



Archives New Zealand *Annual Report 2008/09*

**ANNUAL FINANCIAL STATEMENTS, STATEMENT OF SERVICE PERFORMANCE AND SCHEDULES OF
NON-DEPARTMENTAL ACTIVITIES**

Matters Relating to the Electronic Presentation of the Audited Financial Statements, Statement of Service Performance and Schedules of Non-departmental Activities

This audit report relates to the financial statements, statement of service performance and schedules of non-departmental activities of Archives New Zealand for the year ended 30 June 2009 included on Archives New Zealand's website. The Chief Archivist and Chief Executive of Archives New Zealand is responsible for the maintenance and integrity of Archives New Zealand's website. We have not been engaged to report on the integrity of Archives New Zealand's website. We accept no responsibility for any changes that may have occurred to the financial statements, statement of service performance and schedules of non-departmental activities since they were initially presented on the website.

The audit report refers only to the financial statements, statement of service performance and schedules of non-departmental activities named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements, statement of service performance and schedules of non-departmental activities. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements, statement of service performance and schedules of non-departmental activities and related audit report dated 30 September 2009 to confirm the information included in the audited financial statements, statement of service performance and schedules of non-departmental activities presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

KPMG

On behalf of the Auditor-General

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Archives New Zealand

Annual Report 2008/09

Presented to the House of Representatives
pursuant to section 44(1) of the Public
Finance Act 1989

Key Statistics for 2008/09

We hold:

- 93 kilometres of archives
- 21,500 motion picture reels
- over 5 million records described on *Archway*

Our treasures

- 1840 Treaty of Waitangi Te Tiriti o Waitangi
- 1835 Declaration of Independence of the Northern Chiefs
- 1893 Women's Suffrage Petition

(Both the Treaty and the Petition are on the UNESCO Memory of the World Register)

We have:

- 139 full-time equivalent staff based in Wellington, Auckland, Christchurch and Dunedin

We oversee:

- recordkeeping in approximately 2,700 public offices

During 2008/09 there were:

- 4.1 kilometres of archives added to the holdings
- 17,019 visits to our four reading rooms
- 57,964 archives issued
- 12,114 remote reference enquiries answered
- 547,367 pages viewed on our website



From the Minister

This year has been one of change and adaption for Archives New Zealand Te Rua Mahara o te Kāwanatanga.

I am pleased to say that the department has responded well to the constrained economic situation, the revitalised government priorities, and increased use of digital information by government agencies.

I have been impressed by The Community Archive – a web-based register for local communities supported by Archives New Zealand. The Community Archive allows people to directly update the system with information on the tāonga they hold. This demonstrates the combination of customer-focused service and information management technologies that government is wanting to promote.

Our democracy is based on having full and complete records on government decisions and policies available to the public.

In June 2009, Cabinet approved the Digital Continuity Action Plan for public sector implementation. This plan provides a practical set of steps for government to better manage its digital information. The plan is the first government-mandated public sector approach to digital continuity anywhere in the world. While other countries have had separate initiatives, none had developed a unified public sector approach before now.

Demand for courses and seminars in government recordkeeping run by Archives New Zealand continued to be strong in 2008/09. This knowledge sharing is essential, as having public service staff up to speed with the requirements of the Public Records Act 2005 and associated standards significantly contributes to the quality of our recordkeeping.


A new function, set out in the Public Records Act 2005, is the power to independently audit recordkeeping practices in public offices. The department has completed its planning phase for auditing public offices against the provisions of the Act and recordkeeping standards issued by the Chief Archivist. This programme of work will provide independent assurance that public offices are keeping appropriate records.

Archives New Zealand has made good progress this year in making the nation's archival heritage more accessible. During this time, the digitisation programme has converted over 5,000 archives into digital form, including photographs and documents. In addition, with the help of volunteers, records of people arriving in New Zealand between 1839 and 1976 are being digitised and will be made available online. Also, the early statistics for New Zealand from 1840 to 1855 – known as the Blue Books – are now available on the department's website.

Digitisation has allowed Taranaki and Tūhoe iwi access to archives relevant to their peoples. Iwi volunteers and Archives New Zealand staff have worked in a partnership approach to the benefit of iwi and the department, with digital copies being taken back by iwi to hold and to manage.

Archives New Zealand has responded well to the challenges around cross-agency collaboration to improve service effectiveness and efficiencies. As part of this programme, the department is working with Te Papa Tongarewa and the National Library of New Zealand Te Puna Mātauranga o Aotearoa to develop seamless access to digital information.

I am encouraged by the achievements of Archives New Zealand and am confident that these achievements will be built upon in the forthcoming year.

A handwritten signature in black ink that reads "Nathan Guy". The signature is written in a cursive style with a long, sweeping underline.

Hon Nathan Guy
Minister Responsible for Archives New Zealand



From the Chief Archivist and Chief Executive

Archives New Zealand Te Rua Mahara o te Kāwanatanga is well placed to provide efficient and effective services to the public and to public sector agencies. Collaborative partnerships have strengthened our ability to provide increased access to the archives, and the foundations to support the up-coming recordkeeping audits and digital continuity across the public sector have been put in place.

While we reflect on a solid year of achievements, we are mindful of our role in delivering on the new government priorities:

- management of the government's digital information
- increased online access to digital archives through strategic business partnerships
- cross-agency initiatives to maximise the use of infrastructure.

Our guiding principles for accessible services, responsiveness to Māori, digital transformation and value for money ably support these new priorities.

I want to acknowledge the contribution of former Chief Archivist and Chief Executive Dianne Macaskill who left the department in June 2009 after eight years; joining us in 2001 as the first Chief Executive of the stand-alone organisation.

Under her leadership, Archives New Zealand progressed from its traditional role as custodian of physical documents in large storage facilities to gaining oversight of all aspects of government recordkeeping, particularly with respect to digital records.

The organisation's achievements over this period are numerous. They include:

- development and implementation of the Public Records Act 2005
- production of internationally recognised recordkeeping standards and the *Continuum* brand of recordkeeping advice and support
- development of the Digital Continuity Action Plan, which sets out a whole of government approach to ensuring digital records survive and can be used into the future
- development and implementation of *Archway* – the electronic archival documentation and web enabled finding aids/catalogue system
- the opening of a new purpose built archival repository in Auckland in 2007
- the undertaking of large scale digitisation projects through partnerships, such as with the Genealogical Society of Utah to digitise shipping lists, and with e-cast Education, to enable web access in schools to digitised films and documents
- developing a much better understanding of our responsibilities to Māori and greater capability to deliver in this area. The success of this can be measured in part by our partnership projects with a number of iwi and more are anticipated

- developing increasingly strong relationships with other government agencies with common goals, and non-government groups, particularly the Archives and Records Association of New Zealand (ARANZ), the Records Management Association of Australasia (RMAA) and the New Zealand Society of Genealogists
- developing The Community Archive website and the support for community archivists provided across the four offices of Archives New Zealand.

These achievements not only illustrate a successful eight years, but also point to how we need to operate, continuing to be responsive to changes in the information environment, as well as taking a flexible approach.

The information in these following pages sets out our performance over the previous 12 months in an increasingly challenging environment.

A handwritten signature in black ink, appearing to read 'Greg Goulding', with a horizontal line above the end of the signature.

Greg Goulding
Chief Archivist and Chief Executive (Acting)



Part 1

Overview and Achievements

Purpose and Role

Outcomes, Interventions and
Achievements

Collaboration

Capability

Archives New Zealand's Structure

Archival Advisory Bodies

Purpose and Role

Under the Public Records Act 2005, Archives New Zealand works to promote good information management as the government's recordkeeping authority and acts as the official guardian of New Zealand's public archives. Public archives are records of the New Zealand Government recognised by the Chief Archivist as having long-term value. The majority of these public archives are held in Archives New Zealand's repositories in Auckland, Wellington, Christchurch and Dunedin. Others are held on behalf of the Chief Archivist in 11 approved repositories located around the country.

Good information management is fundamental to sound business practice. It provides increased efficiency, effectiveness and accountability by ensuring that records of public business are accessible both now and in the future. Archives New Zealand encourages effective information management through its provision of advice and training on the information management responsibilities of public offices and local authorities. The department works with government agencies to ensure good records of government decision-making are created and maintained, and records of long-term value (including electronic records) are transferred to Archives New Zealand when appropriate.

The department's holdings extend from documents including, the 1840 Treaty of Waitangi Te Tiriti o Waitangi and the 1893 Women's Suffrage Petition, to government documents, maps, paintings, photographs, film and electronic records. Archives New Zealand ensures that public archives are properly preserved and securely held, while making them accessible to the public and encouraging their use. Easy access to the public archive is promoted through customer assistance and support in each of Archives New Zealand's four reading rooms, through remote enquiries services, and with an increasing online digital presence. This increase in the availability of information in a digital format ensures that the stories of the nation are readily available and strengthens New Zealanders' connection with their identity and history.

Archives New Zealand also has a responsibility to provide leadership and support for archival activities across New Zealand. The department recognises that maintaining a presence in the community is important to its role and responsibility. Archives New Zealand's repositories provide communities with access to records of particular significance to their local area or specific interests, and support local government information management and community archives.

Collaboration is essential if Archives New Zealand is to achieve its outcomes. Arrangements with iwi enable access to significant information about their people using creative and innovative solutions to manage their own records and tāonga. Archives New Zealand, Te Papa Tongarewa and the National Library of New Zealand have made a commitment to work together to benefit their stakeholders and customers. This includes working to develop a more seamless online access to New Zealand's heritage objects.

The department provides advice to the Minister Responsible for Archives New Zealand who administers the National Archives Vote. The department also provides support to the Archives Council Te Rua Wānanga. The Council advises the Minister Responsible for Archives New Zealand on recordkeeping and archival issues.

One of the indicators of a strong society is having evidence of the decisions and actions of government. By keeping good government records, and making those records accessible, the public can be confident that government is accountable and records of their rights and entitlements are available when needed.

Outcomes, Interventions and Achievements

Government Expectations

Archives New Zealand is committed to ensuring that New Zealanders get value for money from its services.

The department is progressing opportunities to work collaboratively with other departments, helping to avoid service duplication, and providing customers with better service. Archives New Zealand, Te Papa Tongarewa and the National Library are working together to provide seamless online access to New Zealand's cultural heritage. Work is also underway with the Ministry for Culture and Heritage to assess the use of shared storage facilities for heritage material.

Having systems in place to create authentic, reliable and readily accessible records helps improve public sector productivity and the delivery of core frontline services. Archives New Zealand actively assists public agencies to meet their business needs by helping them to incorporate good recordkeeping practices into their business systems. In turn, this improves organisational efficiency and contributes to a transparent and accountable public management system. The audit of public offices, commencing in 2010, will provide a coherent assessment on how well the public sector is carrying out recordkeeping practices.

Archives New Zealand is also working in partnership with volunteers, and the private sector, to digitise records and make them available online. Letting other organisations digitise and publish information such as shipping lists, with Archives New Zealand retaining the right to publish, saves costs. Digitisation of archives gives the public greater access to New Zealand's rich resource of information that tells the stories of the nation.

Archives New Zealand's Strategic Priorities

Archives New Zealand had three strategic priorities in 2008/09. These priorities were developed to enable work activities to be prioritised to meet the department's outcomes and are interwoven through its activities and outputs:

- Accessible Services – this priority is reflected under the outcome *Archives are Well Used and Accessible* and reflects a customer-focused approach to service delivery
- Responsiveness to Māori – this priority is reflected under the *Archives are Well Managed* and *Archives are Well Used and Accessible* outcomes. The Chief Archivist and Chief Executive's Māori consultative group, Te Pae Whakawairua, also provides advice on how Archives New Zealand can ensure that the department's services meet the needs of Māori
- Digital Transformation – this priority is reflected under the *Archives are Well Used and Accessible* and *Government Agencies Keep Good Records* outcomes. The Digital Continuity Action Plan approved by Cabinet sets out how the department is addressing this issue within the broader public sector. Archives New Zealand actively uses information and communication technologies within the department to increase productivity and improve services.

Archives New Zealand's Outcomes

During 2008/09, Archives New Zealand worked towards three key outcomes:

- *Government Agencies Keep Good Records*
- *Archives are Well Managed*
- *Archives are Well Used and Accessible.*

This section of the Annual Report summarises Archives New Zealand's major interventions and achievements during 2008/09, along with the measures, that contributed to achieving these outcomes.

Archives New Zealand has developed cost-effectiveness measures to quantify its efficiencies. These measures are set out under each of the outcomes below.

Outcome 1: Government Agencies Keep Good Records

The outcome *Government Agencies Keep Good Records*, refers to public offices and local authorities creating reliable, authentic records of their actions and managing their information effectively over time. This ensures they can be held accountable to the public, and that significant records survive long-term. Those records no longer required are disposed of in accordance with General Disposal Authorities¹ (GDAs) and agency specific disposal authorities² issued by the Chief Archivist. A transparent process ensures that a wide scrutiny occurs for all disposal authorities.

This outcome also reflects Archives New Zealand's role in:

- providing information management advice
- providing guidance to government agencies
- preparing standards
- operating an effective appraisal system
- working with agencies to prepare for the recordkeeping audits required by the Public Records Act 2005.

Key achievements that contributed to this outcome during 2008/09 include:

- Development and Cabinet approval of the Digital Continuity Action Plan

The plan, developed in collaboration with other lead agencies, is designed to support good management of the public sector's digital information to ensure that it is trusted and accessible for as long as it is needed. The plan addresses long-term continuity of digital information, investigates opportunities for public sector efficiency gains through provision of shared services, and includes projects aimed at raising the awareness of good digital information management practices.

- Launching two information management standards – *Create and Maintain Recordkeeping Standard* and the *Electronic Recordkeeping Metadata Standard*

These standards, issued under the Public Records Act 2005 by the Chief Archivist, are mandatory for central and local government.

¹ Authorises government agencies to dispose of housekeeping and other records common across agencies, for example, financial records, human resources records, etc.

