DOLLARS, SENSE AND PUBLIC LIBRARIES

Technical Report

The landmark study of the socio-economic value of Victorian public libraries

An independent report by SGS Economics and Planning for the State Library of Victoria and Public Libraries Victoria Network
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“When I walk into the library it feels like home.”
(survey respondent)

“You can escape from the real world and just read a book.”
(survey respondent)

“The people that work there are very helpful.”
(survey respondent)

“Good selection of books and learning materials.”
(survey respondent)
Public libraries in Victoria

Public library services in Victoria are delivered by local government. There are 44 municipal public library services including 14 delivered by regional corporations, which are contracted to deliver library services by multiple local government authorities in a partnership arrangement.

According to the Annual Survey of Public Library Services in Victoria 2008–09 (Department of Planning and Community Development 2010), these public library services operated from 286 service points attracting 27.3 million in-person visits plus more than 30 million virtual visits via their websites. This in-person visitation translates to more than five visits per capita across Victoria each year. Importantly, 48% of Victoria’s residents are a member of a public library.

The Libraries Building Communities project, which precedes this study, highlights that a diversity of library services are used by the community. This focuses around the collection itself (i.e. borrowing and using books, magazines, audiovisual materials, etc.), as well as the electronic services on offer (e.g. computers, internet, electronic databases). Libraries Building Communities also found that the Victorian community is generally satisfied with the services delivered by public libraries; not an easy task given that funding levels for public libraries have not kept pace with the combined forces of population growth and inflation over recent decades.

‘A strong signal of the satisfaction with libraries is that 82% of respondents to the online survey had recommended their library to others.’ (State Library of Victoria 2005, p.32)

Project scope and objectives

This project has three high-level objectives:

1. Expand the understanding of the value of public libraries to the communities that they serve.

2. Provide public library managers with tools for assessing the value of specific library services.

3. Equip public library managers with advocacy materials to ensure future funding decisions are best advocated.

This Technical Report summarises the processes used and results generated in accordance with the first objective. It documents the value of public libraries to the Victorian community, building on a review of methods and results generated both nationally and internationally, plus the significant research effort employed as part of this project. Recommendations under objectives 2 and 3 are made, however, the tools and advocacy materials themselves are provided separately.

Assessing how libraries contribute to the community

The first phase of research undertaken as part of this project was to review similar studies nationally and internationally and establish a clear framework for estimating the value of public libraries. This research has highlighted that while not applied universally in previous studies, there are two forms of analysis that help us estimate the value of public libraries:

1. The net contribution public libraries make to community welfare. This contribution is measured via a cost benefit assessment (CBA) framework, which contrasts the economic, social and environmental costs and benefits associated with public library services, enabling an estimate of net benefit to be derived.

2. The economic activity induced in the local economy by public library operations. This activity is measured by an economic impact assessment (EIA) framework, which identifies the stimuli that public libraries introduce into local economies through their expenditure profiles and traces how these stimuli culminate in economic activity in buyer and supplier industries through successive rounds of economic transactions.

The results of these assessment frameworks are not cumulative, i.e. they cannot be added together. They answer two different questions, with the CBA telling us if libraries are good value investments and the EIA telling us how much local economic activity libraries generate.
Cost benefit assessment framework

The costs of public libraries are clearly defined and available via their recurrent capital and operating costs. This information is readily available from the Annual Survey of Public Library Services in Victoria published by Department of Planning and Community Development each year.

The benefits of public libraries are wide-ranging and encompass the value delivered to library customers directly and indirectly including:

• the services and programs made available to customers by public libraries;
• the social interaction facilitated in public libraries;
• the sense of place and enhanced local amenity afforded by libraries;
• environmental savings generated through continued re-use of library collections;
• public library contribution to language and computer literacy; and
• public library facilitation of improved education, career development and health outcomes.

Non-users of public libraries also gain benefits from public library services. These include the value non-users place on having the option to use public libraries in future, as well as the value of knowing that public libraries exist for others to use, both now and in the future.

Measuring the benefits of public libraries is not as straightforward as measuring costs, because the benefits are enjoyed by both customers and non-users, and are not traded in the market place as they are largely provided free of charge. Consequently, market prices do not exist. To overcome this, this project has used a combination of three non-market valuation techniques, which overlap in some cases but which will provide alternative estimates of benefit for the sake of comparison when viewed individually:

• Financial savings – this method values the services offered by public libraries by asking customers to estimate the costs they would incur if similar services were provided by substitute, private sector providers.
• Travel costs – this method estimates the value of time, cost and effort that library customers incur in getting to and in using public library services. In essence, this method assumes the value derived by customers must outweigh the costs incurred, otherwise customers wouldn’t make the visit.
• Contingency valuation – this method asks library customers and non-users how much they would be willing to pay to keep public library services on offer in their respective communities.

The CBA framework is summarised in Figure A.

To populate this framework, this project has undertaken significant primary research, including a survey of Victorian households (1,050 households), covering both library customer and non-user households, as well as online and paper surveys at seven case study library services across Victoria (1,380 customers). Site visits and interviews were also undertaken to help interpret these case study based findings.

“A diverse collection of recreational and educational materials in a relatively peaceful environment excellent for maintenance of a brain overstressed in a work environment.”

(survey respondent)
## Figure A: Cost benefit assessment framework

<table>
<thead>
<tr>
<th>COSTS</th>
<th>Measurement technique</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recurrent capital works to library buildings</td>
<td>Depreciation allowances</td>
</tr>
<tr>
<td>Recurrent operating costs: expenditure on library materials, staff costs and other administration costs</td>
<td>Actual costs</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Services and programs</th>
<th>Benefits</th>
<th>Measurement technique</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collection – print</td>
<td>Access to services</td>
<td>Financial savings</td>
</tr>
<tr>
<td>Collection – non-print material</td>
<td>Social interaction</td>
<td>Travel cost method (TCM)</td>
</tr>
<tr>
<td>Collection – news and serials</td>
<td></td>
<td></td>
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<tr>
<td>Subscriptions</td>
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<tr>
<td>Information technology</td>
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<tr>
<td>Programs</td>
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<td>Provision of facilities</td>
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<tr>
<td>BENEFITS</td>
<td></td>
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<tr>
<td>Direct</td>
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<tr>
<td>Use</td>
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<tr>
<td>Indirect</td>
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<tr>
<td>Option</td>
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<tr>
<td>Non-use</td>
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<tr>
<td>Legacy</td>
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<td>Direct</td>
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<td>Non-use</td>
<td></td>
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</tr>
<tr>
<td>Legacy</td>
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</tbody>
</table>

- **Use**
  - **Direct**: The direct benefits to library customers
  - **Indirect**: The flow-on benefits of using library services

- **Option**: Preserving the option for future use
- **Non-use**
  - **Existence**: Perceived value and significance to the community
  - **Legacy**: Value of preservation for future generations

**Benefits**
- **Direct**
  - **Use**: Access to services
  - **Non-use**: Option
  - **Legacy**: Legacy

- **Indirect**
  - **Use**: Social interaction
  - **Non-use**: Existence
  - **Legacy**: Legacy

**Measurement Techniques**
- **Travel cost method (TCM)**
- **Contingency valuation method (CVM)**: survey of user willingness to pay
- **Shadow pricing technique**
- **Contingency valuation method (CVM)**: survey of non-user willingness to pay
Economic impact assessment framework

The EIA framework is relatively simple when compared to the CBA framework. It isolates the stimuli that public libraries bring to their local economies and traces how this stimuli flows through to other enterprises in the local economy via multiple rounds of transactions.

