection management. It provides the means of being able to locate any individual item within a collection and all information recorded about that item. A comprehensive and well maintained central register facilitates the monitoring of collection movement and is essential to the provision of efficient and effective stocktaking necessary for safeguarding the collection. Stocktaking is discussed in Chapter 4. The use of a comprehensive computerised central collection management system will support registration and documentation processes.

3.2   The ANAO particularly sought to ascertain:

- the existence of registration and documentation procedures that were well-documented and consistently applied;

- the degree to which priorities for registration and documentation had been established and reviewed regularly; and

- the degree to which information technology provided support for collection management.

Registration

3.3   The registration function is essential to providing the basis of access to, and control of, the collection by enabling each item to be identified permanently and individually. The existence of established procedures for the registration function helps ensure consistency in the provision of basic information on items for collection management purposes. In the Library's context, the registration function relates to the process of acquiring and cataloguing new acquisitions as well as ensuring that all collection items have at least a basic level of cataloguing.

Registration procedures

3.4   The ANAO found that in the majority of institutions examined, registration procedures had not been documented formally. Although the

Gallery had developed a registration policy, it had not been reviewed since 1989. Only the Library had written procedures to guide its acquisition and cataloguing activities. These procedures, in conjunction with international and professional library standards, helped ensure a consistent standard of cataloguing in the Library.

3.5   The introduction of standard registration processes is particularly important to the Memorial, in which responsibility for registration was divided between various branches. The use of different registration practices across collection areas had led to some inconsistencies in the registration of items in the collection. This was significant for safeguarding and controlling the collection.

3.6   To improve the registration process, there are opportunities for the Gallery, the Memorial and the Museum to:

- develop a standard system for data entry to ensure that a consistent minimum level of detail is provided for every item accessioned into the collection; and

- define clearly the roles and responsibilities for the various staff involved in the registration process, including other collection management staff, such as curators and conservators, to clarify the extent of their involvement in registration activities.

Registration arrears

3.7   Three of the four institutions had significant arrears in the registration of all items included in their collections. Although priority was given to the registration of new acquisitions, the Library, the Memorial and the Museum had not registered all items in their existing collections. The Memorial estimated that, in its postcard collection alone, there were 10 000 items that had not been formally accessioned into the collection. In acknowledging that individual accessioning was desirable, the Memorial had expended considerable effort in improving the quality of its documentation. The Memorial considered that virtually every item in the collection was controlled, but not necessarily at item level. The Museum had entered less than a third of its collection in the computerised collection management system, used to record details of individual items. Although the Museum had established strategies and a range of initiatives to deal with the arrears, they had been deferred pending the outcome of other collection management initiatives.

3.8   In terms of its overall registration function, the Library was one of the better practice organisations. The Library had made progress in improving its bibliographic control by cataloguing most of its incoming material. In recognition of the need to improve the efficiency of processing

acquisitions to ensure that collections were available for use as quickly as possible, the Library streamlined workflows for the acquisition and cataloguing processes, improved the efficiency of its information technology to develop online tools for cataloguers and introduced categories of cataloguing to ensure that all new acquisitions had at least a basic level of cataloguing. However, there were significant arrears in the Library's providing at least a basic level of cataloguing of all items in the existing collection, as shown in Table 2.

Table 2

Cataloguing in the Library - estimate of the state of bibliographic control

Collection	No. of items catalogued in 1995-96	No. of items catalogued in 1996-97	No. of items catalogued in 1996-97
Australian	30 124	40 214	84 942
Overseas materials	29 094	28 051	496 196
Manuscripts [a]	421	487	1 179
Pictorial collection	151	195	—-
Films and video cassettes	486	327	—-
Oral history	501	407	20 050
Music	3 888	3 237	58 201
Photographs [b]	296	801	536 498
Maps	3 348	4 064	598 451
Aerial photographs [b]	—-	—-	242 657

[a]   One catalogue entry may control a collection of number of items or of a number of boxes covering several shelf metres.

[b]   One catalogue entry may control several thousand photographs or aerial photographs.

Source: National Library of Australia Annual Report 1996-97.

3.9   Some alternatives available to the Library, the Memorial and the Museum to reduce the arrears of registration and gain greater control over their collections include:

•   setting clear priorities for registration activities and allocating resources accordingly; and

•   introducing formal reporting arrangements to monitor action taken to reduce the arrears.

3.10   In comparison with the other institutions, the Gallery had established a basic level of control over all items in its collections. However, there was a significant backlog in the Gallery in marking items physically with their individual accession numbers. Although all items had been

assigned accession numbers, these had not been marked on more than 20 per cent of the items tested. The ANAO considers that the Gallery should:

- ensure that all items are accession marked as part of the registration process (before they are stored with the existing collection); and
- develop strategies for reducing the backlog in accessioning marking by increasing workforce productivity.

Recommendation No.4

3.11 The ANAO recommends that:

- the Library and the Museum identity priorities for dealing with registration arrears;
- the Memorial continues to deal progressively with its registration arrears in accordance with defined priorities; and
- the Gallery ensure that all items are accession marked as part of the registration process and develop strategies for reducing the backlog in accession marking.

Agency responses

The Gallery

3.12 Agreed. The Gallery is reviewing its staffing structure at this time and is implementing an accessioning program to deal with the backlog over the next two years through the Registration Section.

The Library

3.13 Agreed with qualification. The Library does have priorities in place for dealing with cataloguing arrears but notes that progress in dealing with arrears depends on the extent to which resources can be allocated from elsewhere to work on them. Significant reallocation of resources from other major functions is not possible in a time of continuing restraint.

The Memorial

3.14 Agreed with qualification. The Memorial strongly supports the concept of setting priorities for dealing with registration arrears and has undertaken considerable work to identify and address priority areas.

The Museum

3.15 Agreed. The Museum will attach its highest priority to those objects/collections identified for display or physical re-location to the new Museum facilities on Acton Peninsula.

Documentation

3.16   Documentation is the process of producing records to identify and enhance the knowledge and value of collections and is the responsibility of all collecting institutions. It involves preserving the non-intrinsic information about items in a collection by including detailed information on individual items such as name/title, source, provenance, cultural significance, and cost or value. The documentation of collection items is essential to:

- effective collection management, especially in determining storage and security requirements;

- the formulation of collection development policies by identifying the scope and limitations of a collection; and

- ensuring the usefulness of a collection for exhibition, research and loan by maintaining informational and intellectual control over it.

Documentation procedures

3.17   The Library was the only institution that had clearly established procedures for documentation.[11] These procedures were based on international and professional standards. For the other institutions, procedures for documentation were less developed. In addition, the quality and level of detail included in the collection management systems varied considerably between the Gallery, the Memorial and the Museum. There is an opportunity for these institutions to develop documentation procedures to provide data entry standards and ensure a consistent approach to documentation.

Adequacy of documentation

3.18   There are significant challenges to efficient and effective documentation procedures and practices in each of the institutions examined during the audit. The ANAO found that the basic level of documentation could be improved for all collection items. There were significant arrears in documenting the collections in each of the institutions and variations in the level and quality of documentation available. Although, given the existing level of resources, it is unlikely that any of the institutions would be able to document their collections fully, a minimal level of documentation should be available for all items.

3.19   Problems with the extent and adequacy of documentation were also apparent and acknowledged in all institutions. For example, the Memorial estimated that 55 000 records required correction and the Library estimated

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[11]   In the Library context, documentation refers to 'retrospective cataloguing'.

over 536 000 photographs were awaiting full cataloguing. There are several reasons for this situation including deficiencies in previous records, difficulties in transferring data between systems and the absence of standard procedures and control.

3.20   The Library acquires large volumes of material from various sources, particularly under legal deposit requirements and has applied considerable effort and resources to ensuring that all recent acquisitions are catalogued appropriately. However, because of arrears in its retrospective cataloguing, information was not available on those parts of the collection awaiting cataloguing. The Library had streamlined its processes to ensure that all new acquisitions received at least a basic level of cataloguing.