² Allows public offices or agencies to transfer their records to Archives New Zealand or to destroy, alter, sell, deposit or discharge them, as instructed.

The first standard sets the fundamentals for good recordkeeping, and the second focuses on managing the information about electronic records (ie, the metadata) which is necessary for people to understand the context and meaning of the records over time.

- Development of a programme to manage legacy records

This programme ensures a consistent, coherent approach for managing those public records that are over 25 years old and still in the custody of public offices. Of particular focus are records with long-term value to New Zealand which are required to be transferred to Archives New Zealand. During 2008/09, Archives New Zealand contacted 240 offices included in the programme (excluding schools) to establish disposal and transfer requirements for their records.

- Completion of the Government Recordkeeping Survey 2009

This survey enables Archives New Zealand to monitor the progress and identify areas where advice, standards and training would be of benefit to public offices and local authorities. The results this year were encouraging with:

- 77 percent of public office respondents reporting they have a senior manager responsible for records management
- 71 percent of public office respondents reporting having established policies on recordkeeping.

However, significant challenges still exist, with 74 percent of organisations who responded to the survey stating they held at least some records in a format they could no longer access.

- Development of a recordkeeping Audit Tool

This tool will be used to conduct recordkeeping audits of public offices required under the Public Records Act 2005. This tool was released for consultation, with more than 200 people attending briefing sessions in Wellington, Auckland, Christchurch and Dunedin.

- Interventions to better manage health information

Archives New Zealand hosted a successful forum for information professionals to enable shared approaches to be developed to meet the challenges of managing health information in a way that complies with Public Records Act 2005 requirements and meets health delivery service business needs.

- Commencement of a Web Information Continuity Project

This involves researching current local and international trends in web information management and web archiving. The project aims to update the advice the department provides to other agencies on managing web information as records and investigate the issues associated with long-term management of web information.

- Provision of ongoing advice to ministers' offices and the offices of former ministers on archival management of their papers

Archives New Zealand's specialist team worked with 33 parliamentary offices to offer archiving advice and identify records for transfer between October and December 2008. This resulted in good planning and preparation at Parliament through the election period and assisted in alleviating some of the pressures of archiving for both Archives New Zealand and ministerial staff during this busy phase.

- Delivery of government recordkeeping forums

Nine forums in Wellington, Auckland, Christchurch and Dunedin provided the government recordkeeping community with information about the government recordkeeping audit programme. These were well attended by a total of 778 people.

- Development and delivery of the following training courses for recordkeepers in central government:
 - *Introduction to the Public Records Act 2005*
 - *Appraisal and Disposal of Public Records*
 - *Recordkeeping Metadata*
 - *The Public Records Act 2005 and Local Government Records and Archives*

Participants continue to be satisfied with these courses, with 99.14 percent of attendees stating they found the courses either useful or very useful.

A further course, *Transfer Workshop*, was developed and will be delivered in 2009/10.

- Production of *Continuum* publications

Continuum is the brand used for the government recordkeeping programme. Seven new *Continuum* publications were produced in 2008/09 including two fact sheets, four guidance publications and one technical guide. This exceeded the target of six publications for the year, set out in the Statement of Service Performance. The publications are available through Archives New Zealand's *Continuum* website <http://continuum.archives.govt.nz/home.html/>.

Performance Measures

Archives New Zealand measures its progress at achieving the outcome *Government Agencies Keep Good Records* against the following indicators:

- government agencies are increasingly meeting their recordkeeping accountabilities
- the number of agencies with defined recordkeeping programmes is increasing
- the extent of disposal schedule coverage is increasing.

Archives New Zealand commissions annual surveys to monitor how well government agencies are meeting their obligation to be accountable through good information management. The annual surveys inform the Chief Archivist's *Annual Report on the State of Government Recordkeeping* which is required to be presented to Parliament. The 2009 report is available on Archives New Zealand's *Continuum* website <http://continuum.archives.govt.nz/government-recordkeeping-surveys.html/>. The results of the survey are used to track indicators of improvement in recordkeeping across government and cover public offices and local authorities.

These survey results have informed the reporting on the indicators for the *Government Agencies Keep Good Records* outcome.

Government agencies are increasingly meeting their recordkeeping accountabilities

Figure 1 compares highlights of the 2009 government recordkeeping survey of public offices with those of the previous two years.

Figure 1: Highlights of public offices' recordkeeping results

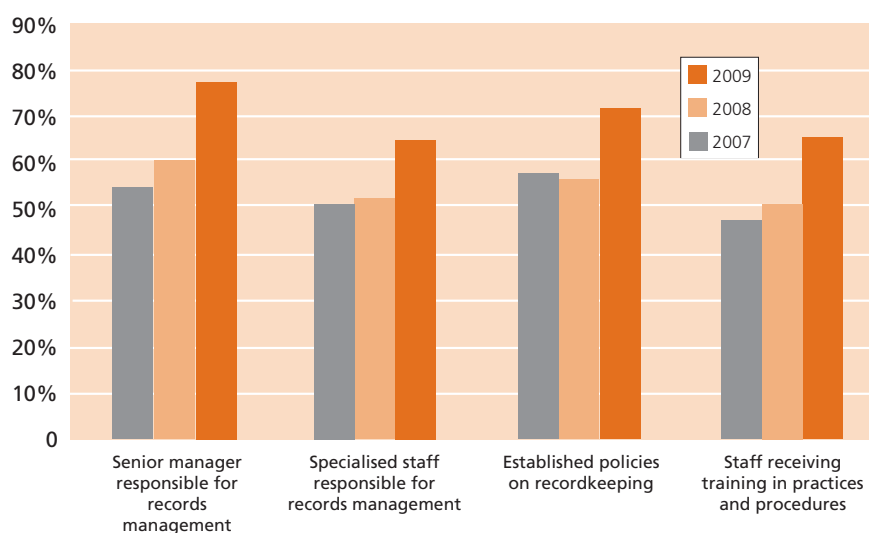


Figure 2 compares highlights of the 2009 government recordkeeping survey of local authorities with those of the previous year (local authorities were first surveyed in 2008).

Figure 2: Highlights of local authorities' recordkeeping results

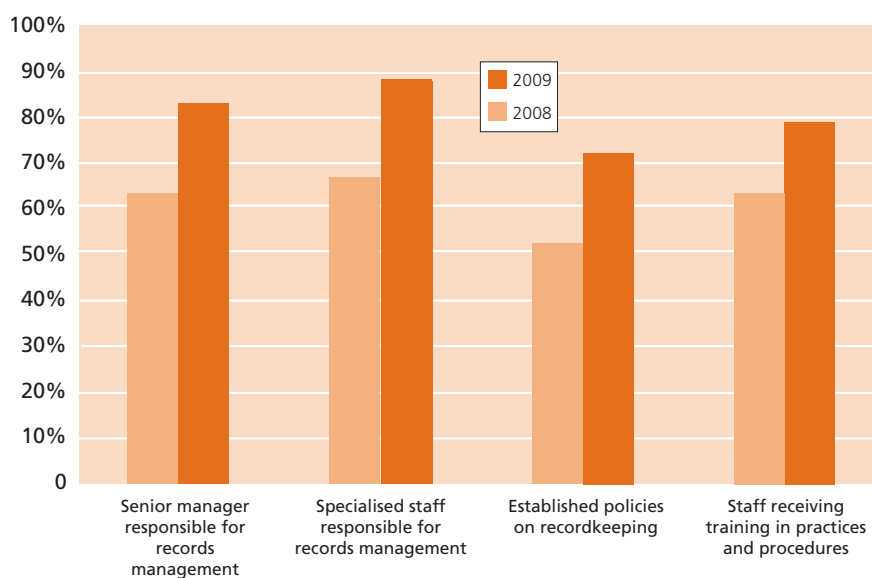
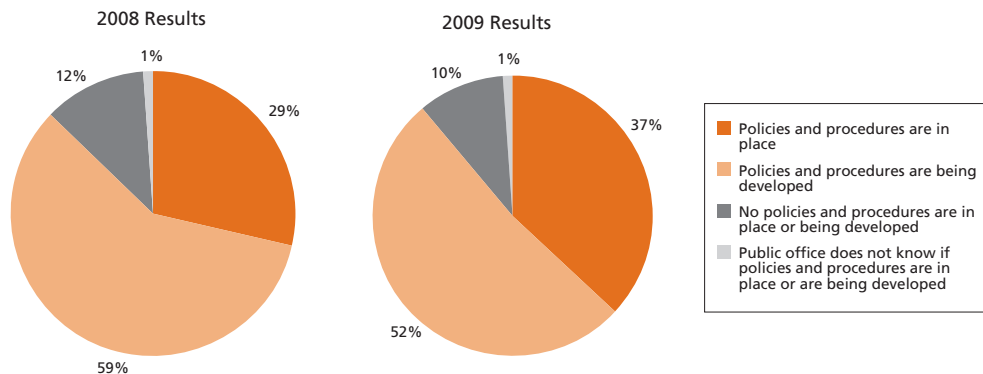


Figure 3 shows public office respondents' progress towards developing policies and procedures to assess compliance with the Public Records Act 2005.

Figure 3: Public offices with policies and processes to assess compliance with the Public Records Act 2005

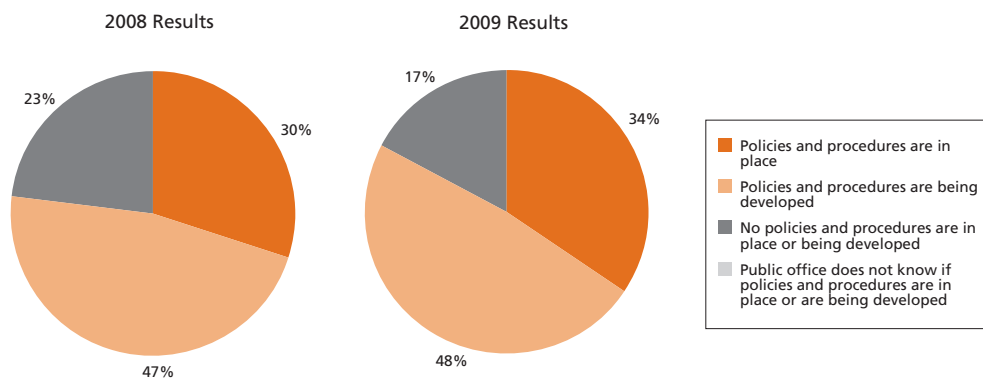


Note: Total does not add up to 100 percent due to rounding.

There has also been a reduction in public offices reporting that they have no policies or procedures in place to assess compliance with the Public Records Act 2005. In 2007, 26 percent had no policies in place; this dropped to 12 percent in 2008 and 10 percent in the latest 2009 survey.

Figure 4 shows local authority respondents' progress towards developing policies and procedures to assess compliance with the Public Records Act 2005. These results are similar to the numbers that were reported in the 2008 survey of local authorities.

Figure 4: Local authorities with policies and processes to assess compliance with the Public Records Act 2005



Note: Total does not add up to 100 percent due to rounding.

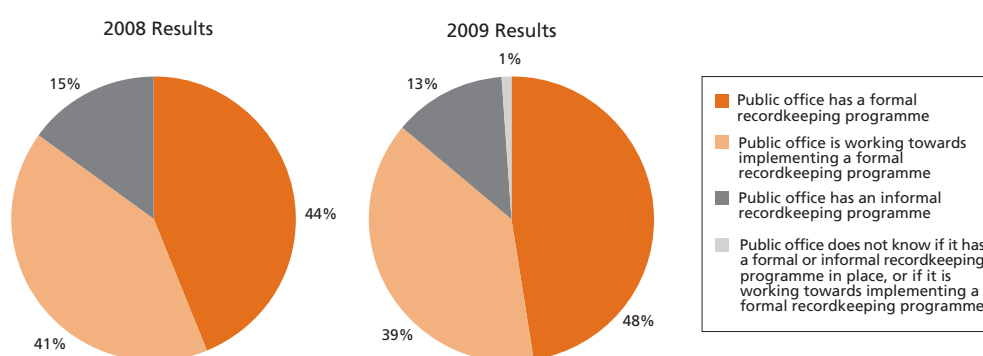
There has also been a reduction in local authorities reporting that they have no policies or procedures in place to assess compliance with the Public Records Act 2005. In 2008, 23 percent of local authorities reported that they did not have, nor were they currently developing, any processes to assess compliance. In 2009, this was 17 percent.

The number of agencies with defined recordkeeping programmes is increasing

Progress against this indicator is measured in the government recordkeeping survey by asking agencies to identify the type of recordkeeping programme in their organisation – formal, informal, or working towards implementing a formal programme. A formal programme is defined as follows: there are specific recordkeeping policies and procedures and there are staff responsible for records management.

Figure 5 shows the progress made by public office respondents in putting a formal recordkeeping programme in place.

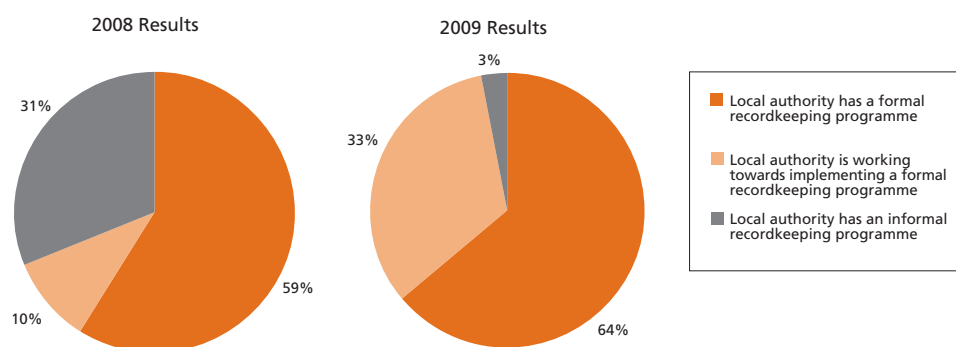
Figure 5: Progress of public offices towards implementing a formal recordkeeping programme



Note: Total does not add up to 100 percent due to rounding.