Public libraries stimulate their local economies through their recurrent capital and operating costs, as well as library customer spending that is triggered by their use of public library services. This information has been gathered from the Annual Survey of Public Library Services in Victoria 2008–09 plus the online and paper surveys of case study library customers mentioned earlier.

To trace how this stimuli flows through local economies, this project has developed case study area specific (input–output) econometric models, which enable industry-specific income, value-added and employment multipliers to be generated for each library service and applied these multipliers to the local economic stimuli provided by public library services.

By adding the operation of these multipliers, this project has linked the total amount of economic activity, in terms of case study area income, value-added and employment that is linked to the public library services in question.

Victorian household survey

The Victorian household survey received 1,050 responses. This survey has confirmed that nearly two-thirds of the population have used a Victorian public library in the past 12 months.

The household survey confirms much of the insights generated by Libraries Building Communities, and highlights that the community acknowledges libraries contribute in many ways, such as:

- supporting children’s education and early development;
- helping people obtain information not available elsewhere;
- contributing to enjoyable and meaningful pastimes, hobbies and interests;
- supporting educational courses and lifelong learning; and
- fostering a sense of community belonging

The value of public libraries to community members is also clearly established by the household survey, with:

- Library customers estimating they would have to spend an average of $364 per year to access library services from private businesses. This is in stark contrast to the $36 per capita received by Victorian public libraries in the 2008–09 financial year.
- Respondents stating they were willing to pay an average of $65 per year to maintain community access to library services. Non-users were prepared to pay $55 per year, compared with $72 per year among library customers.

Most people said libraries were worth more than they nominated, but this was all they could afford to pay.
Library customer survey

As a collective, the survey completed by 1,380 library customers across the seven case study library services tell us:

- Most customers used the library weekly (49% overall) or fortnightly (29% overall), i.e. regularly.
- Borrowing was the predominant activity at the library. Overall, 86% of customers borrowed books or printed materials and 55% borrowed CDs, DVDs or videos during their visits. Importantly, a wide variety of other activities are also carried out within the library including:
  - reading, watching or listening to library materials;
  - accessing the internet;
  - using reference materials;
  - making reference enquiries; and
  - using computers.

In terms of personal experience, library services have helped customers most with supporting meaningful pastimes, hobbies and interests, and lifelong learning. Finding information not available elsewhere, accomplishing tasks/goals and fostering community/belonging also featured significantly.

From a broader community perspective, customers believed libraries make very important contributions as safe and pleasant places to visit and by facilitating lifelong learning; providing internet access for everyone; and encouraging responsible social behaviour.

Library customers estimated they would have had to spend an average of $419 per year to access library services from private businesses. As in the Victorian household survey (where customers saved $364 per year), this is a significant recorded saving.

Customers stated they were willing to spend an average of $72 per year to maintain community access to library services. Most people said libraries were worth more than they nominated, but this was all they could afford to pay.

Case study findings

The case study library services reiterated much of what has already been established by Libraries Building Communities. They also show how different library services contribute differently to their respective communities, reflecting the importance of context. Without recounting blow-by-blow the findings of each case study, Figure B highlights:

- some standout messages attributable to each case study;
- how the estimated value of benefits compares with library service delivery costs (via the benefit cost ratio (BCR)) under each of the three benefit estimation methods utilised; and
- the total amount of local economic income, value-added and employment that is attributable to library services in their respective catchments.

Some of the common issues highlighted by the case study libraries include:

- Insufficiency of funding to cope with growing and diverse communities, coupled with rising community service expectations.
- Increasing demand for home library services, as the population ages.
- The need to keep abreast of changing technologies and to train staff to be actively engaged with these technologies.
- Their ability to attract and retain qualified staff.

From a future advocacy perspective, the case study interviews suggest significant value in:

- Library staff members being well-recognised across council and abreast of the broader council agenda.
- Library staff training in assessing and writing grant applications.
- Ensuring that advocacy materials are written in lay terms but are backed by the rigour that is expected in formal business cases.
### Figure B: Case study synopsis

<table>
<thead>
<tr>
<th>Standout message</th>
<th>Annual cost ($ million)</th>
<th>Annual benefit ($ million)</th>
<th>Annual economic activity supported in local economy</th>
<th>Notes</th>
</tr>
</thead>
</table>
| Casey-Cardinia Library Corporation  
• Need to maintain the personal touch in customer service, as new technologies deliver service efficiencies. | $8.2 | $55.4  
BCR = 6.75 | $31.1  
BCR = 3.78  
BCR = 2.10 | $20.0  
$2.0  
124 jobs | |
| Darebin Libraries  
• Multicultural and disadvantaged communities make particular use of library services. | $4.8 | $30.5  
BCR = 6.23 | $23.2  
BCR = 4.74  
BCR = 2.01 | $13.4  
$1.8  
77 jobs | |
| Eastern Regional Libraries Corporation  
• Different library branches play very different roles, reflecting the character of their catchments. | $11.1 | $81.5  
BCR = 7.35 | $44.2  
BCR = 3.99  
BCR = 2.23 | $45.2  
$5.7  
282 jobs | |
| Gannawarra Library Service  
• Libraries play an increasingly strong role in the community in times of crisis. | $0.54 | $1.8  
BCR = 3.38 | $1.7  
BCR = 3.03  
BCR = 1.45 | $0.6  
$0.05  
6 jobs | |
| Geelong Regional Library Corporation  
• Libraries can play a strong role in showcasing local skills/technologies, particularly when located in hubs. | $7.2 | $53.4  
BCR = 7.46 | $28.5  
BCR = 3.99  
BCR = 2.15 | $26.8  
$3.7  
168 jobs | |
| Latrobe City Library Service  
• Qualified staff are crucial and underpin much of the community benefit conferred.  
• A broad array of other community services (such as maternal and child health) can be delivered via libraries as 'one stop' locations. | $1.5 | $15.6  
BCR = 10.68* | $5.8  
BCR = 3.95  
BCR = 2.80 | $4.1  
$0.7  
51 jobs | |
| Wyndham Library Service  
• Coping with growth is difficult but visibility and collocation with other services assists. | $3.6 | $30.9  
BCR = 8.58 | $10.5  
BCR = 2.90  
BCR = 2.39 | $8.6  
$1.5  
76 jobs | |

Notes: BCR means benefit cost ratio  
* In part, Latrobe City’s high BCR is reflective of no capital and depreciation costs incurred by the library service during 2009.
• Establishing a ‘clearing house’ for best advocacy practice, recognising that some advocacy efforts generate better results than others, and all library services should benefit from past experience.

• Ensuring funding and operating decisions are informed by international best practice and contemporary thinking, disconnecting future debate from the inertia of the past.

• Maximising the visibility of libraries through highly accessible locations, distinctive building structures and collocation of libraries with other community services, i.e. in a community hub or as a one-stop community service location.

Victorian findings

Cost benefit assessment

The case study results were scaled to a Victorian level to enable an annual net dollar benefit for the Victorian community to be generated. To do this:

• The recurrent costs of all public library services were sourced from existing publications.

• These publications were used to assess use types and frequencies by key facility/program type for each library service.

• The dollar value of willingness to pay, financial savings and cost of travel, measured in the case study customer surveys, was applied to broader customer numbers of libraries bearing similar characteristics to the chosen case study libraries.

• The statewide non-user survey results, i.e. non-user willingness to pay, were applied across all Victorian households.