3.21   The Memorial had most of its collection sufficiently documented to allow a basic level of control and access. However, it had identified documentation problems including information of poor quality (for example minimal descriptive information) and had initiated a subject enhancement project as part of a data upgrade for its art collection to improve this situation. An adequate level of documentation was available for significant works of art in the Gallery but most of it was held by individual curators and not readily available for wider use. The inclusion of this information on a central system would provide a greater level of access internally and externally. The Gallery was upgrading this information as part of the *artonline* project at the time of audit.

3.22   Full documentation was not available at the Museum for the 100 nationally significant items (icons) and items required for display or loan. However, as part of its approach to providing a consistent level of documentation of all collection items, the Museum developed a subject thesaurus to assist in their classification. At the time of audit, approximately 15 000 items had been classified in the collection management system. The Museum was exploring ways of integrating the thesaurus into the new collection management system. In developing procedures for documentation, the Museum has an opportunity to introduce a program whereby all new acquisitions are classified as part of the formal accession process.

Documentation priorities

3.23   Current acquisitions were accorded the highest priority for documentation in each of the institutions at the time of audit. However, in view of the significant arrears, there were opportunities for each to establish priorities ensuring that all collection items have a basic level of documentation. The Museum has taken some action by introducing its 'targeted documentation' project to improve the information available on

those items selected for exhibition in the new museum which do not have adequate documentation.

3.24   The Library had established limited priorities for retrospective cataloguing to ensure that all items in the collection were catalogued to the required level, but these were not always clear. A similar situation existed at the Memorial and the Gallery. There would be benefit in these institutions identifying specific priorities for documentation, establishing targets and directing effort, including appropriate resources, to the achievement of the priority activities. A risk management approach which sets priorities for documentation based on the significance of the items to the collection and the community and takes into consideration the actual and potential demand for, and access to, specific items for exhibition and education purposes.

3.25   In the context of the competing priorities of acquisition and cataloguing staff, consideration should also be given to alternative ways of providing resources to reduce the documentation arrears. This could include examining the costs and benefits of outsourcing and/or hiring temporary contract staff.

Recommendation No.5

3.26   The ANAO recommends that all institutions review their priorities for documentation with a view to dealing with the significant arrears and ensuring that all aspects of their collections have at least a basic level of documentation.

Agency responses

The Gallery

3.27   **Agreed.** The Gallery will be creating a restructured Registration department to include a documentation section that will be responsible for basic levels of documentation including arrears, if any.

The Library

3.28   **Agreed with qualification.** As per Recommendation No. 4

The Memorial

3.29   **Agreed.** The Memorial has already analysed documentation issues and defined priority areas. A long term strategy is being developed.

The Museum

3.30   **Agreed.** The Museum will attach a high priority to those objects/collections identified for display or physical re-location to the new Museum facilities on Acton Peninsula.

Information technology for collection management

3.31 Comprehensive and well maintained central records and registers are essential to facilitating access to, and control of, all aspects of the collection whether or not this access be for educative, research or display purposes. Computer-based information technology was used for both collection management and user access purposes. It was an essential tool for registration and documentation in each institution and there were varying degrees of sophistication in the types of computer technology used, for example:

- the Library used a variety of computer-based technology including the Online Public Assess Catalogue (OPAC) which included data on all items in the collection and linked with the Integrated Library Management System (ILMS) and the International Standard Serial Number (ISSN) database; the Library also supported and used the Australian Bibliographic Network (ABN) and the National Bibliographic Database (NBD);

- the Gallery relied on a central collection management information system, which was under the control of the Registration Section. This system was used to record details on all works of art in the collection;

- the Memorial's Collection Management System was its main repository of data on its collections and was supported by ANGAM (for archival records) and CATALIST (for books). The CMS consisted of a series of interlocking modules and could be used, in a limited way, to identify items assessed as being at risk and for which conservation work was required or had been done; and

- the Museum used a mixture of manual and computerised systems for collection management. The paper-based manual system was used to allocate accession numbers to individual items. Both systems were centralised and under the control of the Registration Section.

3.32 In several institutions, individual sections had developed their own databases. One of the more impressive databases was the Access database used by the Library in its Preservation Services and Oral History areas. In addition to recording data at an item level, it provided both management and conservation information such as:

- conservation treatment done and the resources applied to various items;

- specific items requiring attention;

- incomplete projects;

- reference reports (such as conservation status); and

- management reports on conservation activities.

3.33 Overall, the ANAO found that there were major limitations in the use of computer-based technology in each of the institutions reviewed and there were opportunities to extend the use of technology beyond data storage. Although these systems were adequate for data storage, they were limited in their capacity to produce management reports.

Reliability and accuracy

3.34 Reliable and accurate information on items in a collection is essential to defining them for access, exhibition, research and educative purposes. Overall, the ANAO found that data integrity in the Gallery and the Library was of a high standard. However, 17 per cent of the Gallery records sampled by the ANAO did not include details of the size of the work of art or a description. This, coupled with the arrears in accession marking, made the identification of untitled works difficult.

3.35 There was also widespread inaccuracy in the information in the collection management systems administered by the Memorial and the Museum. The Memorial estimated that up to 55 000 records required some significant form of correction. Many of these problems related to the standard, reliability and/or accuracy of data entry and were exacerbated by the absence of standardised registration procedures. Both institutions were developing 'data-cleansing' strategies at the time of audit.

3.36 As a result of system limitations, it was generally not possible to obtain accurate and reliable information essential for collection management, such as:

- the condition of items and details of conservation work;
- the exhibition history of the item and whether or not it has been earmarked for exhibition;
- the frequency of use of an item (for example for loan or exhibition);
- the resources required to make an item available for use; and
- any individual safeguarding requirements (such as security or environmental safeguards).

3.37 The limitations of the existing information technology systems had been recognised in all the institutions and reviews were either under way or proposed for the near future. Many of the problems outlined above could be minimised by the introduction of quality assurance mechanisms, which could include data entry standards, sample checks by supervisors, rotation of staff and the increased use of stocktaking as a form of quality control.

3.38 Any upgrading of collection management systems should take into consideration management and performance reporting requirements, the

integration of various collection management components and the potential for linking the resource management and collection management systems.

Movement controls

3.39   One of the most significant risks to efficient and effective collection management is not being able to locate items. Each of the institutions examined had processes in place to track the movement of items but the extent to which they were followed varied. For example, at the Gallery, inadequate movement controls were a problem during times of peak activity. There are opportunities for the four institutions to introduce more stringent controls on the movement and location of items by ensuring that:

- location details are accurate and kept up to date;
- staff are trained in the importance of completing movement records; and
- staff responsible for the custody of items are kept informed of any movements.

Conservation

Principles of good practice

3.40   The main objective of any conservation program is to safeguard cultural material for the future. Its purpose is to study, record, retain and restore the culturally significant qualities of an item with the least possible intervention. Conservation includes the preservation of the item to minimise deterioration and restoration when an item is damaged or has deteriorated because of use, age or deficient storage. Conservation includes protection of the physical and intellectual content of the item.

3.41   The ANAO sought to ascertain the:

- extent to which a conservation policy covered all aspects of the collection;
- degree to which conservation priorities had been established and reviewed;
- extent to which the conservation policy and priorities had been implemented;
- existence of conservation management and administrative procedures for all aspects of the collection; and
- extent to which a program of preventative and corrective maintenance had been established.

3.42   The ANAO concentrated on the efficiency and effectiveness of the administration of the conservation function and did not examine the appropriateness of the conservation treatment of individual items.

Conservation policy

3.43   An institution's conservation policy outlines the principles that guide conservation professionals and others who are involved in the care of cultural property. The policy should reflect the institution's major collecting areas and the operating environment.

3.44   Although conservation policies existed in each of the institutions examined, their currency varied; the Museum's policy was developed in 1982, the Gallery's in 1989 and the Memorial's in 1995. The Library's policy was dated 1993, but the ANAO was advised that the document was reviewed regularly. Overall, conservation activities at all institutions were performed by professionally qualified conservation staff guided by conservation policies, established conservation treatment techniques and a code of ethics.

