

**Corporations and Markets Advisory Committee
Australian Securities & Investments Commission**

Corporate Social Responsibility

Submission by the Australian Society of Archivists

The Australian Society of Archivists (ASA) is the professional organisation in Australia representing archivists and recordkeepers. Information about ASA aims, membership, and activities are set out at [Attachment A](#).

The ASA has for some time been exploring opportunities to make clearer the relationship between records and archives, good governance, and corporate social responsibility, and therefore welcomes the opportunity to provide input to the Committee's consideration of this matter.

For any questions on this Submission, please contact Catherine Robinson, President, at asapresident@emailme.com.au or tel. (02) 8247 8631.

Records and Archives

Records are fundamental to the operation of business. Records are defined as “Information created, received, and maintained as evidence and information by an organization or person, in pursuance of legal obligations or in the transaction of business”¹. Records provide the basic information for understanding the operations of a corporation. Reliable records are an important part of responsible business, and they are also critical in demonstrating that responsibility. Many business records, such as financial records, policy records, and other evidence of corporate decision-making are subject to regulation requiring their creation or retention, to allow scrutiny of corporate affairs.

The importance of recordkeeping as a key operational element of good governance was recognised in the Australian Standard AS 8000 – 2003: Good governance principles.²

Archives are those records deliberately identified for ongoing preservation to meet long-term interests of an organisation or community. Archives are unique and provide us with evidence of past actions, past decisions and our identity. Archives contribute to the collective memory of society and assist in providing a deeper cultural and social understanding of the communities and the broader society. Australia's archival heritage gives a sense of who we are, where we come from, and the diverse communities that constitute our society. The archives of corporate Australia are a significant part of that heritage, and recognised as such by socially responsible businesses.

Key Issues

The ASA notes that many of the approaches under consideration, and in use in other jurisdictions, are based on reporting and disclosure requirements. Section 4 of the Discussion paper addresses these matters in some detail. Access to adequate information for shareholders

¹ AS ISO 15489.1 - 2002, *Records Management Part 1: General*, Clause 3.15

² AS 8000 – 2003, *Good governance principles*, Clause 2.3.4

and the wider public to make judgements about the actions of a corporation is an important component of responsible actions. Numerous references are made in the discussion paper to the audit of such reports, statements and disclosures. This highlights the fact that this information is based on business information created, or collected in the course of the corporation's activities, in other words, its records.

The ASA wishes to emphasise that all such information-based regimes are fundamentally based on the existence and reliability of business records. Good corporate recordkeeping is an essential precondition to demonstration of responsibility in this way. Equally, good records will enable the identification of irresponsible action by auditors or others charged with such investigation.

In particular sustainability considerations frequently require access to historical information for comparative analysis. For valid analysis it is necessary to be able to accurately interpret the historical data. This too requires robust recordkeeping to enable the correct interpretation of information over time.

The ASA notes that good recordkeeping practice is increasingly well articulated in a range of standards such as AS/ISO 15489 Standard on *Records Management*. These standards are, in our view, an important underpinning of corporate social responsibility.

The ASA notes that many of the current rating indexes for Corporate Social Responsibility do not place much, if any weight, upon an organisation's good corporate recordkeeping. Yet, it is quite clear from the Australian Standard AS 8003 – 2003; *Corporate Social Responsibility*, that recordkeeping informs the corporate social responsibility program (Clauses 3.5 and 3.7) and is a part of the key issue of Governance, considered in managing corporate social responsibility issues (Clauses 5.2.1 (b) and 5.2.5). The ASA would like to see a greater emphasis given to recordkeeping in assessments of corporations and companies' corporate social responsibility.

The ASA also considers that awareness of a corporation's long term impact on the environment, economy, and communities, with which it interacts, is an important component of social responsibility. A responsible business recognises its legacy, and its part in the history of the community and the country. One means of demonstrating this is through the management of corporate archives.

The ASA notes that business archives are a valuable resource for a range of researchers seeking to understand the development of Australia's society, its economy and industries. Information about the range of business archives currently being preserved in Australia is available in the Guide to Australian Business records at http://www.gabr.net.au/gabr_home.html

The importance of business archives, and their relationship to corporate social responsibility has been identified in a major report by the International Council on Archives' Section on Business and Labour Archives (emphasis added):

“[H]ow do we persuade executives that it is a good idea to keep company records and open the company archives to the public?

One line of argumentation would be that of moral obligation to the large community. We could point to the cultural value of the records, stressing the importance of the company as part of the national heritage. We could explain that **a commitment to retain the records and open the archives demonstrates a high ethical standard and conveys an image of social responsibility....** A company has much to gain by keeping an archive and making the historical records available to the public. **It will**

establish a reputation of social responsibility and transparency by opening historical information to customers, collectors, documentary film makers, descendants of employees, students, historians and other public sectors with an interest in the company's past.”

An extended extract from this report is provided at Attachment B.