From this assessment, it is estimated Victorian public libraries contribute at least $344 million, and possibly up to $1.1 billion, to community welfare each year depending on the benefit quantification method adopted. As no quantification method is clearly superior to the others, an average estimate of $681 million is a sound measure of annual benefit.

Importantly, when contrasted against the annual provisioning costs of $191 million, the benefit cost ratio ranges up to 5.87, from a minimum of 1.8. In other words, for each dollar expended on Victorian public libraries, Victorians stand to benefit by almost double, and up to nearly six times that amount. An average benefit cost ratio of 3.56 should be adopted for communication purposes.

Comparative analysis of these results with earlier studies commissioned elsewhere, including Enriching Communities: The value of public libraries in New South Wales (Liddle 2008) and Measuring the Economic Impact of the British Library (Pung et al 2004), indicate the results generated fall within a reasonable range. In particular, the results generated using the financial savings approach is highly consistent with other studies.

Economic impact assessment

If the economic stimuli associated with Victorian public libraries (i.e. own expenditure plus triggered customer expenditure) are traced throughout the Victorian economy, it is estimated the following level of economic activity is supported each year:

• $722 million in Victorian income.

• $120 million in Victorian value-added (or Gross State Product).

• 4,430 full-time equivalent jobs.

“Storytime is great ... the librarian is very patient and focused, and works well with children.”

(survey respondent)
Conclusions
As evidenced by the Libraries Building Communities work and the interviews with library service managers undertaken in this project, library stakeholders are well-equipped to qualitatively articulate the community contributions made by Victorian public libraries. However, when it comes to quantifying these benefits, little information has existed to date within the Victorian context and much of what is available in the public domain is difficult to apply in Victoria.

This study has closed this gap and has found Victorian public libraries contribute significantly to community welfare. Indeed, the benefits contributed by public libraries outweigh their provisioning costs by a factor of at least 1.8 and arguably to a factor in excess of 5. This represents a sound return on community investment and provides a compelling case for further investment.

Importantly, these numbers have been generated using conventions and disciplines that align with the requirements of the Commonwealth and Victorian Treasury guidelines for conducting cost benefit assessments. Moreover, the data used to populate the CBA framework were derived from representative market samples. As a result, the results are both robust and defendable.

This study has also found that the economic activity induced by Victorian public libraries in Victoria is significant after accounting for all of the multiple rounds of transactions induced by library-related expenditures. In short, public libraries contribute some $120 million to Victorian GSP and support 4,430 full time equivalent jobs each year.

The market research undertaken as part of this project has found that Victorians, be they customers or non-users of public library services, appreciate the contributions made by public libraries, with customers obviously better apprised of the diversity of benefits conferred than non-users. In line with this, Victorians are generally satisfied with Victorian public libraries services and their suggestions for improvement relate primarily to a deepening of existing services.

Recommendations
Given these findings, it is recommended that:

1. This report be communicated widely to Victorians, both in a way that can be comprehended by lay people and in a manner suitable for consumption by funding decision makers.

2. This report and its core qualitative and quantitative results be provided online at a central point familiar to library service managers.

3. Each library service be equipped with the results and instructed how to use these results to estimate their own contributions to community welfare.

4. When communicating the findings of this report, the contributions that align with Commonwealth and Victorian policy objectives be pronounced. This includes the contributions of public libraries to:
   - early childhood learning;
   - numeracy and literacy; and
   - self-organised and lifelong learning.

“They’re good for the elderly. It gives them access to a lot of things they can’t afford to buy themselves.”

(survey respondent)
1 Introduction

1.1 Project context
Public library services in Victoria are delivered by local government. There are 44 municipal public library services including 14 delivered by regional corporations, which are contracted to deliver library services by multiple local government authorities in a partnership arrangement.

In recent decades, the majority of funding for library services has been provided by local government, whereas in the 1980s library funding was split almost equally between State and local government; in 2010, about 80% of funding rests with local government. As a result, local governments are feeling funding pressure as they negotiate and balance competing community funding demands. While the State still contributes some recurrent funding (~20%), it has a clear preference to limit any ongoing funding commitment. This further complicates matters for local government, as it is the State’s preference for discrete projects, i.e. works or programs with a finite timeline and scope.

Much work has been done to articulate the contribution of public libraries to community life. Indeed, Libraries Building Communities, a joint initiative of the State Library of Victoria and Public Libraries Victoria Network (PLVN), goes a long way to better positioning public libraries for funding. The Dollars, Sense and Public Libraries project aims to take this work further by equipping public library managers with advocacy skills and materials that best position their funding bids in the minds of decision makers.

Dollars, Sense and Public Libraries Stage 1 project scoped the likely requirements of an economic valuation of public libraries, highlighting the importance of quantitative measures (i.e. dollar values) in arguing the case for public funding of public libraries.

1.2 Project objectives
Building on the Stage 1 report, the Dollars, Sense and Public Libraries Stage 2 project had three high-level objectives:

1. Expand the understanding of the value of public libraries to the communities they serve.
2. Provide public library managers with tools for assessing the value of specific library services.
3. Equip public library managers with advocacy materials to ensure future funding decisions are best advocated.

The Specification for Stage 2 listed the following sub-objectives:

- Identify ways that public libraries contribute to economic, social/cultural and environmental wellbeing.
- Identify further actions Victorian public libraries could take to enhance their role in economic development and business growth.
- Use best practice data collection and analysis methods to measure, in a systematic and objective manner, the value of these contributions, compared with the cost of providing the service. Values should include direct and indirect, tangible and intangible impacts as well as use and non-use values.
- Report on public libraries overall, as well as on a number of specific programs and library services.
- Report on a variety of types of economic contribution, including a particular focus on how libraries support business growth and local economic development.
- Establish a replicable and scalable process for measuring economic contribution for some library services. Measures of some specific services should be replicable at the national level.
- Identify perceptions about libraries that are outdated and provide evidence to counter them.
1.3 Project methodology

The approach adopted by the consulting team is broken down into five phases (Figure 1). The first phase was Project inception, the aim of which was to gather, discuss and understand the implications of earlier work in this arena.

- Develop a library value calculator – a simple spreadsheet tool that provides a simplified cost benefit analysis for library services.
- Provide a reader-friendly report with useful summaries of information that can be readily adopted in advocacy.
- Provide public libraries and councils with evidence that will assist in the planning, development and support of public library services.
- Contribute to an education program for public library staff in conjunction with a communication consultancy which will be commissioned separately.

The second phase was Framework design. In this phase, the consulting team developed a rigorous framework for scoping, measuring and assessing:

1. The net contribution public libraries make to community welfare. This contribution is measured via a cost benefit assessment (CBA) framework, which contrasts the economic, social and environmental costs and benefits associated with public library services over a long-term evaluation period.

2. The economic activity induced in the local economy by public library operations. This activity is measured by an economic impact assessment (EIA) framework, which identifies the stimuli that public libraries introduce into local economies through their expenditure profiles, and traces how these stimuli culminate in economic activity in buyer and supplier industries through successive rounds of economic transactions.

Figure 1: Project methodology
Phase 3 was Data collection and included the collection of data necessary for populating the framework developed in Phase 2. Data collection included:

- gathering published statistical material;
- site visits and interviews at seven case study library services;
- a survey of library customers at each of these seven case study locations; and
- a telephone survey of Victorian residents.

The Reporting of the analysis and insights gained from data collection formed Phase 4. This technical report encompasses the outcomes of Phase 4, as it details the key findings of the CBA and EIA as well as other key findings. It also makes recommendations for better advocating for public libraries in Victoria and how Phases 5 and 6 should progress.