3.45   The policies did not cover all aspects of the institutions' collections. Some new collecting areas, such as the preservation of digital collections in the Library and Aboriginal artefacts in the Gallery, were not covered by existing policies but revised policies were being considered at the time of audit. For example, the Library's PANDORA project involved developing policy and procedures for the preservation of digital data. Improvements in the management of conservation services could be achieved if these policies were reviewed regularly to ensure that they reflected any changes in the institution's collecting directions or operating environment.

Conservation priorities

3.46   A comprehensive knowledge of the type and condition of a collection, as well as the materials it is composed of, is essential to the care and maintenance of cultural material. Without this knowledge it is difficult to make informed decisions about conservation strategies and priorities for a collection. It should be acquired and updated routinely by periodical survey of an existing collection and new acquisitions.

3.47   Overall, conservation priorities had been established in each institution examined. The highest priorities had been assigned to those items considered nationally significant or required for display, travelling exhibitions and loans, and they were afforded preferential treatment. The risks to the entire collection of adopting this approach are reflected in the experience of the Memorial which, being further advanced in this area than many collecting institutions, had surveyed 29 000 items of the 118 000 items recorded on its collection management system. The results of this survey process were as follows:

• 1 480 items had been identified as being in a fragile or unstable condition (priority one or two for conservation purposes); and

- only 300 of those 1 480 items identified as fragile or unstable had been treated.

3.48 Based on the results of the Memorial surveys, the ANAO estimates more than 6 000 of the 118 000 items recorded on the collection management system could be expected to be in a fragile and unstable condition and some 4 800 items would not have received treatment of any kind.

3.49 In addition to its survey process the Memorial has as undertaken several other major projects that are not related to exhibitions. These projects include the survey and treatment of almost 200 000 photographs, the entire collection of First World War unit war diaries (an 8 year project), a substantial part of the Second World War diaries and large parts of the film collection.

3.50 The Memorial indicated that it considered the assessment of an item as being fragile or unstable did not necessarily mean that it was deteriorating or that it needed treatment. In many cases, provided that the item was held in good storage conditions, treatment may be unnecessary or undesirable. The ANAO appreciates that this may be the case for some items but the Memorial's effectiveness is dependent on adequate knowledge of the collection and the condition of its individual items so that institutions are able to make informed decisions about conservation treatment.

3.51 Most of the Library's collection was unsurveyed. In the main, items were identified for conservation treatment when they were requested for loan or exhibition, although the Library advised the ANAO that the significance and condition of the material were also important factors in deciding conservation priorities. Although this system ensured that these items were generally fit for use, it did not deal adequately with all items in the collection.

Conservation management and administration

3.52 The conservation function could be assisted by more efficient and effective administration, particularly in the use of computer technology. Each institution had conservation management and administrative procedures to underpin its policies and used a variety of procedures. For example, in the Library the preservation area had been innovative in developing:

- an internal management system, based on an Access database, used to record preservation treatment, and the resources applied. The system was effective in providing management information on both a summary and item level but did not link with other systems;
- publications and guidelines on conservation and preservation for issue to the public and Library clients;

- a high level conservation/preservation advisory service in support of the National Preservation Office.

3.53 The Memorial and the Museum had established a conservation module forming part of their collection management systems. The conservation sections maintained manual records because there was only a limited number of computer workstations and the system was difficult to use. Overall, these computer records were incomplete and provided insufficient information to ascertain the extent of work undertaken.

3.54 The Gallery maintains a manual record of conservation treatments undertaken but not all work, such as reports on the conservation condition of items, is recorded. The Museum estimated that it would take the equivalent of 50 years to complete conservation reports on its collection, excluding the Aboriginal stone tools collection. There is an opportunity for the Gallery, the Memorial and the Museum to improve conservation administrative practices by entering reports on the condition of items and conservation work records directly into the collection management information system.

3.55 The management and administration of the conservation function could be assisted greatly by the development of computer-technology with more direct links to collection management and resource management systems. For example, incorporating or linking conservation reports with the collection management information systems would assist collection management by giving curatorial and conservation staff ready access to all relevant conservation information.

Preventative and corrective maintenance

3.56 A systematic approach to preventative and corrective maintenance can help to ensure that items at risk of deterioration receive appropriate and timely treatment. This can take the form of:

- effective storage of all items of the collection (as discussed in Chapter 4);
- close examination of new acquisitions; and
- surveying the existing collection regularly.

3.57 Overall, there were no readily identifiable programs of regular preventative and corrective maintenance in place, although all institutions examined new acquisitions closely to ascertain their condition and conservation requirements. The Gallery acquired only works of art that were in good condition. The Museum ensured that all new acquisitions were conserved appropriately before being entered into the permanent collection. The Library examined new material and, if necessary, undertook essential conservation work. It had boxed and housed groups of items in certain categories to stabilise large sections of its collection. The Memorial

applied a ranking system to identify conservation needs for future attention but only 20 per cent of the items identified as fragile or unstable had been treated as indicated in paragraph 3.38 above.

3.58 In view of the large number of unsurveyed items in all collections each institution should consider a continuing process of assessing the condition of its collection. This could be incorporated into an annual stocktake. The condition of items could be checked also at the time of access or use, as is done by the Library. This action will not only ensure that deteriorating and fragile items are detected, but also enable staff and management to monitor any changes in collections over time and undertake prompt remedial action when necessary.

Conservation resourcing

3.59 The level of resources allocated to conservation has remained relatively static in recent years. However, the collections were increasing in size, age and complexity and required continual maintenance and care. To meet the increased demands of exhibitions and loans, and ensure a program of regular collection maintenance, institutions should review their allocation of resources to the conservation function.

3.60 Graph 4 presents conservation staffing resources for each institution between 1994 and 1997. Despite the increasing demands on conservation departments to prepare items for developing exhibition and loans programs, conservation staffing numbers have remained relatively constant over the three year period.

Recommendation No.6

3.61 The ANAO recommends that all institutions:

- review the level of resources allocated to conservation, including surveying and assessing collections; and

- introduce a program of regular collection maintenance based on the identified needs of the collection.

Agency responses

The Gallery

3.62 **Agreed.** The Gallery is currently reviewing its allocation of resources, recognising the difficult economic environment at this time. Resources allocated to care for collections and acquisitions are being carefully scrutinised.

The Library

3.63 **Agreed with qualification.** The level of resources currently allocated to conservation reflects resource restraint and the Library's total

resources. The Library has a program of regular collection maintenance based on the identified needs of the collection but does not consider it cost-effective to undertake a continuing stocktake program. The feasibility of undertaking stocktake sampling will be carried out in addition to current practice.

The Memorial

3.64   Agreed with qualification. The Memorial has given a high priority to allocating resources to Conservation work and this is reflected in the high levels of staffing recorded on Graph 4. Despite a very tight financial environment, expenditure on Conservation function has been increased.

The Museum

3.65   Agreed. The Museum has already allocated additional resources to its conservation section this financial year. These resources will be focussed primarily on undertaking the assessment and treatment of objects progressively identified for display and access in the new Museum facilities on Acton Peninsula. The Museum will continue to stabilise and undertake preventative conservation of its collection as part of an ongoing program.

Graph 4
Conservation staffing levels for 1994 - 1997
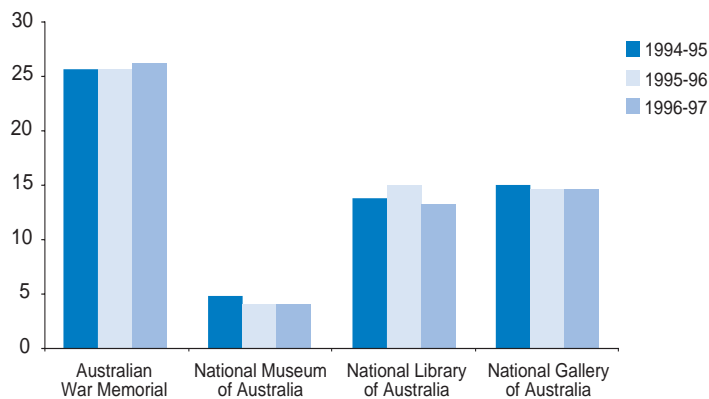
Source: ANAO analysis of quantitative data supplied by the four institutions.