Figure 6 shows the progress made by local authority respondents in putting a formal recordkeeping programme in place.

Figure 6: Progress of local authority respondents towards implementing a formal recordkeeping programme



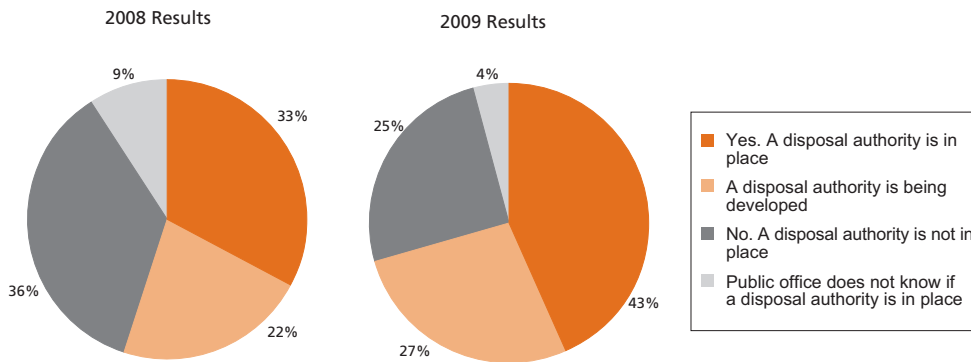
The extent of disposal schedule coverage is increasing

An effective records management programme should include provision for records appraisal and disposal. Systematic records disposal is good business practice, ensuring that money and staff time is not wasted on administration and storage of records with no business or archival value.

It is important that government agencies have a formal disposal programme in place to ensure that records are disposed of systematically as opposed to an ad hoc way. In 2009, 47 percent of public office respondents and 76 percent of local authority respondents reported having a disposal programme in place. This question was not asked in 2008 so no comparison is available.

Public records disposal can only legally take place with authorisation from the Chief Archivist. Figure 7 shows that over the past two years the number of public offices reporting they have a disposal authority that covers records of their core functions³ has increased.

Figure 7: Public offices with a disposal authority that covers records of their core functions



Note: Total does not add up to 100 percent due to rounding.

Those public office respondents who reported that their organisation had disposed of some records in the previous year were asked in the survey to specify the type of disposal authority under which the disposal was authorised.

- Seventy-eight percent of the organisations that disposed of some records in the last year reported some disposals were carried out using Archives New Zealand’s General Disposal Authorities (GDAs)⁴. This compares to 73 percent in 2008.
- A further 59 percent of organisations with disposals in the previous 12 months reported undertaking disposals with an ongoing disposal authority from the Chief Archivist (retention and disposal schedule). This compares with 39 percent in 2008.

A different system is in place for the disposal of local authority records. The *Local Government Schedule*, approved by the Chief Archivist, identifies a variety of records created by local authorities that must be protected. The disposal of these records is managed at a local level.

In the 2009 survey, three-quarters of local authorities reported that they had a regular disposal programme in place for records. Sixty-three percent of local authorities reported disposing of some records from 1 July 2008 to 30 June 2009. Most frequently, the disposals were carried out using the council’s own retention and disposal schedule. More than half of the local authorities that had made a disposal in the last 12 months reported that they had adopted the recommended disposal actions outlined in the *Association of Local Government Information Management Toolkit*, which is approved by the Chief Archivist.

Cost-effectiveness

Measure	Achievement at 30 June 2009
Cost of recordkeeping forums per person attending	\$19.54 per person attending
Cost of government recordkeeping training per person attending, per day	\$195.25 per person attending per day

3 Core function records are those records produced in the agency’s primary role, as opposed to administrative functions that are common to all government departments, for example, human resources records, financial records, etc.
 4 General Disposal Authorities (GDAs) authorise government agencies to dispose of housekeeping and other records common across public offices, for example, financial records, human resource records, etc.

Outcome 2: Archives are Well Managed

The outcome *Archives are Well Managed* refers to the day-to-day management of the archives and of the space available for storage of the archives within the department's repositories. It involves having effective systems in place for the planning and transfer of archives from government agencies into Archives New Zealand's care, as well as their ongoing storage, long-term preservation and management, so they can be retrieved when they are needed. It includes managing both physical and electronic public archives.

The context in which records were created, a vital part of ensuring the records can be understood over time, is maintained on *Archway*.

This outcome also includes supporting communities to manage their own archives.

Key achievements for this outcome during 2008/09 include:

- Establishment of the Digital Laboratory
This facility enables the creation of quality digitised versions of archives. This is essential for the digitisation process and enables increased accessibility to Archives New Zealand's holdings without compromising the preservation of fragile records.
- Preparation for the Alexander Turnbull Library
The Wellington office has been fitting out an area of its repository to take in part of the Alexander Turnbull Library manuscript collection while planned work on the National Library of New Zealand building proceeds.
- Digital Archive
This new system, launched on 1 July 2008, enables Archives New Zealand to receive and store transfers of digital public archives. It is based on open-source software and is a learning environment to test processes and systems for the long-term management of digital archives. Four digital transfers were received this year. Many new processes were set in place and automated tools were developed for bulk uploading of digital archives into the system. The Interim Digital Archive was assessed against international standards in April 2009 and areas for further development were identified.
- Completion of the Digital Archaeology project
This project involved the identification of archives at risk because of their obsolete or vulnerable magnetic or optical media (for example, audio tape and floppy disks). A programme of work to address these risks was put in place.
- Land Information New Zealand transfer planning
Preparatory work for the transfer of approximately 20 kilometres of records from Land Information New Zealand (LINZ) into Archives New Zealand's repositories is well underway. The transfer of this material is planned to occur over the next five years and will represent an approximately 20 percent increase in Archives New Zealand's holdings.
- Increased number of archives on finding aid
In 2008/09, a total of 484,389 approved items were added to *Archway*. This has exceeded targets set out in the Statement of Service Performance and resulted in improved services to agencies. These improvements also have a positive impact on the *Archives are Well Used and Accessible* outcome.

- Improvements to information about archives in finding aid

Progress was made to improve the contextual information held about the archives on *Archway*. This information makes it easier to find archival holdings and provides important information on the creation and use of records, which helps users to interpret the archives. This also includes improving information about those archives in *Archway* that were originally described in Archives New Zealand's legacy systems. Further information on this result is set out in the Statement of Service Performance.

- Publications to support community-based archives

Four new publications were produced to help support community-based archives to care for their historical records and tāonga. These are:

- the *Community Archives Survey Report*
- the *Directory of Archives in New Zealand*
- a *Funding Guide for Community Archives*
- the *Toolkit for Community Archives*.

A literature review was completed on the public sector discourse related to management of mātauranga Māori, with a particular focus on co-management models of mātauranga Māori that have proven to be successful in the information and knowledge management sector.

- Repository Management system

Work was undertaken on a new repository management and ordering system. This included data improvement work, the bar-coding of containers and shelves within the repositories, identification and evaluation of solutions, and establishment of business and technical requirements. The new repository management and ordering system will be implemented in 2009/10. This will significantly improve the efficiency of the processes for archive location control and for researcher requests.

- Building Capacity and Strategy Project

The purpose of this project is to forecast future volumes of archives to be transferred to Archives New Zealand over a 30-year period and to develop a building strategy to address the storage needs identified by the forecast. This project involves developing a forecast model using past transfer and appraisal information and conducting a sample survey of public offices to gather information of volumes of records held and rates of records creation. The project also involves developing a scenario model to assess and evaluate possible building strategies, utilising the information from the forecasting. The project is scheduled to be completed in the first half of 2009/10.

- Leadership in the archival community

Delivering presentations to a cross-section of archival interest groups at key events throughout the country, including the National Digital Forum, the Archives and Records Association of New Zealand (ARANZ) conference, the Tainui Forum, and the Takitimu Festival. A workshop for community archives was also held in Otago/Southland, in conjunction with ARANZ.

Performance Measures

Archives New Zealand measures its progress at achieving the outcome *Archives are Well Managed* against the following indicator:

Archives New Zealand will meet archival storage standards so our holdings are kept safe and secure, protected against deterioration and changes in technology.

During 2008/09, the department reviewed aspects of its storage. Archives New Zealand also prioritised and conducted a review of the Wellington repository against storage best-practice. This helped to identify opportunities for improvement to the department's archival management activity.

As a result of this review, a number of priority areas for future planning and development were confirmed to ensure compliance to the storage standard. Over the year, the following activities to improve Archives New Zealand's storage practices were undertaken:

- relocation of archive material to achieve more efficient storage, and storage that is appropriate to the format of the item
- projects such as the Repoman (repository management system) Replacement Project have incorporated storage practice into their requirements
- planning for improvements to the storage of nitrate film
- planning and commencing development of new storage areas (for completion in the 2009/10 year)
- a digital archaeology project which identified the variety of special-format material held at Archives New Zealand
- the ongoing monitoring of storage capacity and requirements, particularly in the Wellington office
- a review of in-house training and subsequent delivery of eight handling training sessions to staff
- the specialised re-packaging of at-risk archives.

Plans are in place for a review of the regional repositories in 2009/10.

Cost-effectiveness

Measure	Achievement at 30 June 2009
Unit cost per item added to finding aids	\$2.72 per item
Costs of operating building per metre of archives	\$16.99 per metre of archives

Outcome 3: Archives are Well Used and Accessible

The outcome *Archives are Well Used and Accessible* refers to increasing awareness of the benefits offered by public records, such as the role they have in supporting government accountability, and providing primary resources that can be used as evidence in interpreting the nation's history.

This outcome involves making public archives easily discoverable and appropriately available to users, in person or online, quickly and inexpensively regardless of their format. Digitisation of non-electronic records and finding aids will be utilised to improve and increase awareness and access to archives, as well as unlock the content within fragile archives, which might not otherwise be available, while protecting the original record for future generations.

This outcome also includes supporting communities and local authorities to make their own archives accessible (where appropriate) to the people of New Zealand.

Key achievements that have contributed to this outcome during 2008/09 include:

- Completion of Archives New Zealand's Blue Books Digitisation Project

The Blue Books are the annual statistics reports produced by New Zealand, as a colony, for the British government from 1840-1855. They contain statistics on population, revenue, the military, trade, shipping, public works, legislation, civil servants, foreign consuls, land transactions, churches, schools, and prisons. The Blue Books can be accessed at www.archives.govt.nz/exhibitions/bluebooks/.

- Digitisation of archives

Some 3,038 New Zealand Defence Force personnel records from the Boer War and World War One were digitised and are now available through Archives New Zealand's finding aid *Archway* <http://archway.archives.govt.nz/>. This class of record is one of the most frequently requested and having these available online significantly increases access to these records across the country and around the world.

The New Zealand Society of Genealogists completed a 10-year project indexing probates held at Archives New Zealand's Wellington office. This work was undertaken by volunteers from the society.

The formation of a partnership with *FamilySearch* (part of the Genealogical Society of Utah) has allowed a high volume of passenger shipping lists to be digitised. The project's goal is to scan and index lists of passengers on ships arriving in New Zealand between 1839 and 1976. There are approximately 300,000 pages of lists with up to 100 passengers per page. The *FamilySearch* volunteers are likely to complete this work in approximately two years' time.

Archives New Zealand also commissioned a discussion paper from a privacy expert around privacy implications of making personal information available online. This paper is informing the development of a privacy policy to assist decision-making on increased online access to the archives.

- Scholarship award

The department awarded a \$6,000 scholarship to Emil McAvoy. The purpose of the scholarship is to support the innovative use of Archives New Zealand's holdings and promote use of the archives to a wide audience. The winning project, RE:VISIONZ, will involve working with the National Publicity Studios Collection of photographs to produce a new video interpretation and exhibition.

- *An Impressive Silence – Public Memory and Personal Experience of the Great War* Exhibition

Archives New Zealand curated the exhibition *An Impressive Silence - Public Memory and Personal Experience of the Great War* at the Wellington office. This exhibition was part of *Coming Home Te Hokinga Mai*, the official programme of government events to commemorate the 90th anniversary of the signing of the armistice that ended World War One.

- Collaboration with e-cast Education

All of Archives New Zealand's digitised *Pictorial Parades* and *Weekly Reviews* have been made available online to schools and their students. This was made possible by collaboration with e-cast Education, with minor cost to the department.

- Implementation of The Community Archive

The Community Archive replaced the National Register of Archives and Manuscripts (NRAM). The Community Archive provides access to information about community archives, and their holdings, throughout New Zealand. The system was updated this year to make the information it presents more accessible and to improve its functionality, incorporating feedback from the system's contributors – those individuals, organisations and communities responsible for adding content about community archives to the database. The Community Archive is available at www.thecommunityarchive.org.nz/.

- Provision of archives services

This year, 92,873 references services were provided which exceeded the target of 80,000 set out in the Statement of Service Performance.

- Provision of archives to iwi

Two iwi-driven projects to research archives of relevance for Tūhoe and Taranaki iwi were completed. These projects involved iwi-appointed researchers selecting and digitising records held by Archives New Zealand considered to be of significance to the respective iwi. The Tūhoe Project focuses on records between Tūhoe and the Crown in relation to Tūhoe homelands in Te Urewera district pre-1900s. The Taranaki Reo Revitalisation Project contributes to the revitalisation of the Taranaki Reo Strategy and focuses on archives written in Te Reo o Taranaki between 1860 and 1900. The skills and knowledge obtained by the iwi researchers as part of this project are able to be applied to the management of their own iwi archives.

The resource developed for the Tūhoe Project will be made available to approximately 36,000 Tūhoe descendants nationally. The archives for the Taranaki Reo Revitalisation Project will be made available online to approximately 40,000 descendants of Taranaki iwi. Both projects utilise Māori-specific metadata.

