



National Cultural Policy

19 AUGUST 2022

Dear sir/madam

National Cultural Policy

As the primary union representing National Collecting Institutions (NCIs) employees, the Community and Public Sector Union (CPSU) is committed to providing a strong voice for our members in key public policy and political debates.¹

The CPSU welcomes the opportunity to make a submission to this consultation on a new National Cultural Policy. Our submission outlines the impact of the efficiency dividend, the extent of staffing cuts, the need to fund capital works and that constant one-off funding supplementations are not a solution.

The CPSU has previously raised these issues in submissions to parliamentary inquiries into Australia's creative and cultural industries and institutions, and Canberra's national institutions.²

We recommend exempting NCIs from the efficiency dividend and working with the CPSU on a new funding model for all NCIs to ensure they are strong institutions that sustain Australian art and culture – our Australian identity - into the future.

The impact of the efficiency dividend

Our NCIs play unique and critical national roles in collecting, preserving, and displaying our history, art, culture and records for the benefit of all Australians now and into the future; however, they have experienced intensifying budgetary pressures that puts this collective Australian cultural identity mission at risk.

The 2022-23 Budget indicates NCIs are facing significant cuts. The NMA is projected to receive \$51m in 2023-24, losing its \$9.3m in COVID support. The NGA's funding will drop from \$49.6m in 2021-22 to \$45.7m in 2022-23. NLA funding will fall from \$61m in 2022-23 to \$47.1m in the following year.³

This is on top of the impact of the efficiency dividend over three decades. Not only are NCIs subject to the efficiency dividend, an annual arbitrary cut to their budgets, in the 2015-16 MYEFO, NCIs within the Communications and Arts portfolio were hit with an additional 3% "efficiency target" that cut \$36.8m over four years to 2018-19.⁴ The additional "efficiency

¹ The National Collecting Institutions comprise of Australian National Maritime Museum (ANMM), Bundanon Trust, Museum of Australian Democracy at Old Parliament House (MOAD), National Archives of Australia (NAA), National Film and Sound Archive of Australia (NFSA), National Gallery of Australia (NGA), National Library of Australia (NLA), National Museum of Australia (NMA) and National Portrait Gallery of Australia (NPG), Australian War Memorial (AWM), Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS).

² Joint Standing Committee on the National Capital and External Territories. Inquiry into National Institutions. March 26, 2018 https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/National_Capital_and_External_Territories/NationalInstitutions; House of Representatives Standing Committee on Communications and the Arts. Inquiry into Australia's creative and cultural industries and institutions. August 26, 2020. https://www.aph.gov.au/Parliamentary_Business/Committees/House/Communications/Arts

³ Morrow, Guy. "Why Arts and Culture Appear to Be the Big Losers in This Budget." The Conversation. March 31, 2022. <http://theconversation.com/why-arts-and-culture-appear-to-be-the-big-losers-in-this-budget-180127>

⁴ 2015-16 Mid-Year Economic and Fiscal Outlook (MYEFO). Accessed August 16, 2022. <https://archive.budget.gov.au/2015-16/index.htm>

target” was not only damaging, it also made little sense, especially as NCIs previously received exemptions from temporary increases to the efficiency dividend in 2010-11.⁵

The disproportionate impact of efficiency dividend on NCIs was highlighted during a 2018-19 parliamentary inquiry into Canberra’s national institutions.⁶ NCIs outlined cuts to staffing, functions, programs and touring exhibitions because of budgetary pressures in submissions and during inquiry hearings.

The inquiry report found *“The efficiency dividend has challenged the ability of many national institutions to capitalise on their strengths...In some cases, national institutions have had to reduce existing activities including travelling exhibitions, services to the public, face-to-face outreach and content creation.”*⁷

It was not the only report to make these types of findings, the Functional and Efficiency Review of the NAA (Tune Review) found the efficiency dividend and other “savings measures” meant that the NAA *“is conducting its business as usual (BAU) activities with lower resources, despite receiving additional resources for one-off and property related measures.”*⁸

Rather than revisiting the recommendations from *Joint Committee of Public Accounts and Audit Report 413, The Efficiency Dividend: Size does matter*,⁹ as suggested by the inquiry, NCIs should simply be exempt from the efficiency dividend like the ABC and SBS, but without any other impact on the public funding of NCIs.