Phases 5 and 6 fall outside the scope of this technical report. They involve the following:

- Phase 5 – the development of a library value calculator, i.e. a simple spreadsheet tool that provides a simplified CBA and EIA for each library service across Victoria, based on the results gathered in earlier stages, as well as a qualitative content resource for library specific application.
- Phase 6 – training workshop for disseminating the key findings of the project and how they can be used by specific library services.

1.4 Structure of this report

This report is structured as follows:

<table>
<thead>
<tr>
<th>Phase 1</th>
<th>Profiles public library services in Victoria, outlining the scope and form of their operations. Much of this data is sourced from the Annual Survey of Public Library Services in Victoria 2008–09 (Department of Planning and Community Development 2010).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 2</td>
<td>Summarises relevant findings of the previous studies with respect to the costs, benefits and economic impacts of public libraries; the aim being to develop an exhaustive list of welfare contributions and a framework for navigating these.</td>
</tr>
<tr>
<td>Section 3</td>
<td>Outlines the techniques previously used to quantify and monetise the contributions made by public libraries, as well as the results that have been generated using these techniques elsewhere.</td>
</tr>
<tr>
<td>Phases 2 and 3</td>
<td>Presents the refined CBA and EIA framework that were utilised in this project, listing the triple bottom line costs and benefits identified, as well as the economic impact stimuli isolated for public libraries in Victoria. The preferred measurement techniques and their input data techniques are identified and these requirements are linked with specific data gathering techniques utilised in Phase 3.</td>
</tr>
<tr>
<td>Section 5</td>
<td>Commences the summary of results of the data collection phase. It includes a summary of the survey results of Victorian residents, as well as a distillation of the library customer survey across the case study library services. Detailed analysis and tables of survey results have been provided in the Appendix.</td>
</tr>
<tr>
<td>Section 6</td>
<td>Takes a more focused approach and uses the content of the aforementioned surveys, along with the case study site visits and interviews, to present a summary of CBA, EIA and other findings for the seven library services studied, as well as the value specific library programs deliver to the Victorian community.</td>
</tr>
<tr>
<td>Section 7</td>
<td>Provides final conclusions plus recommendations for better advocating public libraries in Victoria, as well as for the progression of Phases 5 and 6.</td>
</tr>
<tr>
<td>Sections 8 and 9</td>
<td>Provides a copy of the telephone and library customer surveys as well as tabulated data collected for each question.</td>
</tr>
<tr>
<td>Appendix</td>
<td></td>
</tr>
</tbody>
</table>

Dollars, Sense and Public Libraries Technical Report

INTRODUCTION
This section informs the conduct of this study by drawing from available material to profile public library services in Victoria, outlining the scope and form of their operations. Much of the data is sourced from the *Annual Survey of Public Library Services in Victoria 2008–09* (Department of Planning and Community Development 2010).

### 2.1 Library services and facilities

A total of 286 public library service points are provided in Victoria in 2008–09, spanning approximately 122,000sqm of floorspace. In these public libraries, there are 2,300 PC terminals; about 75% of these have internet access (Figure 2).

<table>
<thead>
<tr>
<th>Service points (#)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Floorspace (sqm)</td>
<td>121,711</td>
</tr>
<tr>
<td>PC terminals (#)</td>
<td>2,308</td>
</tr>
<tr>
<td>Internet-access PC terminals (#)</td>
<td>1,723</td>
</tr>
</tbody>
</table>

Source: *Annual Survey of Public Library Services in Victoria 2008–09* (Department of Planning and Community Development 2010)

Public libraries in Victoria are staffed by 1,597 equivalent full-time (EFT) employees. Volunteer numbers are limited in this context, however, they accumulate to represent approximately 84 EFT employees (Figure 3).

### 2.2 Print collection

There are, on average, 1.47 printed items per capita in Victorian public library collections. In terms of usage, about 6.95 items are loaned per capita each year. Expenditure on print material was $3.75 per person, or approximately $19,649,00 in 2008–09 (Figure 4). Overall, printed materials comprised 87% of public library collections.

### 2.3 Non-print collection

Non-print materials comprise much less of total collections (13%) than printed materials (87%). However, the *Annual Survey of Public Library Services in Victoria 2008–09* (Department of Planning and Community Development 2010) suggests that this ratio is set to improve as demand for online resources increases. Less expenditure is attributed to non-print materials with approximately $1.30 spent per person (Figure 5).

"It’s free, provides community space and resources."

(survey respondent)
### Figure 4: Print material collections

<table>
<thead>
<tr>
<th>Category</th>
<th>Per capita</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Resources</td>
<td>Loans</td>
</tr>
<tr>
<td>Adult fiction</td>
<td>0.3</td>
<td>1.9</td>
</tr>
<tr>
<td>Childrens and young adult fiction</td>
<td>0.3</td>
<td>2.3</td>
</tr>
<tr>
<td>Adult non-fiction</td>
<td>0.4</td>
<td>1.3</td>
</tr>
<tr>
<td>Childrens and young adult non-fiction</td>
<td>0.1</td>
<td>0.2</td>
</tr>
<tr>
<td>Large print</td>
<td>0.1</td>
<td>0.5</td>
</tr>
<tr>
<td>LOTE</td>
<td>0.1</td>
<td>0.5</td>
</tr>
<tr>
<td>Reference</td>
<td>0.1</td>
<td>0.0</td>
</tr>
<tr>
<td>Other print material</td>
<td>0.0</td>
<td>0.1</td>
</tr>
<tr>
<td><strong>Total collection – print material</strong></td>
<td><strong>1.47</strong></td>
<td><strong>6.95</strong></td>
</tr>
</tbody>
</table>

*Note: Categories may not equal total due to rounding*

*Source: Annual Survey of Public Library Services in Victoria 2008–09 (Department of Planning and Community Development 2010)*

### Figure 5: Non-print material collection

<table>
<thead>
<tr>
<th>Category</th>
<th>Per capita</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Resources</td>
<td>Loans</td>
</tr>
<tr>
<td>Talking books</td>
<td>0.1</td>
<td>0.3</td>
</tr>
<tr>
<td>CD-ROMs</td>
<td>0.0</td>
<td>0.1</td>
</tr>
<tr>
<td>CDs (music)</td>
<td>0.0</td>
<td>0.4</td>
</tr>
<tr>
<td>DVDs and videos</td>
<td>0.1</td>
<td>1.5</td>
</tr>
<tr>
<td>Other non-print materials</td>
<td>0.0</td>
<td>0.1</td>
</tr>
<tr>
<td><strong>Total collection – non-print materials</strong></td>
<td><strong>0.21</strong></td>
<td><strong>2.31</strong></td>
</tr>
</tbody>
</table>

*Note: Categories may not equal total due to rounding*

*Source: Annual Survey of Public Library Services in Victoria 2008–09 (Department of Planning and Community Development 2010)*
2.4 Overall usage

Over 27 million visits to public libraries were made in 2008–09, equating to 5.2 visits per capita on average in Victoria (Figure 6). Approximately every second Victorian resident has a membership to a public library, and attributing the visits entirely to members results in an average of around 10 visits per year.