Conclusion

3.66   A variety of approaches to registration, documentation and the use of computer-based information technology had been adopted in each of the institutions examined. These approaches, together with inconsistent practices within institutions and competing priorities, contributed directly to:

- significant arrears in registering and documenting the different types of collection in each institution; and

- inconsistent standards of registration and documentation.

3.67 Performance varied in each institution and there were opportunities for each to adopt standard procedures to ensure consistency within institutions of registration and documentation. In addition, priorities need to be established for dealing with the arrears of registration and documentation.

3.68 The use of information technology has been limited to data storage and there are widespread inaccuracies and gaps in the information in the collection management systems. Any upgrading of systems needs to deal with issues of data reliability and completeness, and should take into consideration management and performance reporting requirements.

3.69 Although all institutions had established conservation priorities, they were governed primarily by the loans and exhibition programs. Institutions would benefit from introducing a program of preventative and corrective maintenance based on identified needs and ensuring that sufficient resources are allocated to meet both maintenance priorities and the demands for conservation services for exhibition and loans.

4. Security and Storage

Security and storage are central to safeguarding collections and the stewardship role of collecting institutions. The key functions that contribute collectively to the effectiveness of security and storage are the storage facilities, stocktaking and security and counter- disaster plans.

Storage

Principles of good practice

4.1　Effective storage is one of the main forms of preventative preservation. Different types of items have different storage and environmental requirements, such as specific temperature and humidity levels, to limit decay and avoid damage. Since all cultural material deteriorates over time, the continuing review of existing storage capacity should retain a high priority in all collecting institutions. It is also necessary to undertake regular stocktakes to maintain effective control over the collection.

4.2　The ANAO sought to identify:

- the existence of storage facilities that provided stable and appropriate conditions for the different types of items in the collections;
- the extent to which storage facilities and environmental conditions were monitored and reviewed; and
- the degree to which a system of periodic stocktakes had been implemented for all elements of the collection.

Storage facilities

4.3　Storage facilities are an essential tool for preventative maintenance and should provide an environment that both preserves the collection and provides ease of access. The institutions examined generally provided stable conditions for the protection of the national collection and met the special requirements of the nationally significant and valuable items.

4.4　Storage facilities have been reviewed over the last five years in the Gallery, the Library and the Memorial. Although these reviews were concerned primarily with storage capacity and associated arrangements, the general indications are that storage facilities are structurally sound. In this regard the Library and the Memorial had well-developed preventative maintenance programs for its storage buildings. Despite the recommendation of its 1995 review, the Gallery had not implemented such a program.

4.5 Each institution had adopted a risk management approach to the storage of some collections by providing more stringently controlled environments for the more significant or fragile items in their collections. For example, the Library stored its unique and vulnerable sound recordings in a strictly controlled environment but kept its low use and older volume newspapers in less-stringent conditions off-site. Other examples of good storage facilities included:

- the Museum's Ethnographic and Aboriginal Art storage facilities where stable environmental, dust-free conditions were maintained; and

- the Memorial's pallet and vertical racking system which provided ideal storage conditions for a wide variety of small and large items.

4.6 There were, however, areas identified in which items stored in less than optimum conditions were exposed to the risk of deterioration or damage. These included cluttered conditions and restricted access to items, little or no environmental controls or poorly sealed storage facilities. Specific areas in which storage conditions could be improved or were unsatisfactory included:

- the Memorial's textiles store, which was cluttered and the firearms storage area which had inadequate environmental monitoring and fire protection at the time of audit - the ANAO understands that this situation was being reviewed;

- air-conditioning at the Museum's main repository at 9-13 Vicars Street Mitchell, which was unable to deal with extreme temperatures; the collection was exposed also to vermin and insect infestation because of poorly sealed doors;

- the Library's Hume warehouse which was exposed to air-borne pollutants because of the lack of air-conditioning, and had recurrent insect infestations; and

- the Gallery's textile store was exposed to a high risk of insect and rodent damage because the store was an unsealed area along a corridor, next to a packing room, less that 20 metres from a loading bay.

4.7 Graph 5 presents storage expenditure between 1994 and 1997 by the Memorial, the Museum and the Library. The Gallery was unable to supply this information but has advised the ANAO that it will be able to provide this information in future.

1994 - 1997 Storage Expenditure
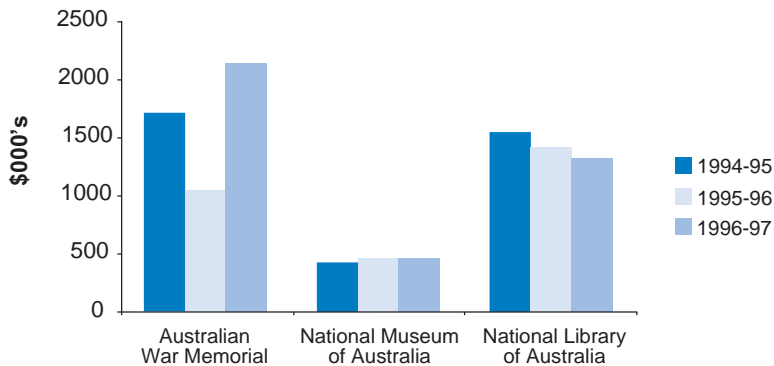
Source: ANAO analysis of quantitative data supplied by the four institutions.

Pest management

4.8   Pests are a recurring problem for collecting institutions and keeping the level of pest activity to an absolute minimum is a key factor in maintaining high quality collection storage facilities. The organic material of many collections provided a good food source for insects and rodents in a relatively undisturbed environment and so presented risks to these types of collection.

4.9   All of the institutions examined had implemented some form of pest monitoring. The Gallery and the Library had developed pest management plans that took account of all aspects of the environment, including the building and its functions, and activities of staff as a total system. A key feature of this approach was that pest management was treated as both an organisational and an individual responsibility. However, although these plans represented good models for pest management, at the time of audit they had not been implemented fully. The ANAO was advised that this was because of insufficient resources. As a consequence, there were occasions when pest infestations were discovered after they had become widespread.

4.10   Although all institutions had developed some pest control measures, there is an opportunity for all institutions to develop and implement a more robust and systematic approach to pest management, such as through pest management plans that include routine pest inspections. This step should help minimise the risk of vermin and insect infestations remaining undetected. In addition, institutions should ensure that the resources allocated to pest control are sufficient to keep pest activity to an absolute minimum.

Quarantine

4.11   The movement of items between institutions, within Australia and internationally, and the acquisition of new items into collections, are activities that must be managed carefully to reduce the potential risk of introducing pests into storage facilities. All four institutions had active acquisitions, travelling exhibition and loans programs. There were separate receiving and dispatch facilities in each institution but there were no dedicated quarantine facilities completely isolated from collection storage facilities.

4.12   Arrangements in place at the time of audit exposed the Gallery's collection to pest infestation because works of art on loan from other institutions, and returned works of art, were brought directly into collection storage or display areas without quarantine. The ANAO found that infested materials had been introduced into Gallery buildings on at least seventeen occasions. One such incident had occurred in the course of unpacking of the 'Vision of Kings' exhibition from India when staff found a variety of live insects, including cockroaches, beetles, spiders and centipedes, thriving in organic packing material.

4.13   In view of the scale of the Gallery's national and international loans and exhibition programs, a quarantine and treatment facility isolated from collection display and storage areas should be established as a matter of priority. Similarly, other institutions should ensure that all incoming items are unpacked in an isolated area. Such a facility in the Gallery could be used by other institutions, on a cost recovery basis, to deal with incoming items from overseas or contaminated items.

Recommendation No.7

4.14   The ANAO recommends that:

- all institutions implement routine pest inspections of all storage facilities where they have not already done so;
- all incoming material be isolated from the existing collection in each institution when it is being unpacked; and
- the Gallery establish dedicated quarantine and treatment facilities, as a matter of priority.

Agency responses

The Gallery

4.15   **Agreed.** The gallery has routine pest inspections in place. The Gallery isolates material where it is identified as being a threat. The Gallery is seeking to identify a suitable quarantine area at this time.

The Library

4.16 **Agreed.** The Library agrees with this recommendation with the qualification that it regards its present pest management strategy as adequate.