The extent of staffing cuts

Over the past decade, many Canberra-based NCIs have experienced double digit percentage staffing cuts, the NAA, NGA, NFSA, NLA experiencing the biggest staffing cuts.

Agency	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Change	%
AWM	292	312	329	301	265	286	283	291	294	296	291	-1	0%
NAA	429	429	416	405	395	390	365	355	339	345	362	-67	-16%
NFSA	215	213	206	178	176	164	164	164	164	164	174	-41	-19%
NGA	242	245	257	243	237	217	217	217	238	217	217	-25	-10%
NLA	430	434	423	427	421	383	383	371	346	350	355	-75	-17%
NMA	225	221	221	218	215	223	226	226	234	216	216	-9	-4%
NPG			53	52	51	49	49	49	49	49	52	-1	-2%
MOAD	77	72	72	70	70	70	73	74	73	70	78	1	1%

Staffing reductions have a real impact on the capacity on small institutions, such as NCIs, to deliver core functions driven by national purposes (legislation and public charters). Driven by the ASL cap, it led to increased workloads for remaining staff, cutbacks in activities and programs, and the outsourcing core work and other forms of insecure work. For example, the NAA responded to staff cuts by outsourcing BAU activities, in what was described as *“a temporary, inefficient solution to managing the reduced staff levels.”*¹⁰ The Tune Review found *“In*

⁵ Senator the Hon Penny Wong. “Driving Efficiency Savings Within Government”. November 29, 2011.

<https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id:%22media/pressrel/1260414%22>

⁶ Joint Standing Committee on the National Capital and External Territories. Telling Australia’s story - and why it’s important: Report on the inquiry into Canberra’s national institutions. April 3, 2019. https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/National_Capital_and_External_Territories/NationalInstitutions/Report

⁷ Joint Standing Committee on the National Capital and External Territories. Telling Australia’s story - and why it’s important: Report on the inquiry into Canberra’s national institutions. April 3, 2019. https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/National_Capital_and_External_Territories/NationalInstitutions/Report

⁸ Tune, David. Functional and Efficiency Review of the National Archives of Australia. March 12, 2021. <https://www.ag.gov.au/rights-and-protections/publications/tune-review>

⁹ Joint Committee of Public Accounts and Audit. Report 413: The efficiency dividend and small agencies: size does matter. December 4, 2008.

https://www.aph.gov.au/parliamentary_business/committees/house_of_representatives_committees?url=jcpaa/efficdiv/report.htm

¹⁰ Tune, David. Functional and Efficiency Review of the National Archives of Australia. March 12, 2021. <https://www.ag.gov.au/rights-and-protections/publications/tune-review>

*general, the Archives has managed its resources effectively and efficiently. It has done this by reducing staff numbers to stay within its budget.*¹¹

Continuity of care by NCIs for the collections they look after is important. Institutional knowledge through professional, maintained skills keep collections safe, and employment practices like labour hire contribute to brain drain on the sector and puts public, national collections at risk.

The need to fund capital works

Funding is urgently needed to upgrade ageing NCI infrastructure nearing its end of life because of risks to collections and work, health and safety. For example, an independent review found the NGA needs \$67m for urgent repairs with millions more likely needed to replace and reseal the NGA's windows and roof.¹²

As part of this, there must be a focus on accessibility for disabled staff and members of the public. Most NCIs are non-compliant with current accessibility requirements. Costs to update buildings are massive, especially when buildings are heritage listed or come under the purview of the National Capital Authority and therefore require upgrades to fit with the look and feel of the original building.

One-off funding supplementations are not a solution

Funding for collection acquisition and funding for collection care are often disconnected. While it is vital to continue to add to collections, these additions and existing collections must be processed into a form which is accessible to the public and then cared for long term, which requires more, long term, predictable funding. These activities require ongoing operational funding to ensure the continued delivery of resources to the Australian public.

Since the release of the *Report on the inquiry into Canberra's national institutions* in 2019, new budget measures for NCIs have been announced, however, these have been one-off, and often inadequate, supplementations for a specific purpose. A recent CPSU snap survey of NCI staff found less than one in five (17.9%) said the impact of these one-off funding supplementations was positive, two thirds finding its impact negative (67.8%). This should not be a surprise as these one-off budget measures are announced with limited warning or flexibility, usually in response to an immediate crisis such as the need to digitise records about to be permanently lost, instead of providing ongoing funding increases.