- Reading room redevelopment

Planning and preliminary work to redevelop the entrance way and reading room area of the ground floor of the Wellington building commenced in 2008/09. This project will be completed by December 2009 and will be in place when a shared reading room service with the Alexander Turnbull Library commences in early 2010. Access to the reading room, and other public areas, will be improved as a result of this work.

Performance Measures

Archives New Zealand measures its progress in achieving the outcome *Archives are Well Used and Accessible* against the following indicators:

- the number of people who know of Archives New Zealand and its activities is increasing over time
- the number of Archives New Zealand's users is increasing
- the needs of remote and onsite users (for example, the public and government agencies) accessing services provided by Archives New Zealand are being effectively met
- access to community archives is improved.

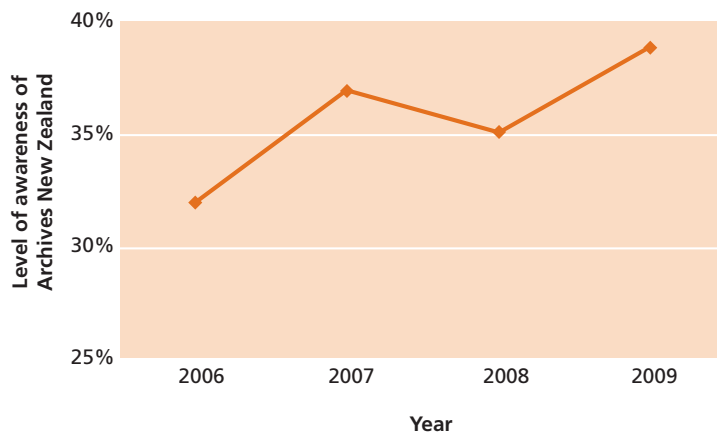
The number of people who know of Archives New Zealand and its activities is increasing over time

This year, Archives New Zealand participated for the fourth time in Research New Zealand's Public Sector Trust and Confidence Poll. The results of the poll track the public's awareness of and confidence in public sector organisations over time.

Results showed the level of trust and confidence in Archives New Zealand was higher than in previous years, with 86 percent of respondents who said they knew "a reasonable amount" about what Archives New Zealand does, having full trust and confidence in Archives New Zealand. This compared with 79 percent in 2008, 78 percent in 2007 and 75 percent in 2006. In terms of trust and confidence, Archives New Zealand continued to be highly placed in relation to the other government departments surveyed.

Figure 8 shows that the level of awareness about what Archives New Zealand does has also increased in comparison to previous years. Thirty-nine percent of respondents reported that they knew a "reasonable amount" about what Archives New Zealand does. This compared with 35 percent in 2008, 37 percent in 2007 and 32 percent in 2006.

Figure 8: Level of awareness of Archives New Zealand from 2006-2009



The number of Archives New Zealand's users is increasing

The way users of archives interact with Archives New Zealand is changing. It is expected that the greatest increase in users over the next few years will be those who access services through the web, and much of the department's new work is aimed at enabling this.

Figure 9 shows the number of pages viewed on *Archway*, Archives New Zealand's online finding aid, from July 2007-June 2009.

Figure 9: Pages viewed on *Archway*

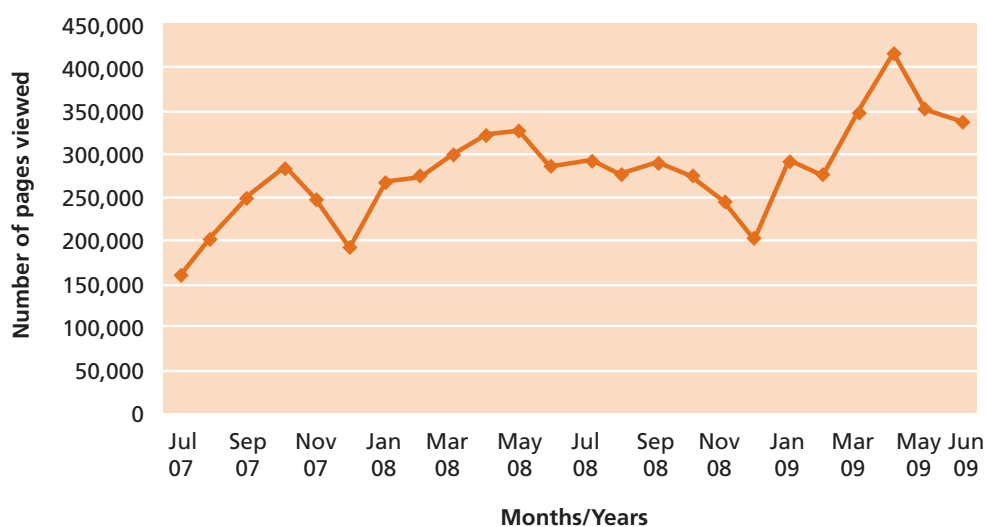


Figure 10 shows that the total number of visits to Archives New Zealand's reading rooms has remained steady.

Figure 10: Number of visits to Archives New Zealand's reading rooms

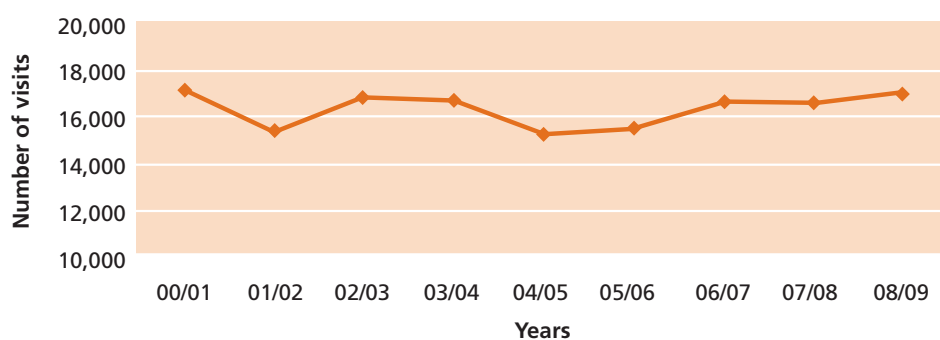


Figure 11 shows that the number of items issued in Archives New Zealand's reading rooms has maintained the same level as in previous years. The results for 2007/08 are lower than the previous two years; this was partly due to the closure of the Auckland office for three months during the construction of the new Auckland repository (June – August 2007).

Figure 11: Number of items issued in Archives New Zealand's reading rooms

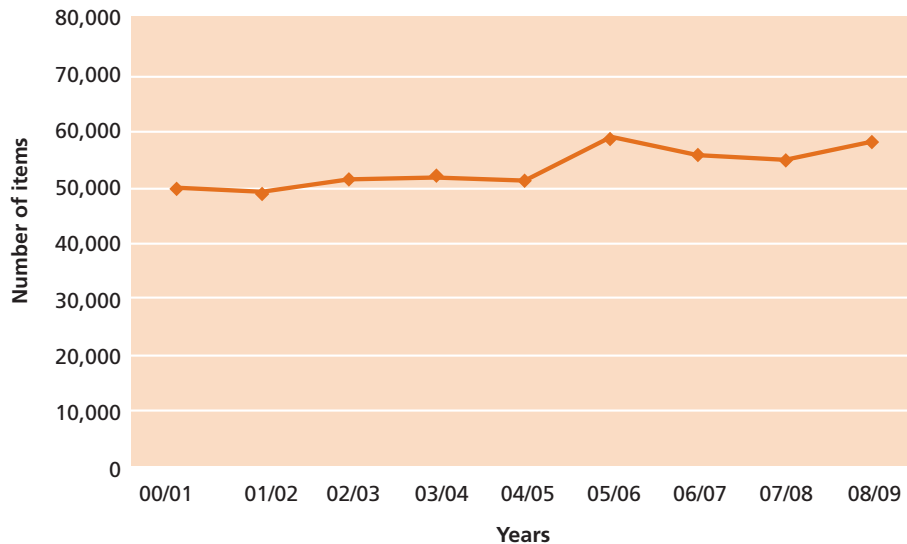


Figure 12 shows that the number of remote reference enquiries has increased from 2001-2009. This service involves assisting researchers unable to visit Archives New Zealand's reading rooms by suggesting records that may be helpful to their research, checking indexes that are not available online, or delivering copies of specific records to their home.

Figure 12: Number of remote reference enquiries

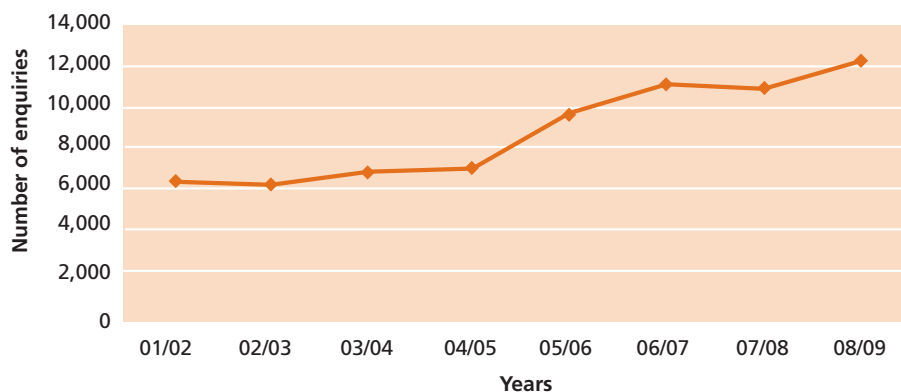
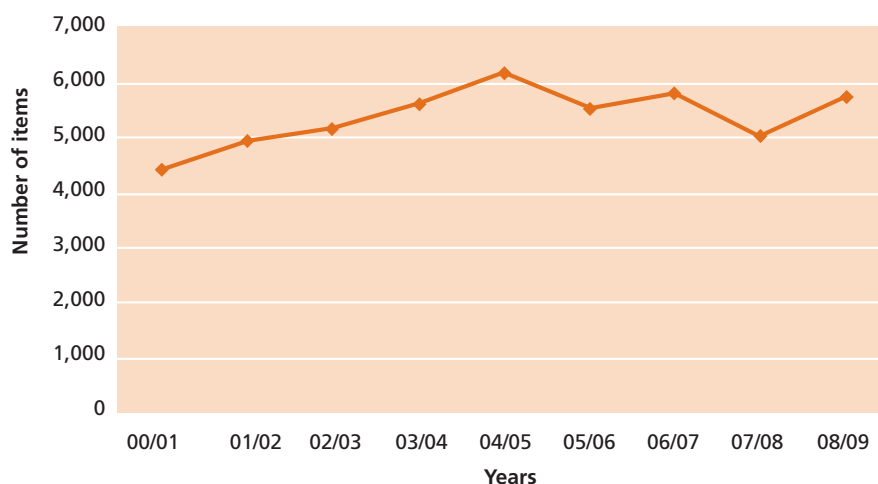


Figure 13 shows that the number of government loans has maintained a similar level as in previous years. This service involves the temporary loan of archives to the government office that created or was responsible for the archives in cases where the archives are needed for the office's current business.

Figure 13: Number of government loans



The needs of remote and onsite users (for example, the general public, and government agencies) accessing services provided by Archives New Zealand are being effectively met

Users are able to access the department's holdings in reading rooms, located in Wellington, Auckland, Christchurch or Dunedin. As part of its customer-focused drive, Archives New Zealand endeavours to ensure archives are provided to readers in a timely manner. In 2008/09, 99 percent of onsite reference services were delivered within 30 minutes of published delivery times, with 100 percent delivered within 120 minutes. This result exceeded the target of 90 percent and 98 percent set out in the Statement of Service Performance.

Archives New Zealand also offers services to assist researchers unable to visit the reading rooms. In 2008/09, the department responded to 82 percent of written enquiries within 15 working days and 91 percent within 30 working days.

Access to community archives is improved

A survey of current community archives and emerging community archives was undertaken in 2007. The recommendations from the survey included redevelopment of the *National Register of Archives and Manuscripts (NRAM)*, resource development, and development of community archive training.

Based on the recommendations from the survey of community archives and emerging community archives, the following actions were undertaken in 2008/09:

- Implementation of The Community Archive

As noted, changes were made to the National Register of Archives and Manuscripts (NRAM) so that it better supports community archives users. NRAM was redeveloped and officially launched in June 2009, with a new name - The Community Archive.

Improvements included changes to allow bulk uploading of community archives, an improved interface to make it more user-friendly, changes to allow contributors to add, upload and manage their own content, the option of adding images of archives to the archive, and improvements so that it would meet International Council on Archives (ICA) standards.

- *Directory of Archives in New Zealand* (DANZ) updated

The Directory is a hardcopy and online publication that enables community archives to promote and make their holdings more accessible to the people of New Zealand. The total number of community archives within the Directory has increased from 193 to 214.

- Funding guide and a toolkit for community archives

The *Funding Guide for Community Archives* provides information on regional and national sources of funding. The *Toolkit for Community Archives* provides advice to communities on various aspects of archiving, including preservation, arrangement and description, digitisation and accessibility.

- Collaborative national training delivery to community groups

In 2008/09, Archives New Zealand established an outreach sector group, which includes members of Te Papa Tongarewa and the National Library, to address the needs of community archives and their diverse collections. The group meets quarterly to discuss training needs of community archives. Group members liaise with each other to ensure community archives are provided with seamless service.

Archives New Zealand also promotes the role of archives in the community. In 2008/09, the department, at the invitation of the National Library, participated in the Takitimu festival in Hastings. Copies of land maps and archives of relevance to the festival hosts and attendees were made available by Archives New Zealand at this festival, as well as general information about the services provided by the department.

Cost-effectiveness

The calculation for these measures has been revised to provide a more accurate result.

Cost per item accessed through various reference services

Measure	Achievement at 30 June 2009
Average cost per archive accessed through one of Archives New Zealand's reading rooms	\$11.43 per archive
Average cost per archive accessed remotely	\$28.90 per archive
Average cost per government loan	\$12.70 per loan

Collaboration

Joint Outcome: Archives New Zealand, Te Papa Tongarewa, and the National Library of New Zealand

Archives New Zealand, Te Papa Tongarewa, and the National Library of New Zealand have made a commitment to work together to provide seamless access to the nation's art, culture, and heritage collections online. The long-term outcome is that New Zealanders will be able to have a whole-of-government online view of the nation's heritage collections. The programme's goal is that New Zealanders can seamlessly access the nation's art, culture and heritage collections online.