**Figure 6: Usage patterns**

<table>
<thead>
<tr>
<th></th>
<th>Per capita</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visits p.a.</td>
<td>5.2</td>
<td>27,231,000</td>
</tr>
<tr>
<td>Membership (#)</td>
<td>0.5</td>
<td>2,570,000</td>
</tr>
<tr>
<td>Website visits (# p.a.)</td>
<td>5.9</td>
<td>31,012,000</td>
</tr>
</tbody>
</table>

*Note: Total numbers are rounded*

Source: *Annual Survey of Public Library Services in Victoria 2008–09* (Department of Planning and Community Development 2010)

2.5 Programs

Programs held in public libraries attracted a total of approximately 920,000 participants in 2008–09. The majority of programs were held for children. On average, one in every seven people participated in a library program (Figure 7).

**Figure 7: Programs conducted and program participants**

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programs conducted for adults (#)</td>
<td>8,272</td>
</tr>
<tr>
<td>Program participants (adults) (#)</td>
<td>212,590</td>
</tr>
<tr>
<td>Programs conducted for children (#)</td>
<td>24,205</td>
</tr>
<tr>
<td>Program participants (children) (#)</td>
<td>618,574</td>
</tr>
<tr>
<td><strong>Total programs conducted</strong></td>
<td><strong>33,096</strong></td>
</tr>
<tr>
<td><strong>Total program participants</strong></td>
<td><strong>917,233</strong></td>
</tr>
</tbody>
</table>

Source: *Annual Survey of Public Library Services in Victoria 2008–09* (Department of Planning and Community Development 2010)

2.6 Income sources

Victorian public libraries had an income of $179,410,800 in the 2008–09 financial year. The majority of this income was provided by councils, with less coming from State Government sources. On a per capita basis, around $34 in income was received by public libraries (Figure 8).

**Figure 8: Income sources of public libraries**

<table>
<thead>
<tr>
<th>Income/contribution from Council</th>
<th>Total</th>
<th>Income per capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Government grants – recurrent and operating</td>
<td>$32,558,500</td>
<td>$6.20</td>
</tr>
<tr>
<td>State Government grants – capital works</td>
<td>$3,322,600</td>
<td>$0.60</td>
</tr>
<tr>
<td>Other grants</td>
<td>$1,347,400</td>
<td>$0.30</td>
</tr>
<tr>
<td>User changes, fees and fines</td>
<td>$4,447,900</td>
<td>$0.80</td>
</tr>
<tr>
<td>Interest</td>
<td>$1,104,100</td>
<td>$0.20</td>
</tr>
<tr>
<td>Other income</td>
<td>$3,869,700</td>
<td>$0.70</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td><strong>$179,410,800</strong></td>
<td><strong>$34.30</strong></td>
</tr>
</tbody>
</table>

*Note: Categories may not equal total due to rounding*

Source: *Annual Survey of Public Library Services in Victoria 2008–09* (Department of Planning and Community Development 2010)

2.7 Expenditure

Public libraries spent over $190 million in 2008–09, equating to $36.40 of expenditure per capita. The majority of this spending was allocated to staff salaries and on-costs, with administration and operation costs making up the next largest component (Figure 9).

It should be noted that expenditure includes depreciation – depreciation is a provision made to account for a reduction in the value of assets (general wear and tear) over time, for instance, library materials such as books and computers. If the provision of depreciation is removed from expenditure, total expenditure for 2008–09 would equate to approximately $171,320,200.
Figure 9: Components of expenditure for public libraries

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Expenditure per capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>Library materials</td>
<td>$27,075,100</td>
<td>$5.20</td>
</tr>
<tr>
<td>Capital works</td>
<td>$11,799,000</td>
<td>$2.30</td>
</tr>
<tr>
<td>Staff salaries and on-costs</td>
<td>$103,392,900</td>
<td>$19.70</td>
</tr>
<tr>
<td>Depreciation</td>
<td>$19,405,300</td>
<td>$3.70</td>
</tr>
<tr>
<td>All other operation and administration costs</td>
<td>$29,053,200</td>
<td>$5.50</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td><strong>$190,725,500</strong></td>
<td><strong>$36.40</strong></td>
</tr>
</tbody>
</table>

Note: Categories may not equal total due to rounding; Expenditure includes depreciation.

Source: Annual Survey of Public Library Services in Victoria 2008–09 (Department of Planning and Community Development 2010)

2.8 Trends in library usage and provisions

The indexed chart shown in Figure 10 compares Victoria’s population to registered public library members, the number of loans and total public library expenditure from 1980–81 to 2008–09. While population grew at around 1.2% on average per year, the number of registered library members and the total number of loans grew at a slightly higher rate reflecting increasing propensities to use public libraries. Total public library expenditure grew at a far higher rate of around 7% per annum in nominal terms but, if this adjusted to account for inflation, real expenditure growth grew at just 2.4% p.a.

An independent report, Strategic Asset Audit of Victorian Public Libraries (Liddle 2006), established a number of long-term trends relating to the health of public libraries. Between 1999–2000 and 2004–05, the following trends emerged:

- Hours open per week grew by 6.6%, a result of changing customer demands and population growth.
- Overall staffing levels fell by 3.8%, possibly due to productivity improvements from outsourcing and technological innovation, along with cost-cutting programs.
- Membership levels fell by 5.1% as a proportion of population, meaning population has grown faster than membership levels in recent years.
- Visits per capita increased by 9.9% but loans per capita declined by 1.7%. This may be a result of a shift towards the use of libraries as a place to visit rather than just a place to borrow books.
- The number of collection items rose by 2.4%, while collection items per capita fell by 5.8%. This may be linked to the relative growth of non-print (including online) materials and decline in print materials (as demonstrated by high rates of turnover).
- Material expenditure rapidly increased by 20.5% overall (11.2% per capita). Taking into account CPI increases of 18.3%, total materials expenditure in real terms grew by 2.2%.

The Strategic Asset Audit of Victorian Public Libraries (Liddle 2006) also indicates a number of changes have taken place in the nature of Victoria’s public libraries. The key trend has been the fall in the number of items per capita, and this has been linked to a fall in collection funding in real terms.
Figure 10: Growth in population, usage, real expenditure and registrations, 1980–81 to 2008–09

Source: Annual Survey of Public Library Services in Victoria 2008–09 (Department of Planning and Community Development 2010)

"You can order books from all over Victoria."
(survey respondent)
This section informs the current study by summarising relevant findings in previous studies with respect to the identified costs, benefits and economic impacts of public libraries; the aim being to develop an exhaustive list of welfare contributions and, subsequently, a framework for navigating these.

### 3.1 Value of public libraries

Numerous studies have been undertaken recently seeking to place a value on public library services. This includes studies in New South Wales, Wisconsin, Indiana and Washington. These studies use a number of techniques to derive a total value. Unfortunately, different conceptual frameworks are utilised and the terminology used is inconsistent, making it difficult to compare the studies on a cross-sectional basis.

Our assessment of these studies, combined with insights drawn from other studies valuing cultural, recreational and environmental goods, is encapsulated in Figure 11. That is, the total value of public libraries encompasses the direct and indirect benefits derived by customers, as well as the benefits derived by the wider community, i.e. non-users.

#### Figure 11: Types of benefits enjoyed by library customers and non-users

<table>
<thead>
<tr>
<th>Types of benefits</th>
<th>Library customers</th>
<th>Library non-users</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>The direct benefits to library service customers</td>
<td>Preserving the option for future library service use</td>
</tr>
<tr>
<td>Indirect</td>
<td>The flow-on benefits as a result of library service usage</td>
<td>Perceived community value and significance of library services</td>
</tr>
<tr>
<td>Option</td>
<td></td>
<td>Legacy</td>
</tr>
<tr>
<td>Existence</td>
<td></td>
<td>Value of preservation of library services for future generations</td>
</tr>
</tbody>
</table>

The net value of public libraries is most commonly assessed using cost benefit analysis (CBA). CBA is the preferred tool of Australian Governments for assessing whether a proposed investment is worthwhile, or an earlier investment has been worthwhile, taking into account economic, social and environmental considerations.