The Memorial

4.17 **Agree with qualification.** The Memorial agrees with the recommendation and currently does undertake routine pest inspection of all storage and display areas, as well as separating incoming material for pest eradication, including all items returning to storage from display.

The Museum

4.18 **Agreed.** These tasks are part of the Museum's ongoing operations.

Storage review

4.19 A program of regular review enables an institution to determine whether its storage facilities are managed efficiently and effectively. The process will help management ascertain the adequacy of the facilities to meet future storage requirements and to plan accordingly.

4.20 Three of the institutions included in the audit had reviewed their storage facilities for the short to medium term (one to five years). There is an opportunity for all institutions to review storage arrangements and to consider their likely long-term storage management issues (of five years and beyond) in the light of future collecting priorities. For example, the Memorial's evolving theme 'Australians At War' will have implications for the nature of its exhibition and storage requirements. Such an approach would enable each institution to ensure that its facilities meet future storage requirements adequately.

4.21 Information on the cost of storage of all collections was not readily available at the time of audit. Graph 6 indicates the total maintenance cost per square metre of storage in three institutions. The Gallery was unable to supply this data. Although these costs for different types of collections will vary, the collection of storage data, in a consistent format based on agreed definitions across institutions, can help management ascertain the efficiency and economy of existing arrangements and provide a basis to benchmark against other collecting institutions.

Graph 6
Total cost per m² of storage
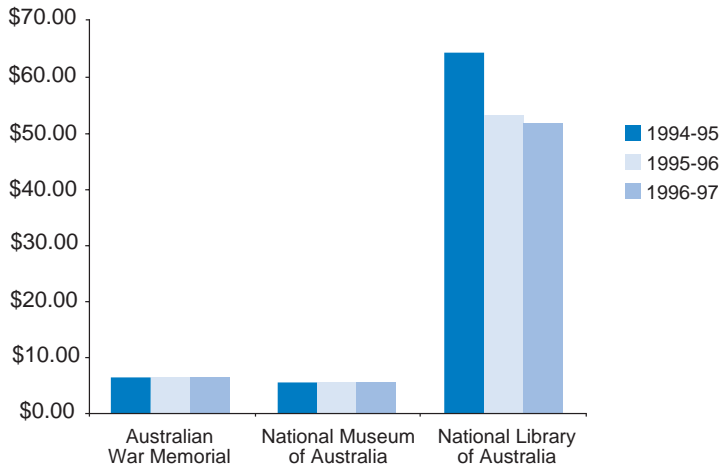
Stocktakes

4.22   A regular and comprehensive stocktaking program is part of good asset management and enables institutions to maintain effective control over their collections. Stocktaking can provide a simple and direct way of:

- maintaining control over the collection by determining what items are held and the state of management control;

- detecting and perhaps deterring any losses;

- testing the adequacy and accuracy of the registration and documentation processes; and

- ensuring that items in the collection remain in a stable condition and are available for exhibition, loan or research purposes.

4.23   Regular stocktaking programs had been established in the Gallery, the Memorial and the Museum. The Library advised that it had discontinued its stocktaking program in 1986 because of insufficient resources and the significant continuous growth in its collections.

4.24   At the time of audit, the Gallery conducted an annual stocktake of all items valued at $200 000 or more, and nationally significant items. Two way random testing of 1 000 works of art from the collection data base to the actual storage location and 200 items from the collection back to the data base was also undertaken. The Memorial had a continuous stocktaking arrangements in place and a full time stocktake officer was responsible for examining a sample of items randomly selected from each collection. The

Museum's annual stocktake was limited to 200 bark paintings and the 100 nationally significant items. This arrangement complied only partially with the inventory control procedures established in 1995.

4.25   The ANAO found that the stocktakes undertaken by the three institutions had been an effective mechanism for management control. Opportunities for improvement in registration and documentation processes and in the quality of information in the collection management system were identified. The results of stocktakes undertaken in the Memorial highlighted more serious deficiencies:

- nineteen firearms were missing from the collection. Although the ANAO recognises that some of the records date back to World War II, at least six of these items were recorded as being on loan to other institutions that have not responded to letters from the Memorial concerning their whereabouts;[12] and

- on average, more than 30 per cent of items selected for stocktake had incorrect locations or had not been issued accession numbers; these results highlight the benefits of stocktaking and focussing this effort strategically on areas of greatest need.

4.26   Although the results were of concern to Memorial management, they highlighted the effectiveness of stocking procedures in safeguarding the collection, particularly by pinpointing missing items. Unlike those of the other institutions, the Memorial's stocktake also provided management with feedback on storage and the condition of individual items.

4.27   The ANAO considers that the stocktaking procedures in the four institutions could be improved by:

- the Library examining the costs and benefits of introducing a continuing stocktake program. This would provide management and staff with improved knowledge of the state of the collection as well as an independent means of quality assurance;

- the Memorial expanding its approach to stocktaking processes to cover a greater proportion of its collection as resources permit;

- the Museum complying fully with its established stocktaking procedures; and

- the Gallery, the Library and the Museum monitoring the physical condition of the collection as a part of any stocktake.

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[12]   The Memorial considers that this was a long term problem arising from deficient record-keeping that did not allow a positive correlation between an item and the record. However, the Memorial was unable to confirm that this was the case.

4.28   There is also benefit in all institutions adopting a risk management approach to the selection of items as part of the stocktake process. In addition to the existing processes by which items are identified by random sampling techniques, the ANAO considers that valuable, fragile and other high risk items such as those that have not been examined previously, should be included in addition to the sample. It might be possible also to earmark individual collections for thorough inspection.

4.29   The Library advised the ANAO that it did not have sufficient resources to adopt a continuing stocktake program and considered that a comprehensive stocktake of its entire collection would not be cost effective. However, it would explore the feasibility of adopting a risk management approach by undertaking some stocktake sampling and would implement a program of regular stocktakes of items of high national significance.

4.30   Stocktakes can assist collection management also by enabling institutions to obtain comprehensive knowledge of their collections. The Museum advised that it plans to undertake its first comprehensive stocktake of the entire collection in the next 12-18 months to establish a basic level of control over its holdings. It has already reviewed the contents of two of its four repositories. The Gallery completed a comprehensive stocktake of its collections in 1984. The Library undertook a 'one-off' stocktake of the oral history collection in 1995 to establish control of the collection by identifying the extent and condition of the items in it.

Security and counter-disaster planning

Principles of good practice

4.31   In order to adequately fulfil their stewardship responsibilities, collecting institutions should provide adequate security to protect their collections from theft or damage. This protection includes the establishment of counter-disaster plans in the event of unforeseen circumstances and natural disasters, such as fire and flood.

4.32   The risk of theft or deliberate damage to collections will vary depending on their portability, attractiveness to unscrupulous collectors and saleability. A formal risk assessment can enable an institution to direct its security systems to focus on the most vulnerable collections and items.

4.33   The ANAO sought to ascertain the extent to which institutions had:

- security procedures to ensure the safety and security of the collection;
- effective security and fire protection procedures that were known and understood by all staff at all locations;
- ensured that fire and security alarm monitoring was at an appropriate standard with fire detection and suppression devices in all areas;

- formal procedures in place for vetting of relevant personnel and for the protection of sensitive information;

- arrangements in place to manage all types of disasters.

Security plans and procedures

4.34   Security plans and procedures assist collecting institutions to achieve and maintain a high level of protective security for the collections in their care.

4.35   The ANAO found that three of the four institutions examined had comprehensive security plans and procedures in place that ensured collections were kept under maximum control and exposed to minimum risk of loss or damage. The Gallery's procedure of developing specific security plans in response to world-wide events that may increase risks to its collections was an example of good practice in this area.

4.36   With one exception, effective security procedures were in place in the institutions examined and each institution had systems to ensure that security procedures were widely known and understood by staff. Three institutions employed professional security staff who were responsible for the management of security arrangements. The fourth had implemented a system where staff were responsible for implementing the security plan and for arming and disarming the security system themselves. A security firm was contracted to monitor buildings outside of working hours. Although staff were well informed of the procedures, their application was variable. For example, the ANAO found evidence that buildings were regularly left unprotected by electronic security, thereby exposing the collections to the risk of theft or damage.