Archives New Zealand, Te Papa and the National Library have made good progress in defining the collaborative framework and the work needed to achieve this goal. The chief executives of the agencies meet on a regular basis and are supported by a working group. A work programme for 2009/10 has been agreed upon. The first project on this programme seeks to identify areas where access rights across these organisations including copyright, cultural and intellectual rights, privacy rights and other restrictions to material can be harmonised. This, and other work around developing common descriptive data, is an essential prerequisite to developing integrated searching.

The agencies have also revised the initial areas identified for common work to focus on those of most value. The common way forward, reflected in the agencies' statements of intent, centres on developing a common understanding of users' needs, standards and interoperability, and delivery capability.

National Digital Forum

Archives New Zealand is actively involved with the National Digital Forum (NDF), which comprises around 130 museums, archives, art galleries, libraries and government departments working together to improve electronic access to New Zealand's digital culture and heritage. Activities in 2008/09 included delivering presentations at the NDF's 2008 conference *Creating Value in a Digital New Zealand* on the Digital Continuity Action Plan, the development of the Interim Digital Archive, and a demonstration of the redeveloped website, The Community Archive.

Recordkeeping Advice for Cook Island Ministries

In February and April 2009, Archives New Zealand presented two government recordkeeping workshops to government ministry staff in the Cook Islands in preparation for the implementation of their Official Information Act. Funding was provided by the Cook Islands Ombudsman's office. The workshops were attended by staff from 14 Cook Island ministries, including the Ministries of Health, Justice, Finance and Economic Management, and the Office of the Prime Minister.

Samoa Digitisation Project

Archives New Zealand assisted with the establishment of a large-scale digitisation project, funded by the Federal Republic of Germany, to copy the records for the German colonial period (1900-1914) held by the National Archives of Samoa. Archives New Zealand is providing services to support this project. These include the provision of technical equipment and the training of Samoan Archives staff in the arrangement and description of records, basic conservation techniques and the digitisation process.

PARBICA

Archives New Zealand has an active leadership role in supporting archival activity in the Pacific. Working with and through the Pacific Regional Branch of the International Council on Archives (PARBICA), the department has been involved with the following major initiative:

Recordkeeping for Good Governance in the Pacific

Archives New Zealand, in partnership with PARBICA, has been developing components of the *Recordkeeping for Good Governance Toolkit*. The toolkit is a series of guidelines that promote and assist with best-practice information management throughout the Pacific. Archives New Zealand was responsible for developing the appraisal and disposal guidelines, and recordkeeping representatives from across the Pacific were brought to New Zealand for a series of workshops. Following development, in-country training workshops were delivered to staff from a wide range of government agencies in Palau and the Cook Islands. The project was funded through the NZAID Government Agencies Fund.



Archives New Zealand staff and representatives from the Pacific Regional Branch of the International Council on Archives (PARBICA) at a workshop in Wellington in March 2009

International Partners

Archives New Zealand has worked closely with its international professional peers in the following ways:

- joint hosting with Standards New Zealand of the International Organisation for Standardisation (ISO) technical committee's meeting. The focus was on developing new standards for digital records management
- providing the secretariat and co-leading a multinational team of archival institutions to develop an international standard for electronic recordkeeping software. The standard, *Principles and Functional Requirements for Records in Electronic Office Environments*, aims to communicate consistent messages to the global software market. This standard was a joint project funded by the International Council on Archives (ICA) and the Australasian Digital Recordkeeping Initiative (ADRI). The project was completed in May 2008 and formally launched at the ICA conference in July 2009

- accepting invitations to speak at international forums:
 - Document Lifecycle Management (DLM) forum in Toulouse, France
 - Archivists Association of Catalonia (AAC) conference in Tarragona, Spain
 - the International Seminar on Electronic Documents and Archives in Bogota, Columbia
 - the Council of Australasian Archives and Records Authorities (CAARA)
 - the 2009 Records Management Standards Forum hosted by the National Archives of Korea.

Travel and accommodation for all of these events was paid for by the organisers, in recognition of the contribution Archives New Zealand makes in the archiving and recordkeeping field.

Capability

The work to deliver Archives New Zealand's outputs is supported by an underlying physical and organisational capability. This year the department focused on implementing a new governance model for Information and Communication Technology and ongoing systems improvements for customer service and business efficiency. Archives New Zealand has also developed its people capability through recruitment and training to meet the current and planned needs of the organisation.

The following summarises key achievements in 2008/09:

Archival Storage and Access Capability

Digital Laboratory

During 2008/09, Archives New Zealand completed the building of a Digital Laboratory in its Wellington office. The Digital Laboratory comprises six work stations with scanners and cameras, and staff have been trained in the use of the equipment. This laboratory gives the department the capability to digitise the majority of its holdings. Archives New Zealand's capacity to deliver its services is enhanced through the production of digital copies of archives. The digital form of this information creates more options for customer service delivery in terms of format, method of delivery and timeframes. Costs can be saved through the re-use of this digital information, which when created once can be used many times.

Upgrade of Wellington Office

In the second half of 2008/09 work began on upgrading the ground floor of the Wellington building. The upgrade includes the café, reception and security facilities. Improvements to security include the installation of new security monitors as well as a new reception/security area for receiving visitors.

Infrastructure Development of the Wellington Building

Archives New Zealand completed building 9,800 linear metres of shelving in its Wellington repository. These shelves will hold some of the Alexander Turnbull Library Collection during the National Library major refurbishment. Archives New Zealand will be able to use the new shelving for its own expansion requirements once the Alexander Turnbull Library collections have moved back to the refurbished National Library building.

The department is strengthening the annex area of the Wellington building to meet earthquake requirements. The annex area, measuring over 400 square metres, will be developed to accommodate 3,000 linear metres of shelving. This work will be completed by the end of October 2009.

Information Technology

A project to replace Archives New Zealand's repository management and archives ordering system (Repoman) continued during 2008/09. Evaluation and selection of an alternative to the current Repoman application is complete, with a recommendation from the project's steering committee about to go to its governance board for approval. Implementation is expected in approximately nine months, with the overall project completed within the planned timeframe of January 2010. Other work to improve information on the locations of archives within Archives New Zealand's holdings continues.

In July 2008, Archives New Zealand's Electronic Document Records and Management System (EDRMS) was upgraded. Training sessions were run for staff. The upgrade makes it easier for the department to meet its responsibilities to create and maintain appropriate government records – a key element in maintaining credibility as an advice provider for other public agencies on good records management.

Other major technology and information initiatives included:

- delivering a Digital Archive for interim storage and preservation of digital material
- updating the system used to value Archives New Zealand's collections, to meet new audit requirements
- increasing infrastructure capacity to support large scale digitisation
- implementing energy efficient multifunctional printing/scanning/copying devices
- agreeing on a Web Strategy, which has resulted in progress on a new website and piloting of Archives New Zealand's material being placed on externally hosted sites
- planning for Archives New Zealand's own audit under the Public Records Act 2005.

Human Resources

Archives New Zealand provides a work environment and working conditions suitable for attracting and retaining staff with the necessary skills and knowledge. The department is committed to ensuring staff have the learning opportunities needed to lead change in the fields of information management, archives management and central government policy and business management. Archives New Zealand provides opportunities for staff development through its training programme and a flexible family-friendly work environment. The department encourages high performance at all levels within the organisation.

During 2008/09, Archives New Zealand continued to develop organisational capability through the development of its staff. Key initiatives during this period included:

- further development and implementation of the tailored Archival Professional Development Programme. This programme develops the core archival skills and knowledge of Archives New Zealand's staff. The programme covers Digital Records and New Developments, Appraisal, Government Recordkeeping, Reference, Arrangement and Description, and Preservation. The modules also address how the needs of Māori users can be met in aspects of archival practice
- a new module in Māori cultural competence was developed and implemented as part of the Archival Professional Development programme. This course is tailored to developing knowledge and basic skills in response to Māori interests in Archives New Zealand's work.

The department's Responsiveness to Māori programme addresses the cultural interests and needs of Māori staff and Māori users of archives. During 2008/09, all staff attended workshops where teams were assisted in developing Group action plans for addressing responsiveness to Māori.

The department also completed its second annual Staff Engagement Survey which was conducted by Gallup. Archives New Zealand achieved a 90 percent response rate to the survey – well above the public sector average of 83 percent. The results of the survey were shared with staff, and teams have since worked together to prepare engagement action plans to improve key areas in 2009/10.

The department encourages a strong health and safety culture and has an active health and safety committee. The committee includes wide representation from within the organisation, and members encourage health and safety best-practice within each of their organisational groups.

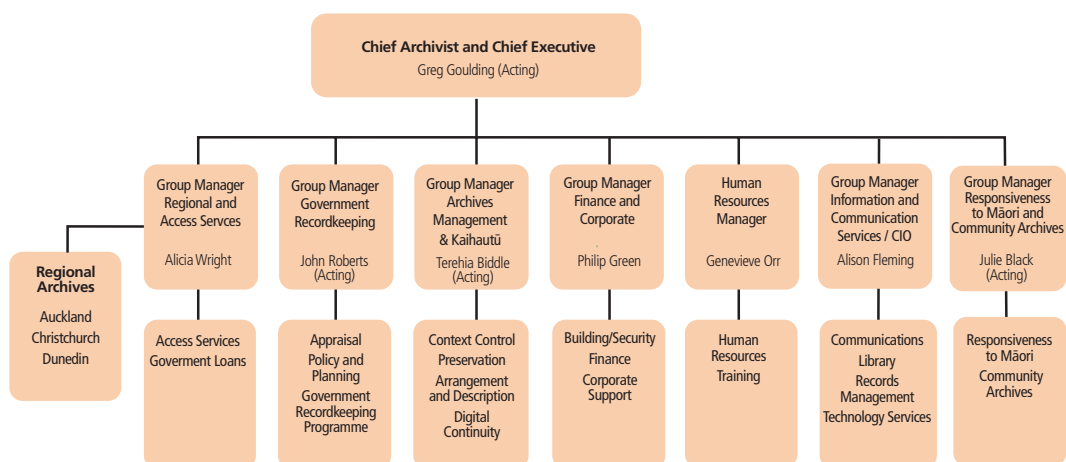
Equal Employment Opportunities (EEO)

Archives New Zealand has a comprehensive human resources policy platform to ensure EEO principles are integrated into all staff management. Examples of policies and processes in place include recruitment, training and development, employment relationships, and change management. These place a high emphasis on fairness and transparency and the department continually develops management capability in applying them.

Archives New Zealand's Structure

Archives New Zealand has a national office in Wellington and regional offices in Auckland, Christchurch and Dunedin. The regional offices manage some archives on behalf of the Chief Archivist and have an important role in coordinating and promoting archival activities in their regions.

Seven business groups implement Archives New Zealand's functions as illustrated in the following diagram. On 30 June 2009, there were 139 full-time equivalent members of staff employed by Archives New Zealand, with 10.8 percent of staff working part-time. Nineteen percent of staff are located within the regional offices.



Archives New Zealand's Strategic Management Group, May 2009.

From left: Greg Goulding, Alison Fleming, Philip Green, Dianne Macaskill, John Roberts, Genevieve Orr, Alicia Wright, Terehia Biddle.

Archival Advisory Bodies

Archives Council, Te Rua Wānanga

The Archives Council, Te Rua Wānanga, is an unincorporated body established under the Public Records Act 2005. Its role is to provide advice to the Minister Responsible for Archives New Zealand on recordkeeping and archives matters generally, including those for which tikanga Māori is relevant, authorisations to dispose of public records, the approval of repositories, and appeals to the Minister.

The inaugural Archives Council was appointed on 31 August 2006.

Under the Act, Archives New Zealand provides administrative services to the Archives Council. The Council held four meetings in 2008/09.

Te Pae Whakawairua

Te Pae Whakawairua is the Chief Archivist and Chief Executive's Māori consultative group. It was established in 2001/02 with the purpose of providing independent advice to the Chief Archivist and Chief Executive to ensure that Archives New Zealand's services meet the needs of Māori.

During 2008/09, Te Pae Whakawairua met three times. Examples of some of the key issues that were discussed include:

- Archives New Zealand's role as guardian of the Treaty of Waitangi Te Tiriti o Waitangi and the use of Te Tiriti in publications
- advice on ways to describe archives that supports Māori access to them
- the development of an appraisal policy
- intellectual and cultural property issues around archives related to Māori
- advice on making records of relevance to Māori available online
- advice on Archives New Zealand's Framework for Consultation with Māori.



Part 2

Statement of Service Performance and Financial Statements for the year ended 30 June 2009

Statement of Responsibility

Audit Report

Statement of Service Performance

Financial Statements

Glossary

Statement of Responsibility

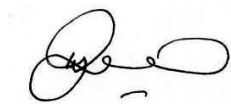
As the Chief Archivist and Chief Executive of Archives New Zealand, I am responsible under the Public Finance Act 1989 for the preparation of the department's financial statements and the statement of service performance that follow and for the judgements made in the process of producing those statements.

The department has a system of internal control and this has provided reasonable assurance as to the integrity and reliability of financial reporting.

My signature below marks my opinion that the financial statements and statement of service performance fairly reflect the financial position and operations of Archives New Zealand for the year ended 30 June 2009.



Greg Goulding
Chief Archivist and Chief Executive (Acting)
Date: 30 September 2009



Countersigned by:
Philip Green
Chief Financial Officer
Date: 30 September 2009



Audit Report

TO THE READERS OF ARCHIVES NEW ZEALAND FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009

The Auditor-General is the auditor of Archives New Zealand (the Department). The Auditor-General has appointed me, Alex Skinner, using the staff and resources of KPMG, to carry out the audit. The audit covers the financial statements and statement of service performance and schedules of non-departmental activities included in the annual report of the Department for the year ended 30 June 2009.