The strengths of CBA lie in its attempt to quantify and monetise, wherever possible, relevant costs and benefits. It then contrasts monetised costs and benefits over the life of the investment using discounted cash flow analysis, to ensure that future costs and benefits are directly comparable in today's dollar terms.

While previous studies identify the gamut of economic, social and environmental costs and benefits attached to public libraries, most tend to focus only on quantifying (in dollar terms) the direct economic benefit enjoyed by library customers. Though the broader benefits are acknowledged in some cases, these are considered to be intangibles and are rarely quantified.

### 3.2 Costs and benefits of public library services

Previous studies have identified an array of legitimate costs and benefits that are conferred by public libraries. These are summarised in Figure 12 and are discussed separately.

#### 3.2.1 Costs

**Recurrent capital and operating costs**

The delivery costs associated with library services are their recurrent capital and operating costs.

Recurrent capital costs include ongoing capital works to library buildings, acknowledging that building works sunk in previous years cannot be recaptured are, therefore, excluded.

Recurrent operating costs include expenditure on library materials, staff salaries and other administrative costs.
### Identified costs and benefits of public library services

<table>
<thead>
<tr>
<th>Type of benefit</th>
<th>Direct</th>
<th>Indirect</th>
<th>Non-use</th>
<th>Legacy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Use</strong></td>
<td>The direct benefits to library service customers</td>
<td>The flow-on benefits of using library services</td>
<td>Preservation of option for future use</td>
<td>Value of preservation for future generations</td>
</tr>
<tr>
<td><strong>Option</strong></td>
<td>Access to services</td>
<td>Increased local amenity</td>
<td>See description</td>
<td></td>
</tr>
<tr>
<td><strong>Existence</strong></td>
<td>Social interaction</td>
<td>Environmental savings</td>
<td>Perceived value and significance to the community</td>
<td></td>
</tr>
<tr>
<td><strong>Non-use</strong></td>
<td></td>
<td>Contribution to language and computer literacy</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Legacy</strong></td>
<td></td>
<td>Complement to education institutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Benefit</strong></td>
<td></td>
<td>Facilitation of career development</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Impact</strong></td>
<td></td>
<td>Contribution to community health</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 3.2.2 Direct use benefits

#### Access to services and programs

The services and programs provided by public libraries are widely acknowledged as the key benefit to customers. The Urban Libraries Council, which serves 180 public libraries across North America, identifies this as a traditional service benefit to all library customers in the report *Making Cities Stronger: Public Library Contributions to Local Economic Development*.

> ‘Public libraries provide direct service benefits to individuals. These include cost savings of public access resources over market costs of goods and services, as well as the self identified benefits of getting information or access to technology.’ (Urban Libraries Council 2007, p.5)

The *Libraries Building Communities Report Two: Logging the Benefits* highlights this, surmising that this is a particular benefit to those who could not otherwise afford these services.

> ‘...public libraries provide knowledge and information to those in the community who otherwise could not afford to pay retail prices for books and Internet access.’ (State Library of Victoria 2005, p.6)

#### Social interaction

Public libraries are commonly viewed as neighbourhood and community hubs, where people can meet and exchange ideas and information. The *Libraries Building Communities* survey found that both customers and non-users valued libraries as good places that facilitate social interaction.

> ‘75% of users and 72% of non-users agreed or strongly agreed that the library is a good place for community interaction.’ (State Library of Victoria 2005, p.28)

A recent study undertaken on *The Economic Contribution of Wisconsin Public Libraries to the*
Economy of Wisconsin found that the majority of focus group participants value their public libraries as community gathering places.

‘Many interviewees place a great deal of importance on the value of a comfortable public library facility where they can gather, especially as opportunities for social interaction have decreased in the wake of more people seeking out services online.’ (North Star Economics 2008, p.54)

A study on the Economic Impact of Libraries in Indiana found that the benefit of social interaction generated by libraries should not be underestimated.

‘Libraries contribute to the social fabric of a community by promoting the types of interactions and social integration that builds trust, cooperation, shared values and civic participation. In short, libraries build “social capital”. Communities with high social capital tend to have lower crime rates, better health, better educational achievement and greater economic success. As one researcher put it members of these communities are more likely to be housed, hired and happy.’ (Indiana Business Research Center 2007, p.19-20)

3.2.3 Indirect use benefits

Increased local amenity

The perception of public libraries and the role they play within the community has been identified by a number of studies as increasing the attractiveness and improving the sense of place within the community.

Libraries Building Communities states that participants viewed public libraries as ‘the jewel in the crown’ for their area or neighbourhood; one participant stating that ‘libraries offer a local connection with a strong civic pride and a focus on our history.’ (State Library of Victoria 2005, p.30)

While considered less tangible, a study on the value of public libraries in New South Wales (Liddle 2008) identified that libraries increase local property values. This can be considered an indicator of enhanced local amenity within areas.

Environmental savings

A key benefit of libraries is the environmental saving offered by the multiple usages of materials. Multiple borrowing of library print materials such as books and newspapers and non-print materials, such as CDs and DVDs, is more resource friendly than individual ownership.

This is highlighted effectively by a participant in the New South Wales study:

‘Books = paper = chopping down trees. The more we share the resources the less resources we need.’ (Liddle 2008, p.36)

Contribution to language and computer literacy

The services and programs provided by public libraries are seen to make a significant contribution to language and computer literacy. The Indiana study found that:

‘Libraries serve as a significant channel for delivering educational services for every age, from pre-school through to retirement.’ (Indiana Business Research Center 2007, p.6)

The importance of libraries as contributors to literacy is demonstrated in the Urban Libraries Council (2007) work. It highlights that investments in early learning, in particular through library programs such as traditional storytime activities, builds stronger local economic capacity in the long term.

Complement to education institutions

The Enriching Communities: The Value of Public Libraries in New South Wales study highlights that public libraries complement education institutions.

‘It is generally accepted and confirmed by this research that public libraries are an important complement to educational institutions and in the hypothetical event that public libraries did not exist, one would expect that educational institutions would be required to bolster their expenditure on school libraries.’ (Liddle 2008, p.29)
Facilitation of career development

Libraries facilitate job search activities through access to the internet, as well as ongoing learning through access to services and programs. Both have been identified as contributing to career development. Some participants in the New South Wales study identified this as a key benefit derived from using library services.

‘The Library User Survey found that 8.1% of respondents credited the public library as helping them obtain a new job or promotion and that 14% credited the public library as making them more productive in their jobs.’ (Liddle 2008, p.30)

Contribution to community health

The contribution that public libraries make to community health is identified as a benefit by some studies. General information provided through library collections, as well as particular library programs that focus on raising awareness with respect to health issues, were identified as drivers of this benefit.

3.2.4 Non-use benefits

While non-users do not experience the benefits enjoyed by library customers, it is both reasonable and common in studies of this nature to assume that non-users will also place some value on public library services. Elements of this value stem from the following benefits:

Option value

Although an individual may not use or ever visit a library, the knowledge that it will be indefinitely accessible in the future creates what is known as an ‘option value’. In this case, there is an understanding that if the library services were discontinued, the individual would feel a quantifiable loss of this option.