Conclusion

Records provide the reliable evidence of corporate action necessary to allow proper evaluation of corporate action. The ASA urges recognition of this dependency in any approach taken to corporate social responsibility. We consider corporate archives to be a means by which businesses can recognise their impact on the community, and urge the adoption of policy that recognises and promotes the contribution of archives to Australian society.

Attachment A

About the Australian Society of Archivists Inc.

The mission of archivists is to ensure that records which have value as authentic evidence of administrative, corporate, cultural and intellectual activity are made, kept and used. The work of archivists is vital for ensuring organisational efficiency and accountability and for supporting understandings of Australian life through the management and retention of its personal, corporate and social memory.

The Australian Society of Archivists Inc. (ASA) is the peak professional body for archivists in Australia. It was formed in 1975 in response to the growing number of archivists in Australia and to the increasing demand for archival skills. The Society is administered on a national basis by an elected Council. Branches and Special Interest Groups, including the Indigenous Issues Special Interest Group, are active in the States and Territories. The Society has some 850 members, largely employed by government agencies and business organisations.

The objectives of the Australian Society of Archivists are to:

- promote a professional identity amongst archivists;
- promote the keeping care and use of archives and encourage research and development in all areas of archival practice;
- establish and maintain standards of archival practice and professional conduct amongst archivists, including standards of archival qualifications and professional training;
- encourage the responsible use of archives including cooperating with other organisations and groups with common interests and concerns;
- encourage communication and cooperation amongst archivists, their institutions and the users of archives; and
- publish and disseminate information relevant to the archival profession.

Further information about the Australian Society of Archivists' activities is available at www.archivists.org.au

Attachment B

Business Archives in International Comparison

August 2004

<http://www.ica.org/biblio/SBL25082004.pdf>

“[H]ow do we persuade executives that it is a good idea to keep company records and open the company archives to the public?”

One line of argumentation would be that of moral obligation to the large community. We could point to the cultural value of the records, stressing the importance of the company as part of the national heritage. We could explain that a commitment to retain the records and open the archives demonstrates a high ethical standard and conveys an image of social responsibility. This all is very true, but it would not be sufficiently persuasive.

What really counts is the bottom line. And here we are, back again, caught in the middle. If considerations of private property, including business records, in the last resort are judged solely by their influence on the bottom line, then there is a real risk of violating the democratic right to have access to information. If bottom-line considerations are the guideline for handling business records, the overall view of appraisal would be to keep only the nice records and get rid of all the unpleasant ones. And that would be actively trying to distort history. This approach, of course, has nothing to do with the truth and even less to do with the whole truth.

In addition to their value to the business enterprise, business records have a cultural value that cannot be measured in dollars or euros or any other currency. They are part of the national heritage and ought to be kept and made publicly available for that reason. Business archivists must state that clearly when trying to persuade the CEOs and decision makers of companies.

This only makes the task of persuading companies to keep their records even more difficult. Yet, it has to be done. And to some degree, it is possible to do so. There are good reasons for a company to keep its records and make them available to the public even though the only apparently measurable economic impact is to increase expenses.

Let us look at some of the irrefutable reasons for companies to keep their records:

- Financial and legal documentation: This is an obvious need. A company has to keep all records that can be used to document the fulfilment of its obligations in terms of contracting, testing, technical documentation and the like. Record keeping is important for the protection of trademarks and other intellectual property rights and also, of course, for litigation support.

These are perhaps the most obvious reasons for keeping records. But there are also – at least – five other needs that are served by keeping company records:

- Knowledge-base accumulation
- Support of strategic decision making
- Reinforcement of corporate culture
- Marketing
- Public relations

Given the importance of these needs for the proper functioning of a company, it should be easy to persuade CEOs to keep company records. However, in practise it may be very

difficult to persuade the appropriate level of management of the advantages of keeping company records in good shape, and especially of establishing an archive for in-house purposes. The task becomes even more daunting when trying to persuade either the CEOs or the appropriate level of management to make an in-house archive available to the public.

For purposes of this discussion, we will not delve into the matter of in-house keeping of records versus outsourcing of company archives. This of course can be a significant issue, but it is not our focus. The problem discussed here is whether business archives are made publicly available, not where they are.

And there is a very good business reason for making company records available to the public – in due time, of course. We are not talking about making yesterday's decisions publicly available today. The public must wait say, 25 or 50 years, or whatever number of years the company decides. We are talking about records that no longer belong to the present, but that have become part of history.

The business reason for opening the archives to the public has to do with the image of the company. There is probably no better way for a company to establish an image of honesty and credibility than by opening its archives to the public. This is of great and immeasurable importance to the company. The importance of an honest company image becomes obvious if we – just for a moment – imagine the opposite: that a company has gained a reputation for dishonesty and fraudulence. The effects will surely be felt on the bottom line, although it is impossible to say exactly how much of the damage is caused by the dishonest reputation.

A company has much to gain by keeping an archive and making the historical records available to the public. It will establish a reputation of social responsibility and transparency by opening historical information to customers, collectors, documentary film makers, descendants of employees, students, historians and other public sectors with an interest in the company's past.