Unqualified Opinion

In our opinion:

- The financial statements of the Department on pages 42 to 63:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the Department's financial position as at 30 June 2009;
 - the results of its operations and cash flows for the year ended on that date.
- The schedules of non-departmental activities on pages 64 to 66 fairly reflect the assets, liabilities, revenues, expenses, contingencies, commitments and trust monies managed by the Department on behalf of the Crown for the year ended 30 June 2009.
- The statement of service performance of the Department on pages 40 to 41:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects for each class of outputs:
 - its standards of delivery performance achieved, as compared with the forecast standards included in the statement of forecast service performance adopted at the start of the financial year; and
 - its actual revenue earned and output expenses incurred, as compared with the forecast revenues and output expenses included in the statement of forecast service performance adopted at the start of the financial year.

The audit was completed on 30 September 2009, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Chief Archivist and Chief Executive and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and statement of service performance did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and statement of service performance. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Chief Executive and Chief Archivist;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement and statement of service performance disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance.

We evaluated the overall adequacy of the presentation of information in the financial statements and statement of service performance. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Chief Archivist and Chief Executive and the Auditor

The Chief Archivist and Chief Executive is responsible for preparing the financial statements and statement of service performance in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Department as at 30 June 2009 and the results of its operations and cash flows for the year ended on that date.

The financial statements must also fairly reflect the expenses and capital expenditure incurred against each appropriation administered by the Department and each class of outputs included in each output expense appropriation for the year ended 30 June 2009.

The financial statements must also fairly reflect the Department's unappropriated expenses and capital expenditure for the year ended on that date.

In addition, the Chief Archivist and Chief Executive is responsible for preparing schedules of non-departmental activities, in accordance with the Treasury Instructions 2008 that must fairly reflect the assets, liabilities, revenues, expenses, contingencies, commitments and trust monies managed by the Department on behalf of the Crown for the year ended 30 June 2009.

The statement of service performance must fairly reflect, for each class of outputs, the Department's standards of delivery performance achieved and revenue earned and expenses incurred, as compared with the forecast standards, revenue and expenses adopted at the start of the financial year.

The Chief Executive and Chief Archivist's responsibilities arise from sections 45A and 45B of the Public Finance Act 1989.

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 45D(2) of the Public Finance Act 1989.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Partners and employees of our firm may also deal with Archives New Zealand on normal terms within the ordinary course of their activities. These matters have not impaired our independence as auditors of the Department. The firm has no other relationship with or interests in the Department.

A handwritten signature in black ink, appearing to read 'Alex Skinner', with a long, sweeping horizontal stroke extending to the right.

Alex Skinner
KPMG
On behalf of the Auditor-General
Wellington, New Zealand

Statement of Service Performance

Output Class: National Archival Services

Through this output class, the Minister Responsible for Archives New Zealand purchases a broad range of services aimed at securing an archival record of government activity and supporting effective recordkeeping across government.

These services include:

- services to make public archives accessible for government departments, other organisations and individuals
- working with government agencies to ensure that good records of government decision-making are created and maintained and that records of long-term value (including electronic records) are transferred to Archives New Zealand when appropriate
- managing public archives, including ensuring that archives are properly preserved and securely held
- providing leadership and support for archival activities across New Zealand
- administering the Public Records Act 2005
- providing policy advice and ministerial servicing
- supporting the Archives Council.

The following tables report on the performance of the output class National Archival Services for the financial year ending 30 June 2009.

Output Performance Measures and Standards

Target	Actual
Six further products, including standards, guides and fact sheets will be added to <i>Continuum</i> .	7
Re-develop appraisal and disposal standards and guidelines in support of Archives New Zealand's new Appraisal Policy by 30 June 2009.	These standards were not completed during the year. Analysis of the Appraisal Policy and existing guidance indicated that only a disposal standard was required. The disposal standard is a new standard needing extensive consultation with stakeholders. By June 2009, extensive background research and development had been undertaken.
A minimum of 350,000 approved items will be added to <i>Archway</i> annually.	484,389 ¹
An increasing proportion of contextual documentation will be assessed as meeting quality standards. Contextual documentation includes agency, series, function and jurisdiction documentation. In 2008/09 this will be 35%.	38%
A minimum of 80,000 reference services will be provided annually (includes providing assistance to researchers in the reading rooms, retrieving archives for researchers to consult, conducting research in response to written enquiries, and loans of archives to government agencies).	92,873 ²
90% of archives will be retrieved for researchers in the reading rooms delivered within 30 minutes of published delivery times, with 98% of these archives delivered within 120 minutes of published delivery times.	99% within 30 minutes 100% within 120 minutes
85% of written reference enquires are answered within 15 working days, with 95% answered within 30 working days.	82% within 15 working days 91% within 30 working days

Financial Performance for Output Class

The output class of National Archival Services was provided with the appropriated sum of \$24,054,000 excluding GST for the financial year 2008/09. The actual total cost of this output for 2008/09 was \$23,888,000 excluding GST.

1 The target has been exceeded for several reasons: the number of transfers approved increased beyond the number expected for the year; there was an exceptionally large transfer approved, which contained more than 100,000 items; and the implementation of the new repository management system included an extensive backcapture listing of holdings not previously included on *Archway* at item level. Note that the target for this measure has been reviewed and has been increased to 400,000 items for 2009/10.

2 The target for this measure was exceeded due to the demand for reference services being higher than anticipated.

Financial Statements

Statement of Financial Performance for the year ended 30 June 2009

ACTUAL		NOTE	ACTUAL	MAIN	SUPP.
2008			2009	ESTIMATES	ESTIMATES
\$000			\$000	2009	2009
				\$000	\$000
REVENUE					
20,693	Revenue Crown		22,776	22,184	22,776
432	Revenue government department		478	334	409
471	Revenue other	2	658	549	869
21,596	Total Operating Revenue		23,912	23,067	24,054
EXPENSES					
8,138	Personnel	3	9,479	6,449	6,995
5,886	Other operating expenses	4	6,509	8,232	8,772
1,798	Depreciation	7	1,822	2,248	2,248
650	Amortisation	8	621	598	598
4,856	Capital Charge	5	5,312	5,540	5,441
0	Non-operating expenses		145	0	0
21,328	Total Operating Expenses		23,888	23,067	24,054
268	Net Surplus		24	0	0

The accompanying accounting policies and notes form part of these financial statements.

Statement of Movements in Taxpayers' Funds for the year ended 30 June 2009

ACTUAL		NOTE	ACTUAL	MAIN	SUPP.
2008			2009	ESTIMATES	ESTIMATES
\$000			\$000	2009	2009
				\$000	\$000
268	Net surplus for the period		24	0	0
6,064	Increase in revaluation reserve	7	1,753	0	(46)
6,332	Total Recognised Revenues and Expenses for the period		1,777	0	(46)
(265)	Provision for repayment of surplus		(24)	0	0
6,067	Movements in Equity for the period		1,753	0	(46)
64,753	Taxpayers' Funds as at 1 July		70,820	64,760	70,820
70,820	Taxpayers' Funds as at 30 June		72,573	64,760	70,774

The accompanying accounting policies and notes form part of these financial statements.

Statement of Financial Position as at 30 June 2009

ACTUAL		NOTE	ACTUAL	MAIN	SUPP.
2008			2009	ESTIMATES	ESTIMATES
\$000			\$000	2009	2009
				\$000	\$000
Assets					
Current Assets					
9,402	Cash and cash equivalents		9,160	6,889	8,431
181	Debtors and other receivables	6	125	67	67
237	Prepayments		94	59	59
9,820	Total Current Assets		9,379	7,015	8,557
Non-Current Assets					
62,453	Property, plant and equipment	7	64,285	55,068	59,540
1,377	Intangible assets	8	1,307	3,935	3,935
63,830	Total Non-Current Assets		65,592	59,003	63,475
73,650	Total Assets		74,971	66,018	72,032
Liabilities					
Current Liabilities					
2,001	Creditors and other payables	9	1,720	724	724
268	Repayment of surplus	10	24	0	0
445	Employee entitlements	11	492	440	440
2,714	Total Current Liabilities		2,236	1,164	1,164
Non-Current Liabilities					
116	Employment entitlements	11	162	94	94
116	Total Term Liabilities		162	94	94
2,830	Total Liabilities		2,398	1,258	1,258
Taxpayers' Funds					
50,494	General funds	12	50,494	50,498	50,494
20,326	Revaluation reserve	12	22,079	14,262	20,280
70,820	Total Taxpayers' Funds		72,573	64,760	70,774
73,650	Total Liabilities and Taxpayers' Funds		74,971	66,018	72,032

The accompanying accounting policies and notes form part of these financial statements.

Statement of Cash Flows for the year ended 30 June 2009

ACTUAL	NOTE	ACTUAL	MAIN	SUPP.	
			ESTIMATES	ESTIMATES	
2008		2009	2009	2009	
\$000		\$000	\$000	\$000	
Cash Flows from Operating Activities					
20,693		Receipts from Crown	22,776	22,618	22,776
1,254		Receipts from revenue other	1,175	883	1,120
(8,037)		Payments to employees	(9,386)	(6,449)	(7,015)
(6,517)		Payments to suppliers	(6,775)	(8,666)	(9,606)
(4,856)		Capital charge paid	(5,312)	(5,540)	(5,441)
2,537	13	Net Cash Flows from Operating Activities	2,478	2,846	1,834
Cash Flows from Investing Activities					
(3,042)		Purchase of property, plant and equipment	(2,452)	(1,811)	(2,537)
(3,042)		Net Cash Flows from Investing Activities	(2,452)	(1,811)	(2,537)
Cash Flows from Financing Activities					
(12)		Payment of surplus to Crown	(268)	0	(268)
(12)		Net Cash Flows from Financing Activities	(268)	0	(268)
(517)		Net increase/(decrease) in cash held	(242)	1,035	(971)
9,919		Cash at the beginning of the year	9,402	5,854	9,402
9,402		Cash at the End of the Year	9,160	6,889	8,431

The accompanying accounting policies and notes form part of these financial statements.

Statement of Commitments as at 30 June 2009

Operating Commitments

Operating Commitments are the aggregate amount of non-capital expenditure contracted for the acquisition of goods and services that have not been paid for or not recognised as a liability at the balance sheet date.

Capital Commitments

Capital Commitments are the aggregate amount of capital expenditure contracted for the acquisition of property, plant and equipment and intangible assets that have not been paid for or not recognised as a liability at the balance sheet date.

ACTUAL		ACTUAL
2008		2009
\$000		\$000
	Operating Commitments	
0	Less than one year	812
0	One to two years	99
0	Two to five years	3
0	Over five years	0
0	Total Operating Commitments	914
553	Capital Commitments	854
553	Total Commitments	1,768

Statement of Contingent Liabilities as at 30 June 2009

The Department did not have any contingent liabilities as at 30 June 2009 (2008: nil).

The accompanying accounting policies and notes form part of these financial statements.

Statement of Departmental Expenses and Capital Expenditure Against Appropriations for the year ended 30 June 2009

Expenditure after Remeasure- ments	(Figures are GST exclusive)	Expenditure before Remeasure- ments	Remeasure- ments	Expenditure after Remeasure- ments	Appropriation Voted
2008 \$000		2009 \$000	2009 \$000	2009 \$000	2009 \$000
VOTE NATIONAL ARCHIVES					
Appropriation for Classes of Output					
D1- National Archival Services					
21,328	Expenditure as reflected in the Statement of Financial Performance	23,888	0	0	24,054
21,328	Total	23,888	0	0	24,054
Appropriation for Capital Contribution					
0	Capital investment	0	0	0	0
21,328	Total Appropriations	23,888	0	0	24,054

Statement of Departmental Unappropriated Expenditure and Capital Expenditure for the year ended 30 June 2009

The Statement of Unappropriated Expenditure details the amount of expenditure incurred above appropriation.

There was no unappropriated expenditure for the year ended 30 June 2009 (2008: nil).

Breaches in Net Asset Schedule

The Department did not breach its approved net asset schedule during 2009 (2008: \$4,000). The 2008 breach in net assets was a result of a technical failure.

The accompanying accounting policies and notes form part of these financial statements.

Notes to the Financial Statements for the year ended 30 June 2009

1 Statement of Accounting Policies

Reporting Framework

Archives New Zealand is a government department as defined by section 2 of the Public Finance Act 1989.

These are the financial statements for Archives New Zealand, which have been prepared in accordance with Section 35 of the Public Finance Act 1989 in accordance with section 33 of the Public Finance Amendment Act 2004.

Archives New Zealand Te Rua Mahara o te Kāwanatanga leads in advising on and monitoring the public record, and in the preservation of public records of long-term value. Archives New Zealand administers the Public Records Act 2005 (the Act) which sets the functions the department is required to provide and the powers necessary to carry out these functions.

In addition the Department has reported the Crown activities which it administers.

The Department has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS). The financial statements of the Department were authorised for issue by the Chief Executive and Chief Financial Officer on 30 September 2009.

Reporting Period

The reporting period for these financial statements is the year ended 30 June 2009.

Measurement System

The financial statements have been prepared on an historical cost basis, modified by the revaluation of certain property, plant and equipment.

Accounting Policies

The accounting policies set out here have been applied consistently to all periods presented in these financial statements.

The accrual basis of accounting has been used unless otherwise stated. These financial statements are presented in New Zealand dollars rounded to the nearest thousand.

Statement of Compliance

These financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP). They comply with New Zealand equivalents to IFRS (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities. These financial statements comply with International Financial Reporting Standards (IFRS).

Budget Figures

The budget figures are those presented in the Budget Night Estimates (Main Estimates) and those amended by the Supplementary Estimates (Supp. Estimates).

Judgements and Estimations

The preparation of financial statements in conformity with NZ IFRS requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses.