Risk review

4.37   The loss or damage of items within the national collections would result in financial cost, adverse publicity, and the loss of a culturally significant or unique item. The purpose of a risk assessment review is to assess security arrangements to determine the extent to which they protect items within the national collection and to identify areas of risk. Such reviews enable an institution to target security systems to the most vulnerable facilities and collections.

4.38   The Gallery, the Library and the Memorial had undertaken a comprehensive risk assessment review of their collection security. A review is undertaken by the Gallery every five years as a requirement under the Commonwealth Indemnification Scheme. The 1997 review was comprehensive and went beyond the Commonwealth Indemnification Scheme requirements. The Library and the Memorial undertook reviews in 1997 which were similarly comprehensive. The Museum would benefit

from a security risk review in order to identify areas of potential risk and better target their security arrangements.

Fire and security monitoring

4.39 Effective security alarm monitoring, fire detection and suppression devices are fundamental components of a collecting institution's system of safeguarding the collections in its care.

4.40 Fire and security monitoring systems were routinely checked by the appropriate authorities in all storage and exhibition areas at each of the institutions examined. However, building and security reviews undertaken at the Memorial, the Gallery and the Library indicated there was scope for improvement in the systems. The Museum would benefit from building and security reviews along the lines of those undertaken at the other institutions.

4.41 Many of the recommendations made in the respective reviews mentioned in paragraph 4.33 had not been implemented at the time of audit. The institutions advised the ANAO that there were insufficient resources to implement all of the recommendations. There is an opportunity for all institutions to review their allocation of resources to ensure that continuing maintenance and any necessary up-grading of security and fire systems is undertaken.

Recommendation No.8

4.42 The ANAO recommends that where necessary :

- institutions commission full reviews of security and fire alarm monitoring systems by appropriately qualified experts; and

- review their use of resources in order to implement the recommendations made in previous security reviews.

Agency responses

The Gallery

4.43 **Agreed.** The Gallery regularly reviews its fire and safety monitoring systems. The Gallery conducts reviews of its security arrangements regularly and implements the recommendations in these reviews subject to available funding.

The Library

4.44 **Agreed.** The Library notes that systematic security reviews are carried out each two years and at other times as required. All fire alarm monitoring systems in the Library have been upgraded to satisfactory standards, and are maintained through a regular maintenance program, testing and active emergency planning.

The Memorial

4.45   Agreed. The Memorial is implementing a new security system in 1998-99, based on professional advice, and building on previous reviews.

The Museum

4.46   Agreed. The Museum will undertake during the 1998-99 financial year an audit of its storage repositories located in Canberra, which will include a review of security and fire alarm monitoring systems.

Protection of sensitive information and material

4.47   All information and documentation handled by the staff of any Commonwealth institution in the course of their daily duties is protected under various legislation to ensure unauthorised people are not permitted access. While all employees have a general duty to protect official information, there are certain categories of information or resources which require special protection. Personnel vetting is undertaken to ensure that staff who have access to sensitive information or other valuable resources are suitable and trustworthy.

4.48   All institutions included in this audit had formal procedures in place regarding the security and disclosure of sensitive information and the vetting of personnel. Personnel vetting generally took the form of a police check. However, the ANAO found no evidence that vetting or security training was required, or had been undertaken, for several positions that were responsible for the custody and control of collections, such as firearms, knives and sword collections, which pose an additional security risk. A security assessment, higher level clearance and appropriate security training of staff responsible for the safeguarding and access to these collections would seem appropriate.

Counter-disaster planning

4.49   Effective counter-disaster planning will help an institution to ensure that, in the event of a disaster, damage and loss to the collections or property in the institution's care are minimised.

4.50   The Gallery, the Library and the Memorial had counter-disaster plans in place that clearly defined procedures to be followed in the case of disaster. These institutions were well prepared to deal with different types of disasters. A process of regular review of security and counter-disaster planning and procedures occurred both formally and informally. The reviews included an analysis of the different risks and ways these risks could be mitigated. At the time of audit, the Museum had no such plan in place, although action was proposed. The ANAO considers that the Museum should develop a counter-disaster plan and associated procedures

as a matter of urgency. When a plan is developed, there will be an opportunity for the Museum to implement a process of regular review.

Recommendation No.9

4.51   The ANAO recommends that, as necessary, institutions:

- develop a counter-disaster plan and associated procedures; and
- implement a review process in line with the development of security and counter-disaster procedures.

Agency responses

The Gallery

4.52   **Agreed.** The Gallery has a counter-disaster plan and regularly updates this plan according to the needs of each important or major exhibition. The Gallery has in place security and counter-disaster procedures that are conveyed to staff and are now regularly rehearsed.

The Library

4.53   **Agreed.** The Library agrees in principle with this recommendation, but has already implemented necessary plans and review procedures.

The Memorial

4.54   **Agreed with qualification.** The Memorial has counter-disaster plans in place that are reviewed regularly.

The Museum

4.55   **Agreed.** The Museum has commenced a review and compilation of a new counter-disaster plan and associated procedures, based on best practice nationally and internationally. It is expected that the plan will be completed by November 1998 and will be reviewed on an annual basis.

Travelling exhibitions and outgoing loans

Principles of good practice

4.56   Each collecting institution holds more items than it can display at any one time. The travelling exhibition and loans program provides a means for wider community access to items in the national collections. For example, the Library met 90 000 requests for loans or copies last year. However, items are exposed to potential risk of damage, loss or theft when they leave the home institution and are transported to, and exhibited in, other venues. Efficient and effective processes are necessary to ensure the proper safeguarding of items at all stages of their movement.

4.57   The ANAO sought to establish:

- the existence of clearly established procedures for travelling exhibition and loans, including processes for identifying the conservation needs of items prior to movement;

- the adequacy of arrangements for ensuring that host institutions had adequate protection for the exhibition and/or individual items on loan (including, environmental controls, security and staff expertise);

- the existence of systems for ensuring adequate transportation and handling procedures; and

- the existence of effective monitoring mechanisms for items on loan or travelling exhibition.

Procedures for travelling exhibitions and loans

4.58   For most institutions, only a small proportion of its collection can be exhibited or available for use by the general public at any time. For example, less than two per cent of the Gallery's collection can be displayed at any time. Travelling exhibitions and loans are powerful tools for taking the collections to the community and for promoting awareness of Australia's heritage. All institutions devoted considerable effort and resources in structuring and coordinating their travelling exhibition and loan programs to provide wider community access to the national collections.

4.59   Overall, the institutions examined had comprehensive guidelines on travelling exhibitions and loans to help host organisations. These guidelines detailed safeguard requirements including environmental requirements, such as climatic conditions, handling and display, storage, transport and security. However, except for the Library, which had policy and procedures for travelling exhibitions and loans, internal formal policies and written procedures for staff use had not been developed. More formal and documented internal procedures for travelling exhibitions and loans should ensure consistency, control and coordination, and coverage of institutional requirements for care and safety in each case.

Protecting travelling exhibitions and loans

Conservation needs

4.60   Each institution had effective practices in place to ensure that conservation needs were taken into consideration in identifying items for exhibition. These processes included thorough inspections to identify the conservation needs of items and ensure that they were in an appropriate condition for exhibition. There was evidence in each institution of items being not recommended for exhibition because of conservation concerns.

However, at the Gallery there was evidence that, due to increasing pressures on conservation resources as a consequence of reduced lead times for loan, works of art had been at risk of damage or deterioration because of superficial examination and minimal preparatory work. There would be benefit in the Gallery ensuring that sufficient time is allocated for conservation staff to inspect items being considered for exhibition and to undertake any necessary treatment.

Transportation and handling

4.61 Each institution used transportation facilities that were appropriate to the nature and significance of the items being transported. For example, in the Museum and the Library, to minimise the risk of damage, appropriately qualified staff accompanied travelling exhibitions and assisted in the unpacking, installation and inspection of the items for display. The Gallery required the monitoring of climatic conditions within the vehicles used for transporting valuable works of art.