Existence value

‘Existence value’ is a much less tangible value. It reflects individual perceptions of how public libraries contribute to the basic and essential elements of a local community. In essence, it stems from the fact that some non-users are willing to pay for public libraries so others can benefit from their services.

Legacy value

Individuals and communities value maintaining public libraries just so future generations might benefit from their existence. This cultural and historical legacy stems from the feeling of obligation and responsibility towards future generations, particularly around places that have perceived community value and/or operate to meet community needs.

3.3 Economic activity generated

Another common measure estimated in earlier studies is the wider economic impact that library services generate in local economies. That is, the amount of economic activity induced by public library operations. Importantly, such an approach, often called economic impact assessment (EIA), does not assess whether the public library services provide a net benefit (net value) to the community they serve, i.e. the benefits (values) outweigh the costs. EIA merely traces how library service expenditures trigger other expenditures in the local economy and culminate in a total amount of economic activity induced.

The Wisconsin study describes the EIA concept well:

‘All of the dollars spent by public libraries, their employees and visitors on goods and services recycle through the state economy to be spent again on goods and services by the businesses and citizens that serve the public libraries.’ (North Star Economics 2008, p.20)

In some of the earlier studies, both CBA and EIA techniques are used interchangeably to quantify the value of public libraries. In some cases, the results are incorrectly added together and presented as a total economic value. It must be reiterated that both are distinct techniques that quantify library service contributions from different perspectives. Their independent results should not be added together.
Carrying out an EIA requires isolating the stimulatory expenditures made by public libraries in their local economies, often called the direct impact, and then:

- aligning these stimulatory expenditures with related (buyer and supplier) industries; and
- tracing how the activity induced in these related industries reverberate locally, through subsequent rounds of buying/supplying, until their reverberations peter out.

The direct impact plus the reverberations, also known as indirect impacts or flow-on effects, can then be added together to approximate an overall economic impact.

### 3.3.1 Economic stimuli (direct impact)

In EIA, the economic stimuli is largely related to the actual expenditure of the public library service. This can include:

‘…the library’s local spending on staff compensation and on goods and services. This type of economic impact can be thought of in terms of the additional local jobs that are attributable to the spending of a library. In addition to salaries paid to staff that are spent on items such as housing, groceries and utilities, libraries also buy services from local plumbers, copier repair firms and utilities.’

(Indiana Business Research Center 2007, p.12)

### 3.3.2 Economic flow-ons (indirect impact)

Economic flow-ons (indirect impacts) reflect the transactions triggered in buyer and supplier industries relevant to libraries in the first instance, i.e. the first round of transactions. They also include transactions induced by the related buyer and supplier industries in the second round of transactions, as well as third, fourth and fifth rounds of transactions induced and so on. That is, the direct economic stimuli lead to:

‘…secondary and tertiary economic effects. In short, library spending helps support the network of local economic transactions.’

(Indiana Business Research Center 2007, p.12)

### 3.4 Synopsis

Given the insights generated by previous studies, it can be concluded confidently that the value of public library services to the community stems from the use and non-use benefits categorised in Figure 12. However, delivering these benefits requires significant expenditures (costs) and, therefore, estimating their net value or benefit to the Victorian community requires subtracting these delivery costs, which are largely recurrent capital and operating costs.

While independent as an exercise, it is also useful to describe how public libraries stimulate economic activity in their host regions and, in doing so, contribute to local area employment and output. This is done by adding direct library expenditures, i.e. their recurrent capital and operating costs, to the expenditures induced in buyer and supplier industries from this initial stimulus through multiple rounds of transactions.
This section outlines the techniques previously used to quantify and monetise the contributions made by public libraries, as well as the results that have been generated using these techniques elsewhere. Results generated by these studies are also shown to allow comparability across them and with the estimates generated in this study.

4.1 Techniques to monetise benefits

Library services are public goods. They provide several services and specific programs which are non-excludible and non-rival goods, i.e. their use by one individual does not reduce their availability (and hence their value) to other users, and individuals cannot generally be excluded from using library services. Consequently, public library services do not command a market price, which generally is used to value the benefits of use.

In order to get around this problem, economists use several other techniques including:

1. The stated preference of customers and non-users of having such services available.

2. The revealed preference of customers of having such services available and/or using market prices of comparable goods that might be regarded as substitutes for particular library services.

Based on these different methods, three techniques have been used in the literature to quantify the value of benefits conferred by public library services (Figure 13).

Each of these techniques is best suited to measure different types of benefits:

- The contingency valuation method (CVM) is generally used to measure the use (direct and indirect) and non-use benefits of public libraries, albeit separately. This method can also be used to monetise the value of specific library programs.

- On the other hand, the financial savings approach and travel cost methods (TCM) are generally used to measure only the direct use benefits of public libraries. Sometimes these approaches have also been used to value specific programs conducted by public libraries.

Figure 13: Techniques to value public library service benefits
4.1.1 Contingency valuation method

Perhaps the most widely used method of monetising both use and non-use benefits of public libraries is the contingent valuation method (CVM). The CVM asks respondents to state their willingness in support for particular projects, in this case library services. Hence, CVM is known as a stated preference valuation method. This method, reliant on survey responses, seeks a subjective valuation of users’ and non-users’ willingness to pay for library services, or alternatively, their willingness to accept (WTA) payment in the form of tax savings, in order to forego library services.

Most studies observe that the generated responses to willingness to pay (WTP) surveys are superior to willingness to accept (WTA) measures. This reflects the sometimes extremely inflated WTA responses, e.g. those recorded by Pung et al (2004). Consequently, researchers prefer to use WTP measures for estimating the value of both user and non-user benefits.

While CVM is the most widely used valuation technique, it has a few disadvantages.

• The valuation inherently rests more on subjective notions of value rather than market values.

• These surveys present customers with purely hypothetical alternatives. As a result, they yield inherently speculative information.

Nonetheless, the CVM remains a robust method of measuring value of public library benefits, as they offer the most comprehensive scope among all available techniques for measuring both direct and indirect use benefits, as well as the non-use benefits.

4.1.2 Financial savings/consumer surplus

This method is used widely to monetise the direct use benefits of public library services and specific programs within this context. It approximates the financial savings to library customers in accessing free facilities and services, rather than paying for commensurate services/facilities elsewhere.

As identified earlier, the direct use benefits of public library services relate to their provisioning of services such as print and non-print collections; PC/internet services; and meeting rooms. The customer would have had to pay for each of these services/facilities had libraries not provided them.

In order to value financial savings, studies use the actual costs of substitutes to specific library services in the local marketplace. These market costs inform an estimate of the direct use value. Essentially, these financial savings are representative of the consumer surplus to society, i.e. the amount consumers are willing to pay to access services less the actual amount they pay at public libraries (often little or nothing).

It is important to note a shortcoming of this approach. In most circumstances, this technique can only be used to value the financial savings from access to material that has been borrowed from the library on loan. That is, it under counts benefits derived from sources within the library, e.g. reference material and content accessed remotely.

Another point to note is that financial savings calculated using this approach are based on current year valuation prices. On the other hand, a substantial part of material in circulation on loan might have been purchased in previous years. However, Levin et al (2006) point out that the value of reference materials, especially books, does not depreciate over time, even after multiple uses. Therefore, using current valuation prices for books purchased in previous years, does not present a major challenge.

1 Where some respondents expressed their willingness to accept nothing less than $1 million as compensation for the cessation public library services.