These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future

events that are believed to be reasonable under the circumstances.

Significant judgements include the revaluation of land and buildings, and the calculation of employee entitlements.

Revenue

Operations

The Department derives revenue through the provision of outputs to the Crown for services to third parties. Such revenue is recognised when earned and is reported in the financial period to which it relates. Revenue from the supply of goods and services is measured at the fair value of consideration received. Revenue from the supply of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from the supply of services is recognised in proportion to the stage of completion of the transaction at balance date.

Donated or Subsidised Assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue in the Statement of Financial Performance.

Debtors and Receivables

Receivables are recorded at amortised cost less impairment losses.

Leases

The Department leases office equipment and accommodation. All leases are operating leases.

Operating leases, where the lessor substantially retains the risks and rewards of ownership, are recognised in a systematic manner over the term of the lease. Lease incentives received are recognised evenly over the term of the lease as a reduction in rental expense.

Foreign Currency

The Department's Financial Information Management System has only one currency, which is New Zealand dollars (NZD). The Department has not been involved in any activities, which require entry into derivative financial instruments.

Property, Plant and Equipment

Items of property, plant and equipment are initially recorded at cost. Where an asset is acquired for nil or nominal consideration the asset is recognised at fair value as at the date of acquisition, with a corresponding recognition of revenue in the Statement of Financial Performance.

Classes of property, plant and equipment that are revalued, are revalued at least every five years or whenever the carrying amount differs materially to fair value. Unrealised gains and losses arising from changes in the value of property, plant and equipment are recognised as at balance date; to the extent that a gain reverses a loss previously charged to the Statement of Financial Performance for the asset class, the gain is credited to the Statement of Financial Performance. Otherwise, gains are credited to an asset revaluation reserve for that class of asset; to the extent that there is a balance in the asset revaluation reserve.

Land and Buildings

Land and buildings are recorded at fair value less impairment losses and for buildings, less depreciation accumulated since the assets were last revalued. Valuations undertaken in accordance with standards issued by the New Zealand Property Institute are used where available. Otherwise, valuations conducted in accordance with the Rating Valuation Act 1998, which have been confirmed as appropriate by an independent valuer have been used.

Other Property Plant and Equipment

Other property, plant and equipment, which include plant and equipment, furniture and fittings and Information Technology (IT) equipment, are recorded at cost less accumulated depreciation and accumulated impairment losses.

Accumulated depreciation at revaluation date is eliminated against the gross carrying amount so that the carrying amount after revaluation equals the revalued amount. The elimination approach is applied unless otherwise indicated.

Realised gains and losses arising from disposal of property, plant and equipment are recognised in the Statement of Financial Performance in the period in which the transaction occurs. Any balance attributable to the disposed asset in the asset revaluation reserve is transferred to retained earnings.

All other items of property, plant, and equipment costing more than \$5,000 are capitalised at cost.

Depreciation

Depreciation is charged on a straight-line basis on all property, plant, and equipment (except land, antiques and works of art, and capital work in progress) at a rate which will write-off the cost (or valuation) of the assets to their estimated residual value over their useful lives at rates calculated to allocate the cost or valuation of an item of property, plant and equipment, less any estimated residual value, over its estimated useful life. The estimated useful lives of different classes of property, plant and equipment are as follows:

Buildings	15-90 years
Plant and Equipment	5-100 years
Furniture and Fittings	5-10 years
Motor Vehicles	2-6 years
IT Equipment	3-5 years

Intangible Assets

Intangible assets are initially recorded at cost. The cost of an internally generated intangible asset represents expenditure incurred in the development phase of the asset only. The development phase occurs after the following can be demonstrated: technical feasibility; intention to complete the asset; ability to sell or use; and development expenditure can be reliably measured. Expenditure incurred on research of an internally generated intangible asset is expensed when it is incurred. Where the research phase cannot be distinguished from the development phase, the expenditure is expensed when it is incurred.

Intangible assets with finite lives are subsequently recorded at cost less any amortisation and impairment losses. Amortisation is charged to the Statement of Financial Performance on a straight-line basis over the useful life of the asset.

Acquired Software	3-5 years
Internally Generated Software	3-5 years

Employee Benefits

Defined Contribution Schemes

Obligations for contributions to the State Sector Retirement Savings Scheme, KiwiSaver and the Government Superannuation Fund are accounted for as defined contribution schemes and are recognised as an expense in the Statement of Financial Performance as incurred.

Short-Term Employee Entitlements

Short-term employee entitlements to salaries and wages, sick leave, annual leave and other similar benefits are recognised in the Statement of Financial Performance when they accrue to employees. They are measured at nominal values based on accrued entitlements at current rates of pay.

Long-Term Employee Entitlements

Long-term employee entitlements that are payable beyond 12 months, such as long service leave and retiring leave, have been calculated on an actuarial basis.

Likely future entitlements based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information, and the present value of the estimated future cash flows. A discount rate of 6.00 percent, and salary inflation factors of 2.00 percent for the next five years then 3.50 percent thereafter were used. The discount rate is based on the annualised (before tax) market yield at 30 June 2009 on long-term New Zealand government bonds. The salary inflation factor is based on the expected long-term increase in remuneration for employees.

The liability for long-term employee entitlements is reported on an actual basis, based on present value of the expected future entitlements.

Termination Benefits

Termination benefits are recognised in the Statement of Financial Performance only when there is a demonstrable commitment to either terminate employment prior to normal retirement date or to provide such benefits as a result of an offer to encourage voluntary redundancy. Termination benefits settled within 12 months are reported at the amount expected to be paid, otherwise they are reported as the present value of the estimated future cash outflows.

Taxation

The Department is exempt from income tax in terms of the Income Tax Act 2004. Accordingly no charge for income tax has been provided for. The Department is subject to fringe benefit tax (FBT), goods and services tax (GST), and pay as you earn tax (PAYE).

Financial Instruments

The Department is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, accounts receivable and accounts payable. The Department has not been involved in any activities, which require entry into derivative financial instruments.

Designation of financial assets and financial liabilities by individual entities into instrument categories is determined by the business purpose of the financial instruments, policies and practices for their management, their relationship with other instruments and the reporting costs and benefits associated with each designation.

Cash and cash equivalents include cash on hand, cash in transit, bank accounts and deposits with a maturity of no more than three months from date of acquisition.

All financial instruments are recognised in the Statement of Financial Position at fair value and subsequently measured at amortised cost. All revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance.

Creditors and Other Liabilities

Creditors and other liabilities are initially recorded at fair value and subsequently measured at amortised cost, using the effective interest method.

Goods and Services Tax (GST)

The Statement of Unappropriated Expenditure and the Statements of Departmental and Non-Departmental Expenditure and Appropriations are exclusive of GST. The Statement of Financial Position is exclusive of GST, except for Accounts Receivable and Accounts Payable, which are GST inclusive. All other statements are GST exclusive.

The amount of GST owing to the Inland Revenue Department at balance date, being the difference between Output GST and Input GST, is included in Current Liabilities or Current Assets as appropriate.

Commitments

Future expenses and liabilities to be incurred on contracts that have been entered into at balance date are disclosed as commitments to the extent that there are equally unperformed obligations.

Contingent Assets and Contingent Liabilities

Contingent assets and contingent liabilities are recorded in the Statement of Contingent Assets and Liabilities at the point at which the contingency is evident. Contingent assets are disclosed if it is probable that the benefits will be realised. Contingent liabilities are disclosed if the possibility that they will crystallise is not remote.

Taxpayers' Funds

This is the Crown's net investment in the Department.

Related Parties

The government reporting entity comprises a number of entities and branches of government with key personnel that transact with the government reporting entity on a regular basis, for example, for the purchase of postage stamps for their personal use or registration of personal vehicles. These transactions are conducted at an arm's length basis. Any transactions not conducted at arm's length will be disclosed in the financial statements of the relevant entity.

Standards and Interpretations Issued But Not Yet Effective

Several standards, amendments and interpretations have been issued, but are not yet effective although they may be adopted early. These are not expected to have a significant impact on the financial statements of the Department.

2 Revenue Other

ACTUAL		ACTUAL
2008		2009
\$000		\$000
14	Rentals and commissions	14
115	Photocopying/reproduction charges	69
20	Sales of goods	27
102	Research services	101
220	Other	447
471	Total Revenue Other	658

3 Personnel Costs

ACTUAL		ACTUAL
2008		2009
\$000		\$000
7,637	Salaries and wages	8,955
200	Employer contribution to defined contribution plans	213
100	Increase/(decrease) in employee entitlements	133
201	Recruitment costs	178
8,138	Total Personnel Costs	9,479

Employer contributions to defined contribution plans include contributions to the State Sector Retirement Savings Scheme, KiwiSaver and the Government Superannuation Fund.

4 Other Operating Expenses

ACTUAL 2008 \$000		ACTUAL 2009 \$000
	Fees to auditor:	
57	Audit fees for the financial statement audit	78
38	Accommodation leases	1
1,103	Other premises costs	1,153
773	Information systems costs	722
270	Equipment maintenance	239
18	Operating lease payments	24
687	Professional fees	907
238	Communications	229
2,702	Other operating costs	3,156
5,886	Total Other Operating Expenses	6,509

5 Capital Charge

The Department pays a capital charge to the Crown on its taxpayers' funds as at 30 June and 31 December each year. The capital charge rate for the year ended 30 June 2009 was 7.5 percent (2008: 7.5 percent).

6 Debtors and Other Receivables

ACTUAL 2008 \$000		ACTUAL 2009 \$000
181	Trade receivables	125
(0)	Less provision for doubtful debts	(0)
181	Total Debtors and Other Receivables	125

The carrying amount of debtors approximates their fair values.

As at 30 June 2009 and 2008, all overdue receivables have been assessed for impairment. No impairments were considered necessary, as detailed below:

	2008			2009		
	Gross	Impairment	Net	Gross	Impairment	Net
Not past due	168	0	168	111	0	111
Past due 1-30 days	1	0	1	14	0	14
Past due 31-60 days	0	0	0	0	0	0
Past due 61-90 days	10	0	10	0	0	0
Past due >91 days	2	0	2	0	0	0
Total	181	0	181	125	0	125

7 Property, Plant and Equipment

	Land	Buildings	Plant and Equipment	Furniture and Fittings	IT Equipment	Motor Vehicles	Total
Cost or Valuation	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 July 2007	21,305	31,028	7,465	769	1,546	126	62,239
Additions	0	769	1,122	318	228	0	2,437
Revaluation increase/ decrease	4,180	325	0	0	0	0	4,505
Disposals	0	0	(2)	(37)	(209)	0	(248)
Balance at 30 June 2008	25,485	32,122	8,585	1,050	1,565	126	68,933
Balance at 1 July 2008	25,485	32,122	8,585	1,050	1,565	126	68,933
Additions	0	448	802	133	672	0	2,055
Revaluation increase/ decrease	(898)	1,192	0	0	0	0	294
Disposals	0	0	(1,039)	(1)	(367)	0	(1,407)
Balance at 30 June 2009	24,587	33,762	8,348	1,182	1,870	126	69,875
Accumulated Depreciation and Impairment Losses							
Balance at 1 July 2007	0	763	4,100	746	754	126	6,489
Depreciation expense	0	1,077	292	33	396	0	1,798
Eliminate on disposal	0	0	(2)	(37)	(209)	0	(248)
Eliminate on revaluation	0	(1,559)	0	0	0	0	(1,559)
Impairment losses	0	0	0	0	0	0	0
Balance at 30 June 2008	0	281	4,390	742	941	126	6,480
Balance at 1 July 2008	0	281	4,390	742	941	126	6,480
Depreciation expense	0	1,177	297	44	304	0	1,822
Eliminate on disposal	0	0	(894)	(1)	(359)	0	(1,254)
Eliminate on revaluation	0	(1,458)	0	0	0	0	(1,458)
Impairment losses	0	0	0	0	0	0	0
Balance at 30 June 2009	0	0	3,793	785	886	126	5,590
Carrying Amounts							
At 1 July 2007	21,305	30,265	3,365	23	792	0	55,750
At 30 June and 1 July 2008	25,485	31,841	4,195	308	624	0	62,453
At 30 June 2009	24,587	33,762	4,555	397	984	0	64,285

Accumulated depreciation at revaluation date was eliminated against the gross carrying amount so that the carrying amount after revaluation equals the revalued amount. As a result, the carrying value of land and buildings subject to revaluation increased by \$1,753,000 in total.

Land and Buildings

Valuations of land and buildings were undertaken as at 30 June 2009 by Mr Chris Orchard, FNZIV, FPINZ of Darroch Valuations Limited (Wellington property), Mr John Darroch FNZIV, FPINZ of Darroch Valuations (Auckland property), Mr Mark Dow, FNZIV, FPINZ of Darroch Valuations (Christchurch property) and Mr Stephen Cairns, SPINZ, of Colliers International (Dunedin property), all being independent valuers. All properties have been valued using a depreciated replacement cost methodology, except the Dunedin property which has been valued using market based evidence.

8 Intangible Assets

	Acquired Software \$000	Internally Generated Software \$000	Total \$000
Cost			
Balance at 1 July 2007	2,500	2,591	5,091
Additions	170	435	605
Disposals	(218)	(1,001)	(1,219)
Balance at 30 June 2008	2,452	2,025	4,477
Balance at 1 July 2008	2,452	2,025	4,477
Additions	137	414	551
Disposals	0	0	0
Balance at 30 June 2009	2,589	2,439	5,028
Accumulated Amortisation and Impairment Losses			
Balance at 1 July 2007	1,835	1,834	3,669
Amortisation expense	103	547	650
Disposals	(218)	(1,001)	(1,219)
Impairment losses	0	0	0
Balance at 30 June 2008	1,720	1,380	3,100
Balance at 1 July 2008	1,720	1,380	3,100
Amortisation expense	56	565	621
Disposals	0	0	0
Impairment losses	0	0	0
Balance at 30 June 2009	1,776	1,945	3,721
Carrying Amounts			
At 1 July 2007	665	757	1,422
At 30 June and 1 July 2008	732	645	1,377
At 30 June 2009	813	494	1,307

Work in progress (WIP) is included in the carrying amount of Property, Plant and Equipment and Intangibles for the following amounts:

ACTUAL 2008 \$000	Property, Plant and Equipment	ACTUAL 2009 \$000
0	Buildings	28
56	IT equipment	329
382	Plant and equipment	120
	Intangibles	
140	Acquired software	0
242	Internally generated software	793
820	Total WIP	1,270

9 Creditors and Other Payables

ACTUAL 2008 \$000		ACTUAL 2009 \$000
1,388	Creditors	767
381	Accrued expenses	652
232	GST payable	281
0	Prepaid revenue	20
2,001	Total Creditors and Other Payables	1,720

Creditors and other payables are non-interest bearing and are normally settled in 7 days and/or 20th of the month, therefore their carrying value approximate their fair values.