For example, the NFSA had to publicly campaign for funding to digitise valuable audio and video held on magnetic tape before 2025 when it would deteriorate.¹³ It was half a decade before an initial 'seed' commitment of \$5.5m to aid digitisation was provided in the 2020-21 Budget.¹⁴

Similarly, the NAA was also forced to resort to a public fundraising campaign.¹⁵ As a result of the campaign and the attention it drew, the NAA received \$67.7m in the 2021-22 MYEFO to protect documents at risk of deterioration, however, the outgoing Director-General said this 'one-off' boost was not enough, stating "*once that funding lapses, absolutely the place will fall off*

¹¹ Tune, David. Functional and Efficiency Review of the National Archives of Australia. March 12, 2021. <https://www.ag.gov.au/rights-and-protections/publications/tune-review>

¹² Morris, Linda. "National Gallery of Australia Faces \$67 Million Black Hole." The Sydney Morning Herald, June 5, 2022. <https://www.smh.com.au/culture/art-and-design/national-gallery-of-australia-faces-67-million-black-hole-20220524-p5anye.html>.

¹³ National Film and Sound Archive. "Deadline 2025: Collections at Risk." Accessed August 16, 2022. <https://www.nfsa.gov.au/corporate-information/publications/deadline-2025>

¹⁴ National Film and Sound Archive. "NFSA Receives \$5.5M Boost to Digitise National Collection." Accessed August 16, 2022. <https://www.nfsa.gov.au/nfsa-receives-55m-boost-digitise-national-collection>

¹⁵ ABC News. "'Memories of the Nation' to Be Preserved for Future Generations as National Archives Receives Urgent Federal Funding," July 1, 2021.

<https://www.abc.net.au/news/2021-07-01/national-archives-of-australia-receives-urgent-federal-funding/100257692>

*a cliff again [in 2025].*¹⁶ No continuing budget funding was provided to address the massive backlogs or upgrade ageing infrastructure identified in the Tune Review, which indicated the NAA needed \$170.5m over seven years.¹⁷

While there has been one-off funding for digitisations, it failed to grapple with the ongoing need for storage, both physical and digital. Digitisation generally supplements rather than replaces physical items. Storage costs (real estate, infrastructure and staffing wise) have increased while funding has shrunk. Almost all NCIs now face what has been described as “an imminent storage crunch.”¹⁸

Other issues

Other concerns raised by CPSU members include politicised appointments to the councils of NCIs and to the executive, increasing executive pay when redundancies and pay freezes are occurring, the use of awards to circumvent the relevant enterprise agreement to pay labour hire workers less at the AWM, and the impact of government bargaining policies.

Conclusion

Our NCIs make a significant contribution to the Australian identity and the national landscape of memory, past, present, and future. NCIs need to be properly staffed and funded or they will continue to be forced to prioritise managing shrinking budgets at the expense of their mission.

What is needed is an end to the efficiency dividend for the NCIs and a new funding model that is fit for purpose, recognising the unique characteristics these significant public institutions, their massive impact on our national identity and ensuring secure work for the professional skills needed for that work, so staff can focus on developing, preserving, and making accessible Australia’s arts and culture. The CPSU is more than willing to work with the Commonwealth Government to develop such a funding model.

The CPSU is happy to provide information on the matters raised in this submission and supplementary information on other relevant issues if needed.

For further information, please contact Osmond Chiu, Senior Policy and Research Officer via email [REDACTED] or on [REDACTED].

Yours sincerely

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¹⁶ Wright, Shane. “National Memory at Risk: Outgoing National Archives Boss Pleads for More Money.” The Sydney Morning Herald, January 2, 2022. <https://www.smh.com.au/politics/federal/national-memory-at-risk-outgoing-national-archives-boss-pleads-for-more-money-20211220-p59j0p.html>

¹⁷ Tune, David. Functional and Efficiency Review of the National Archives of Australia. March 12, 2021. <https://www.ag.gov.au/rights-and-protections/publications/tune-review>

¹⁸ Haigh, Gideon. “Neglected heritage: how has this been allowed to happen?” The Australian, June 18, 2022. <https://www.theaustralian.com.au/inquirer/neglected-heritage-how-has-this-been-allowed-to-happen/news-story/f00eeb5b0192b244c009cc5bf09b4e4b>