4.62 The ANAO also found that each institution:

- had maintained high transportation and handling standards, including the use of specialised packing arrangements;

- used specialised transport for the movement of fragile and valuable items; and

- required reports on the condition of items upon their arrival and departure from each venue.

Standard of facilities

4.63 Comprehensive facility reports, which included the environmental conditions, storage and security arrangements, were required for all venues and travelling exhibitions were tailored to suit the different environments. Decisions to send material were based on facility reports and reproductions were substituted for original items when venues were considered to be unsuitable. This system was reasonably effective for small value items. However, reliance on certification 'from a distance' does not, in isolation, provide adequate control over the items on exhibition and loan, assurance that items were adequately housed or that items were still located where they were supposed to be. For example:

- at least twelve items had been identified by the Memorial as being as outstanding on loan but had not been confirmed as such at the time of audit; the Memorial relied on the borrowers assurance and certification that items on loan remained in good condition and were located where they were supposed to be; and

- the Memorial had identified a situation in which a borrowing institution had glued war medal ribbons to a display board for exhibition purposes.

4.64   Monitoring arrangements are primarily the responsibility of the borrower, based on guidelines issued by the home organisation. This usually took the form of a periodic return outlining the condition of the exhibition or items on display, security arrangements and environmental controls. This was usually augmented by informal contact between the lending and borrowing institutions. However, the ANAO noted that several instances had occurred where the conditions of lending specified by the lending institution had not been followed and, as a consequence, the items on display had been placed at risk of further deterioration or damage.

4.65   The establishment of a central data base on each venue could provide institutions with essential information on venues and their facilities, including the adequacy of environmental protection. It could be updated from facilities reports and feedback from other institutions. The costs of developing and maintaining the proposed database could be offset by each institution contributing to its upkeep.

4.66   The inclusion of a risk profile for each off-site facility in the proposed data base would help the national institutions to ascertain the adequacy of exhibition facilities and storage conditions available. This process could be assisted by requiring a representative of the lending institution to certify the adequacy of the venue. These arrangements could be undertaken in close consultation with other national collecting institutions.

4.67   Clearly, the borrower's certification may not in itself provide sufficient assurance of the continuing good order of fragile and valuable items on loan, or where items are dangerous (such as firearms, knives and swords). However, certification may suffice if it is regularly undertaken, for those items of low value, low risk and low significance. A higher standard of assurance should be required for those items that are considered by the lender to be of high value, high risk and high significance. For these items, certification by a professionally qualified person would seem appropriate.

Conclusion

4.68   Institutions have generally provided stable conditions for the protection and maintenance of national collections and provided for the specific needs of the most valuable and significant collections. Although all institutions implemented some form of pest monitoring, there was scope for pest management plans to be developed, including the implementation of routine pest inspections. There were no dedicated quarantine or

unpacking areas isolated from collection storage facilities. To reduce the risk of introducing pests into the national collections, all incoming material should be isolated from the collections while being unpacked.

4.69   With the exception of the Museum, all institutions examined had comprehensive security mechanisms in place and had commissioned reviews of storage facilities and security arrangements. However, not all the recommendations from these reviews had been implemented. The Museum would benefit from a full review of its building and security systems to identify areas of potential risk and better target security arrangements.

4.70   The Gallery, Library and Memorial had counter-disaster plans in place that would ensure damage or loss to the collections or property would be minimised in the case of a disaster. The Museum should develop security and counter-disaster procedures as a matter of urgency.

4.71   The importance of an effective stocktaking regime, supported by appropriate follow-up arrangements, cannot be overstated. Except for the Library, all of the institutions had established regular stocktaking programs. There are also opportunities for all institutions to adopt a risk management approach so that the stocktake sampling process includes valuable, fragile and other high risk items.

4.72   The travelling exhibition and loans program has been an important link in providing community access to the collections across a variety of locations. Overall, the processes are aimed at minimising the exposure of items to damage, loss or theft when they leave the home institution. However, there are opportunities for further improvements (subject to cost/benefit assessment) by:

- developing a central data base which includes a risk profile for all off-site facilities, to identifying those areas which may represent the greatest risk; and

- introducing regular review of items on loan, particularly where they are valuable, fragile or dangerous (for example, firearms and swords).

5. Performance Management

Performance management refers to the integration of performance information into a management reporting regime to enable the progress made towards the achievement of the objectives and priorities established in the corporate planning processes to be periodically monitored and corrective action to be taken if necessary.

Performance information

Principles of good practice

5.1	Performance information is central to the effective assessment and measurement of performance. This information should consist of a balanced mix of qualitative and quantitative indicators on outputs, outcomes and resources which measure performance in terms of economy, efficiency and effectiveness. Ideally, performance information should be used to establish quality and quantity standards and targets against which achievement can be monitored. Management reporting should provide an integrated framework for the presentation of performance information.

5.2	The ANAO sought to ascertain:

- the existence and use of performance information to assess the economy, efficiency and effectiveness of collection management processes;

- the use of performance information to identify better practices and to assist in benchmarking; and

- the relevance of the performance information that was used.

Using performance information

5.3	Performance information for collection development and management purposes is a developing area and performance measurement in collecting institutions has largely focussed on general management and client access issues. However, performance indicators for collection management have the potential to serve a number of different purposes, for example, they can:

- help to establish objective benchmarks against which to assess progress in achieving the specific aims and objectives of individual collection development and management activities;

- help to identify strengths and weaknesses and assist management in the allocation of resources to collection management activities; and

- enable the contributions to institutional performance to be more clearly identified.

5.4   Overall, the performance management framework was at an early stage of development and performance information to assess the economy, efficiency and effectiveness of collection development and management had not been developed. Each of the institutions included some basic indicators of performance in their corporate planning documentation and collected data on work undertaken.

5.5   Both the Library and the Memorial had applied considerable corporate effort to identifying targets for collection management activity and to developing some basic performance measures against these targets. The Gallery and the Museum had not developed any formal performance information for collection management.

5.6   The approach of the Library and the Memorial and the information they collected had provided them with general indicators of corporate level performance and some elements of collection management. The enhancement of this information by including resource information (such as staff levels and costs) and work effort (such as hours used) could provide management with information that readily enables them to assess the economy, efficiency and effectiveness of collection management processes.

5.7   Overall, there were opportunities for national collecting institutions to significantly improve performance measurement in collection management. This improvement can be achieved by:

- identifying a range of performance indicators that enable performance in collection management to be measured in terms of economy, efficiency and effectiveness; and

- developing operational targets and priorities specifically for collection management activities.

5.8   Institutions will find the Better Practice Guide on Performance Information Principles[13] developed by the ANAO and the Department of Finance a useful resource when developing performance indicators.

Recommendation No.10

5.9   The ANAO recommends that each institution develop performance indicators that measure performance in collection management in terms of economy, efficiency and effectiveness.

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[13]   *Performance Information Principles Better Practice Guide*, Commonwealth of Australia, November 1996.

Agency responses

The Gallery

5.10   Agreed. The Gallery is currently developing performance indicators which will be incorporated into its management strategy within the new Corporate Plan.

The Library

5.11   Agreed. The Library notes that this activity has already commenced within the framework of accrual budgeting.

The Memorial

5.12   Agreed.

The Museum

5.13   Agreed. The Museum envisages that a core performance information framework will be developed collectively by the collecting institutions, although noting that the institution will also develop a complementary set of key operational performance indicators relevant to each institution. The Museum also considers it is essential that the performance information framework contain a mix of quantitative and qualitative indicators which are measurable, realistic and achievable.

Opportunities for benchmarking

5.14   Benchmarking is a process in which performance within and across various functions, such as collection management, is compared within the same institution or across different institutions carrying out the same activities. In terms of collection management activities, benchmarking should involve comparison of like activities such as conservation, storage, security, registration and documentation. Benchmarking should form part of the process of quality assurance and continual improvement.

5.15   Benchmarking is an integral part of performance information in that it requires relevant performance information to be reported in a form that facilitates analysis. However, across the collecting institutions there was considerable variation in the way performance data was defined and collected. This variation carried over into the level, usage and standard of performance information that was collected by institutions and used in management reporting.