10 Repayment of Surplus

ACTUAL 2008 \$000		ACTUAL 2009 \$000
268	Net surplus	24
268	Total Repayment of Surplus	24

Surplus will be repaid to the Crown by 31 October 2009.

11 Employee Entitlements

ACTUAL 2008 \$000		ACTUAL 2009 \$000
	Current employee entitlements are represented by:	
438	Annual leave	480
7	Sick leave	6
0	Time off in lieu	6
		<hr/>
445	Total current portion	492
	Non-current employee entitlements are represented by:	
116	Retirement leave, service recognition leave and long service leave	162
		<hr/>
561	Total Employee Entitlements	654
		<hr/>

12 Taxpayers' Funds

Taxpayers' Funds comprises:

ACTUAL 2008 \$000		ACTUAL 2009 \$000
	General Funds	
50,491	Balance as at 1 July	50,494
268	Net surplus	24
0	Capital contribution	0
(265)	Provision for repayment of surplus to the Crown	(24)
50,494	General Funds as at 30 June	50,494
	Revaluation Reserves	
14,262	As at 1 July	20,326
6,064	Revaluation gains	1,753
20,326	Revaluation Reserves at 30 June	22,079
70,820	Total taxpayers funds	72,573
	Revaluation Reserves Consist of:	
20,097	Land and buildings reserve	21,850
229	Other assets reserve	229
20,326	Revaluation Reserve at 30 June	22,079

13 Reconciliation of Net Surplus/(Deficit) to Net Cash from Operating Activities

ACTUAL 2008 \$000		ACTUAL 2009 \$000
268	Net Surplus/(Deficit)	24
	Add/(Less) Non Cash Items	
1,750	Depreciation	1,822
698	Amortisation	621
23	Retirement and long service leave	46
2,471	Total Non Cash Items	2,489
	Add/(Deduct) Movements in Working Capital Items	
(57)	(Increase)/decrease in accounts receivable	56
(129)	(Increase)/decrease in prepayments	143
(527)	Increase/(decrease) in creditors and other payables	(330)
78	Increase /(decrease) in employee entitlements	47
433	Increase /(decrease) in GST payable/receivable	49
(202)	Movement in Working Capital	(35)
2,537	Net Cash flows from Operating Activities	2,478

14 Related Party Transactions and Key Management Personnel

The Department is a wholly-owned entity of the Crown. The Government significantly influences the roles of the Department as well as being its major source of revenue.

The Department enters into numerous transactions with other government departments, Crown agencies and state-owned enterprises on an arm's length basis. Those transactions that occur within a normal supplier or client relationship on terms and conditions no more or less favourable than those which it is reasonable to expect the Department would have adopted if dealing with that entity at arm's length in the same circumstance are not disclosed.

The following transactions were carried out with related parties:

- During the year the Department used the services of a Kaumatua for several functions to a value of \$18,500 (2008: \$21,672). He is the husband of the Department's Kaihautū.
- There was a close family member of one of the key management personnel employed for a short term by the Department. The terms and conditions of this arrangement were no more favourable than the Department would have adopted if there were no relationship to key management personnel.

- Apart from those transactions described above, the Department has not entered into any related party transactions.

Key Management Personnel Compensation

ACTUAL		ACTUAL
2008		2009
\$000		\$000
1,075	Salaries and other short-term employee benefits	1,184

Key management personnel include the Chief Executive and the seven members of the Strategic Management Group.

15 Events After the Balance Sheet Date

There have been no significant events after the balance sheet date.

16 Financial Instrument Risks

Archives New Zealand is party to financial instrument arrangements as part of its everyday operations. These include instruments such as bank balances, accounts receivable, and accounts payable.

Credit Risk

Credit risk is the risk that a third party will default on its obligations to the Department, causing the Department to incur a loss. In the normal course of its business, the Department incurs credit risk from trade debtors, and transactions with financial institutions and the New Zealand Debt Management Office (NZDMO).

The Department does not require any collateral or security to support financial instruments with financial institutions that the Department deals with, or with the NZDMO, as these entities have high credit ratings. For its other financial instruments, the Department does not have significant concentrations of credit risk.

The Department's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents and debtors.

Currency Risk

The Department has no significant exposure to foreign exchange currency risk, given it does not transact in foreign currencies.

Interest Rate Risk

The Department has no significant exposure to interest rate risk on its financial instruments, given it has no interest bearing financial instruments.

Fair Value

The fair value of all financial instruments is equivalent to the carrying amount disclosed in the Statement of Financial Position.

Liquidity Risk

Liquidity risk is the risk that the Department will encounter difficulty raising liquid funds to meet commitments as they fall due.

In meeting its liquidity requirements, the Department closely monitors its forecast cash requirements with expected cash draw downs from the NZDMO. The Department maintains target level of available cash to meet liquidity requirements.

The table below analyses the Department's financial liabilities that will be settled based on the remaining period of the balance sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Less Than 6 Months \$000	Between 6 Months and 1 Year \$000	Between 1 and 5 Years \$000	Over 5 Years \$000
2008				
Creditors and other payables (note 9)	2,001	0	0	0
2009				
Creditors and other payables (note 9)	1,720	0	0	0

17 Categories of Financial Instruments

ACTUAL 2008 \$000		ACTUAL 2009 \$000
	Financial Assets:	
9,583	Total loans and receivables	9,285
	Financial Liabilities at Amortised Cost:	
2,001	Total financial liabilities at amortised cost	1,720

18 Capital Management

The Department's capital is its equity (or taxpayers' funds), which comprise general funds and revaluation reserves. Equity is represented by net assets.

The Department manages its revenues, expenses, assets, liabilities and general financial dealings prudently. The Department's equity is largely managed as a by-product of managing income, expenses, assets, liabilities and compliance with the Government Budget processes and with Treasury instructions.

The objective of managing the Department's equity is to ensure the Department effectively achieves its goals and objectives for which it has been established, whilst remaining a going concern.

19 Explanation of Major Variations Against Budget

The following notes explain the significant variances between the 2008/09 Main Estimates as presented in the Budget Night Statement and the Department's actual results.

Statement of Financial Performance Variances

Personnel: The increase of \$3,030,000 relates to additional staff for new projects and increased recruitment costs. This is partially offset by the decrease in operating expense.

Other Operating Expenses: The decrease of \$1,723,000 relates to staff for new projects. The associated cost is included in Personnel in the Department's actual results.

Depreciation: The decrease of \$426,000 is due to several proposed capital projects being deferred.

Statement of Financial Position Variances

Cash and Cash Equivalents: The increase of \$2,271,000 is mainly due to proposed capital projects being deferred.

Property, Plant and Equipment: The increase of \$9,217,000 is due mainly to the revaluations of the Department's land and buildings at 30 June 2008 and 30 June 2009 (the budget was set prior to the 2008 valuation being completed).

Intangible Assets: The decrease of \$2,628,000 is due to proposed capital projects being deferred.

Creditors and Other Payables: The increase of \$996,000 is due to a high proportion of expenditure being incurred later in the financial year than was anticipated.

Revaluation Reserve: The increase of \$7,817,000 relates to the revaluation of the Department's land and buildings at 30 June 2008 and 30 June 2009 (the budget was set prior to the 2008 valuation being completed).

Statement of Cash flows variances

Payment to Employees: The increase of \$2,937,000 relates to staff for new projects and increased recruitment costs. This is partially offset by the decrease in Operating Expense.

Payment to Suppliers: The decrease of \$1,891,000 relates to staff for new projects. The associated cost is included in personnel in the Department's actual results.

Financial Schedules: Non-Departmental for the year ended 30 June 2009

The following non-departmental schedules, record the revenue and assets that the Department manages on behalf of the Crown.

Schedule of Non-Departmental Income for the year ended 30 June 2009

ACTUAL 2008 \$000	NOTE	ACTUAL 2009 \$000	BUDGETED 2009 \$000
Income			
3,835	National Archive Collection received from other government departments and the public 2	9,613	0
3,835	Total Non-Departmental Income	9,613	0

Schedule of Non-Departmental Assets as at 30 June 2009

ACTUAL 2008 \$000	NOTE	ACTUAL 2009 \$000	BUDGETED 2009 \$000
Non-Current Assets			
503,570	National Archive Collection 2	513,183	503,570
503,570	Total Non-Departmental Assets	513,183	503,570

Archives New Zealand has no non-departmental expenditures, liabilities, commitments or contingencies.

The accompanying accounting policies and notes form part of these financial statements.

Notes to the Non-Departmental Schedule for the year ended 30 June 2009

1 Statement of Accounting Policies

Reporting Entity

The non-departmental schedules present financial information on public assets managed by the Department on behalf of the Crown.

These non-departmental balances are consolidated into the Financial Statements of the Government. For a full understanding of the Crown's financial position, results of operations and cash flows for the year, reference should also be made to the Financial Statements of the Government.

Accounting Policies

The non-departmental schedules have been prepared in accordance with the Government's accounting policies as set out in the Financial Statements of the Government, and in accordance with relevant Treasury Instructions and Treasury Circulars.

Measurement and recognition rules applied in the preparation of these non-departmental schedules are consistent with the New Zealand generally accepted accounting practice as appropriate for public benefit entities.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Revenue

Where a physical asset is donated for nil or nominal consideration the fair value of the asset received is recognised as revenue. Donated assets are recognised as revenue when control over the asset is obtained.

2 National Archive Collection

The National Archive Collection is a Crown asset and is included in the Crown Financial Statements rather than in the Financial Statements for Archives New Zealand. Non-exceptional items are revalued every three years and were revalued in June 2008 using a methodology that divided the collection into categories by format and age, to associate records that together could be said to have a broad commonality of value. Benchmark valuations were obtained from an independent valuer, Dunbar Sloane, through market assessments and from other collections of a similar nature to Government archives. Accessions since the date of valuation are valued on the basis of these benchmarks.

The value of the Treaty of Waitangi was based on a valuation as at 30 June 2008 supported by Sotheby's, an independent valuer. Other exceptional items are based on a valuation as at 30 June 2008 from Dunbar Sloane. These valuations were based on market assessments and from other collections of a similar nature.

National Archive Collection

Cost or valuation	\$000
Balance at 1 July 2007	564,168
Additions	3,835
Revaluation decrease	(64,433)
Disposals	0
Balance at 30 June 2008	503,570
Balance at 1 July 2008	503,570
Additions	9,613
Revaluation	0
Disposals	0
Balance at 30 June 2009	513,183
Carrying amounts	
At 1 July 2007	564,168
At 30 June and 1 July 2008	503,570
At 30 June 2009	513,183

Public Archives Held in Other Approved Repositories

The valuation of the National Archives Collection only includes public archives in the possession of Archives New Zealand. Public archives held in other approved repositories do not form part of the valuation.

Glossary

Appraisal

The process of evaluation to determine which records are to be retained as archives, which are to be kept for specific periods, and which will be destroyed.

Archives

- i Those records that are appraised as having continuing value. Traditionally, the term has been used to describe records no longer required for current use which have been selected for permanent preservation
- ii The place (building/room/storage area) where archival material is kept
- iii An organisation (or part of an organisation) responsible for appraising, acquiring, preserving and making available archival material.

Archway

Archway is an automated documentation system that manages:

- i. information about government records
- ii. information about the context in which they were created
- iii. the core archival business processes (appraisal, transfer and description) that generate this information.

Disposal

The final decision concerning the fate of records, ie, destruction or transfer to archives. On rare occasions the disposal may be by sale or donation. Other forms of disposal that can be authorised under the Public Records Act 2005 include alteration and discharge.

General Disposal Authority (GDAs)

A disposal authority that authorises government agencies to dispose of housekeeping and other records common across public offices, for example, financial records.

National Digital Forum

The forum comprises museums, archives, art galleries, libraries and government departments working together to improve electronic access to New Zealand's culture and heritage.

The Community Archive

The Community Archive (formerly the National Register of Archives and Manuscripts) is a web-based guide to archival and manuscript holdings of archives, libraries, museums, galleries, schools and societies across New Zealand. The Community Archive's listings may be searched or browsed via a number of criteria.

PARBICA

PARBICA is the Pacific Regional Branch of the International Council on Archives (ICA). It represents archives and archival activities in the Pacific, including Australia and New Zealand.

Public Offices

The legislative, executive and judicial branches of the Government of New Zealand and their agencies or instruments, including departments, offices of Parliament, state-owned enterprises, Crown entities, Police, Defence Force, and the Security Intelligence Service. Crown entities include district health boards, school boards of trustees and tertiary education institutions (Public Records Act 2005, s4).

Public Record

A record or a class of records, in any form, in whole or in part, created or received [...] by a public office in the conduct of its affairs (Public Records Act 2005).

Record

Information, whether in its original form or otherwise, including [...] a document, a signature, a seal, text, images, sound, speech, or data compiled, recorded, or stored [...], (a) in written form on any material; or (b) on film, negative, tape, or other medium so as to be capable of being reproduced; or (c) by means of any recording device or process, computer, or other electronic device or process (Public Records Act 2005).

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New Zealand Government