5.16   For benchmarking to be meaningful institutions would need to collect and consolidate their data and information in a consistent format based on agreed definitions and structures. This could be undertaken through the proposed consultative arrangements outlined in Chapter 2 of this report, or with other major collecting institutions in Australia or overseas.

Management reporting and information technology

Principles of good practice

5.17   Management reporting provides the mechanism for linking corporate objectives, operational plans and strategies with specific plans of action. It provides a disciplined focus for institutional activity and identifying the degree to which the plans and objectives have been achieved. Ideally, the reporting framework should include a balanced scorecard of qualitative and quantitative performance indicators.

5.18   The ANAO sought to establish:

- the degree to which management reporting arrangements had been established for collection management activity; and

- the use of information technology for reporting on collection management performance.

Management reporting arrangements

5.19   Overall, although each of the institutions reported to their governing boards as and when required, reporting arrangements for internal management purposes were variable. The Library and the Memorial had well developed reporting systems that included qualitative and quantitative information, whereas the Museum and the Gallery focused more on qualitative issues. Overall, the existing reporting arrangements covered most but not all of the elements of collection management, for example:

- the Memorial had a well developed internal reporting framework which enabled it to present statutory financial reports and report on its activities in terms of the provisions of the *War Memorial Act*; the Memorial produced management reports of achievement against major programs and resource use against outcomes and targets, each linked to its corporate objectives and business plans; progress and general resource use were measured and reported against individual business plans; this information was useful for corporate management purposes and could be refined, as indicated below, to deal with the individual elements of collection management; and

- the Library had a monthly management reporting system that presented 'year to date' and total year work volumes for all of its different collections. This system provided management with information on workload at a collection level and it had potential to be adapted to incorporate more comprehensive reporting (such as economy, efficiency and effectiveness).

5.20   The approaches adopted by the Library and the Memorial to management reporting could be readily adjusted to provide comprehensive coverage of all elements of collection management, particularly in measuring performance outcomes. There would be benefit in the other institutions adopting similar arrangements.

Recommendation No.11

5.21   The ANAO recommends that, in each institution, a management reporting framework be developed to include a comprehensive range of indicators that concentrate on the specific activities of collection management.

Agency responses

The Gallery

5.22   **Agreed.** The Gallery is currently reviewing its management reporting structure and is developing more comprehensive collection management activities, with indicators, subject to the limitations of funding available.

The Library

5.23   **Agreed.**

The Memorial

5.24   **Agreed.**

The Museum

5.25   **Agreed.** It is envisaged that the Council's Collection Committee will be provided with regular reports on collection management issues, including performance information and performance outcomes.

Information technology for performance management

5.26   Information technology (IT) should have an essential role in performance reporting on collection management. Recognising that each collecting institution has its own special needs and requirements, the ANAO sought to establish the nature and use of IT for collection management reporting.

5.27   Each institution had a heavy investment in IT which formed the basis of their collection management systems. The systems were critical to all collection management activities and provided an essential database on individual collection items. In each institution, the use of IT for collection management was restricted to data storage systems which contained large volumes of information on a wide range of subject-matter.

5.28 Although these IT systems met the basic needs of institutions when they were acquired, institutions were experiencing difficulties in supporting new business applications, particularly for management reporting purposes. The main limitations were:

- although the collection management systems were a primary source of data, this data was often not kept up-to-date or was inaccurate;

- the limited formats for the presentation of information did not facilitate further analysis or integration into other systems;

- considerable manual effort was required to massage the data for management use; in particular, it was not possible to readily obtain data in a form that was useful for the specific purposes of collection management; and

- the computer technology used had limited management reporting capacity and could not be linked to other management systems so that effective performance reporting regimes could be established.
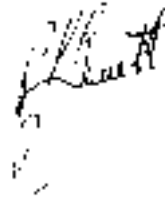
5.29 Reviews of IT were being undertaken in all of the institutions examined reviewed and this provided an opportunity for the institutions to consider the reporting capacity of their collection management systems. It also provided an opportunity to examine the integration of collection management systems with the systems used for financial and personnel administration.

Conclusion

5.30 Performance management, based on an established management reporting framework incorporating performance indicators for collection management, was at an evolutionary stage and could be further developed by:

- identifying a range of quantitative and qualitative indicators of economy, efficiency and effectiveness that reflect the complex and diverse roles and functions inherent in collection management;

- using these indicators to provide indicative internal and external benchmarking and standards of performance; and

- introducing a management reporting regime that covers both corporate and collection management performance, including resource allocation and usage, that makes the most of the available information technology.

Canberra ACT

28 September 1998

P.J. Barrett

Auditor-General

Appendices

Appendix 1

Terms and Definitions

Accession
A component of the Registration process where an immediate, brief and permanent record of an item is created for identification purposes. A unique control number is assigned and recorded according to a system.

Acquisition
The administrative process of discovering, preliminary assessment, negotiating for, taking custody of and documenting title to an item.

Acquisition also refers to individual items purchased from or bequeathed, transferred, donated or exchanged by individuals, government and statutory bodies or corporate institutions

Benchmarking
The process by which the organisation seeks to determine and introduce best practice. A benchmark can be set by using comparisons of products, services, practices and processes with similar programs either within an institution or another institution or country.

Cataloguing
Assigning an item to one or more categories of an organised classification system, usually with descriptive detail.

Collection
All items in the custody and control of a collecting institution. A group of items acquired simultaneously from the same source and/or a group of items of the same type are also referred to as individual collections.

Conservation
All the processes of looking after an item so as to retain its culturally significant qualities and minimise deterioration. This includes: adaptation, preservation, reconstruction and restoration.

Disposal
Refers to the permanent removal of an item from a collection, involving the termination of ownership vested in the institution. Disposal can be achieved either through donation, exchange, trade or sale on the open market, to institutions and/or individuals. Disposal can involve the return of an item to its legal owners. If the item's physical condition or usefulness, or if the extent of duplication warrants it, complete items or selected parts can be destroyed.

Documentation	The process of developing records to identify and enhance the knowledge and value of collections with the intent of maintaining informational and intellectual control over them.
Economy	Minimising the cost of resources used for an activity, having regard to the appropriate quality.
Effectiveness	The extent to which program outcomes are achieving program objectives. Effectiveness should be distinguished from the adequacy of the administration of the program, which concerns efficiency.
Efficiency	Relates to minimising program inputs for a given level of program outputs (or the extent to which program outputs are maximised for the given level of inputs). Efficiency is concerned with the processes (activities/strategies/operations) by which the program is delivered and which produce the outputs of the program.
Inputs	Resources, both human and other, used to produce program outputs.
Item	Includes relics, object/s, material, records, works of art, books and any other cultural material acquired by the national collecting institutions.
Objectives	Should be concise, realistic, outcome-oriented statements of what the sub-program or sub-program element aims to achieve. Objectives must be stated in a way which clearly communicates what is to be achieved and measured.
Outcome	The results of events, actions or circumstances, including all the impacts or consequences of the program beyond its direct outputs. Outcomes can sometimes be delayed or long term, or may not be necessarily intended or anticipated. Outcomes should be distinguished from outputs.
	Unlike outputs, outcomes are often beyond the direct control of the program. The causal relationship between a program and an outcome must be demonstrated before the outcome can be claimed to have been caused by the program.

Output	The products or services which are produced and delivered by a program in order to achieve the program's objectives.
	Output and throughput measures (eg. number of items registered) are easier to find and may indeed provide useful background information about the program, but they will generally not of themselves be useful measures of objectives.
Performance indicator	Provide information on how well a program is proceeding towards meeting its objective and how efficiently and economically it is using the resources available to it.
Performance information	Quantitative and qualitative evidence about performance that is collected and used systematically. Effective performance information should enable judgements to be made on the extent to which program activities are achieving the desired results. The information may relate to program economy, efficiency and effectiveness.
Provenance	Refers to the history of the item from the time it was manufactured/produced through all stages until it was acquired by the collecting institution.
Registration	The overall function of creating controlling and maintaining information about all items in a collection.
Targets	Can be set for the achievement of specified levels of performance against identified standards within a set period of time - they are quantified objectives set be management to be attained at a specified future date. Targets are often selected to measure the performance of a specific strategy or initiative over time.

Appendix 2

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