2 Levin et al (2006) argue that a rough estimate of material accessed at the library without being borrowed, i.e. on loan, could be gauged from the number of items re-shelved by library staff.
4.1.3 Travel cost method
The travel cost method (TCM) assumes that library customers value their own time. The choice implicit in a decision to spend time at the library rather than in some other activity reflects the investment equal to the value of the customers' time, i.e. their revealed preference to spend time at the library.

This method is primarily used to value direct use benefits of public libraries. When using the TCM, studies usually apply customers' travel time and their time spent at the library using hourly wage rates.

Note that this method is not widely used. This is because of the perceived shortcoming in applying hourly wage rates as the opportunity cost of customers' time. It has been suggested that library customers are much more likely to substitute visiting the library for another recreational pursuit, rather than for work. Therefore, approximating the opportunity cost of customers' time with the hourly wage rate may not be appropriate. A clear remedy lies in using the opportunity cost of recreational time, which is often applied in public transport studies.

4.2 Available evidence of benefits
Several public library studies have used the aforementioned techniques to value both use and non-use benefits of public libraries. In summary:

- Most studies select the CVM to provide a consolidated value on both use and direct use benefits of public library services.
- A number of studies use the financial savings method to quantify the direct use benefits of libraries and elements thereof.
- The TCM has been used only by selected studies to value specific programs conducted by libraries.

4.2.1 Aggregate direct and indirect uses
Table 1 shows the available estimates of willingness to pay for public library services and/or willingness to accept compensation in order to forego these services.

4.2.2 Direct use benefits: access to services
Most studies have relied on the financial savings method to value the direct use benefits of specific services and facilities provided by libraries. Table 2 summarises the available evidence.

The financial savings from access to different types of services have been valued as follows:

Access to print and non-print material
Access to different types of print and non-print material, e.g. books, serials, audio books, newspapers and magazines, audio and video CDs and DVDs, etc. has been valued at commensurate acquisition cost (either purchase price or rental cost) less the resale value of the item.\(^3\)

Access to PC/internet use
Financial savings from PC/internet use take account of avoided costs of using internet facilities at commercial internet kiosks. These have been valued using rental prices of commensurate services available commercially.

Access to meeting rooms
Community space provided by different library locations could be taken up for several different uses. Financial savings are valued using rental rates of commensurately sized facilities available in the private market.

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\(^3\) The resale value is used to capture the true opportunity cost of using the library to the user, i.e. purchase price of an item less its resale value available to the user. Levin et al (2006) assume a resale value of 50% of acquisition cost.
**Table 1: CVM estimates of library benefits**

|---------------------------------------------------------------|-------------------------------------------------------------------------------------|----------------------------|---------------------------------|---------------------------------|

Notes:


* All values are presented in 2009 Australian dollars. An inflation rate of 2.5% p.a. has been applied to align benefits with the current period (based on ABS Cat 6401.0). Historic exchange rates have been accessed from www.xe.com to convert foreign currency to Australian dollars.

† Benefits per capita have been derived by taking the total value of benefits as a ratio of the reference population served by the library.

“Diversity of books, magazines and DVDs but mainly ALL the staff are delightful, chatty and very knowledgeable.”

(survey respondent)
### Table 2: Financial savings based estimates of specific direct use benefits

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Valuation technique</th>
<th>Study *</th>
<th>Estimate per capita (2009$) **</th>
<th>Commercial benchmarks (2009$ per transaction/per hour) *</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Access to services:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Print and non-print material</td>
<td>Financial savings (consumer surplus):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Materials borrowed in lieu of</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>purchase/rent</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non books/Periodicals:</td>
<td>Levin et al (2006)</td>
<td>$2.75</td>
<td>$700</td>
<td></td>
</tr>
<tr>
<td>Purchase</td>
<td>Liddle (2008)</td>
<td>$4.08</td>
<td>$21.01</td>
<td></td>
</tr>
<tr>
<td>Rental</td>
<td>Liddle (2008)</td>
<td>$3.26</td>
<td>$4.20</td>
<td></td>
</tr>
<tr>
<td>Serials</td>
<td>Liddle (2008)</td>
<td>$1.41</td>
<td>$4.20</td>
<td></td>
</tr>
<tr>
<td>Separate collections</td>
<td>Liddle (2008)</td>
<td>$30.45</td>
<td>$26.27</td>
<td></td>
</tr>
<tr>
<td>Online journals</td>
<td>Liddle (2008)</td>
<td>$31.22</td>
<td></td>
<td></td>
</tr>
<tr>
<td>blind, e-books, audio books</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>downloads)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Access to services:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PC and internet access</td>
<td>Financial savings (consumer surplus):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>use of a PC/internet in lieu of</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>commercial rent</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liddle (2008)</td>
<td>$0.94</td>
<td>$3.15</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Access to services:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meeting rooms</td>
<td>Financial savings (consumer surplus):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>use of facilities in lieu of</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>commercial rent</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Levin et al (2006)</td>
<td>$0.30</td>
<td>$70.02</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**


* All values are presented in 2009 Australian dollars. An inflation rate of 2.5% p.a. has been applied to align benefits with the current period (based on ABS Cat 6401.0). Historic exchange rates have been accessed from www.xe.com to convert foreign currency to Australian dollars.

* Benefits per capita have been derived by taking the total value of benefits as a ratio of the reference population served by the library.

** Levin et al (2006) estimate that library customers are able to recoup 50% of the purchase value of books and CDs by re-selling these items.
4.2.3 Direct use benefits: specific programs

Some studies have tried to estimate the value of specific programs such as school holiday, visiting author talks, PC/internet training and outreach programs. Studies which have tried to monetise benefits associated with these programs have primarily used the financial savings approach to do so. Other techniques, such as the TCM, have also been used selectively. Table 3 summarises the available evidence.

Specific library programs

Some specific programs, for instance, school holiday programs and visiting author talks, entail a nominal participation fee. Financial savings from attending such programs are calculated based on deducting the nominal participation fee from a commensurate commercial fee of attending a similar program elsewhere.

PC/internet training

Financial savings from attending PC/internet programs are calculated based on a commensurate commercial fee of attending a similar program elsewhere.

Outreach programs

In trying to quantify the value of outreach programs, studies rely on the TCM. This is used to estimate the saved travel costs for customers, who in the absence of such programs, would have had to travel to the library to access services.

In order to approximate these travel cost savings, Levin et al (2006) use the average distance travelled by library vehicles to reach their customers and apply a standard travel cost on the distance travelled. However, in doing so, the method does not capture the financial savings to customers from having access to the material free of charge, in the absence of which, these customers might have had to purchase/rent commensurate material. Secondly, the estimated benefit is unable to monetise the benefit obtained by customers who could not travel to the library at any reasonable price because of physical disabilities, or because they are children who could not safely travel to the library on their own.

4.2.4 Indirect use benefits

Indirect use benefits of public libraries relate to social and cultural benefits of community cohesion, improved career development opportunities, and environmental savings, among other things.

Most valuations of these benefits are best and most comprehensively covered using user surveys, i.e. CVM (similar to results presented above). Nonetheless, some techniques have been identified and used in the literature to impute values on selected indirect use benefits. Table 4 summarises these findings.

Facilitation of career progression

CVMs undertaken by some studies reveal that materials provided by libraries facilitate career progression of some of its customers. These are valued using an assumed mark-up on the average weekly earnings of individuals.

Social and cultural benefits

When using other techniques, most studies use CVMs to derive the value of indirect user benefits of public libraries. Levin et al (2006) point out that the value of such benefits are unlikely to be reflected in the computation of direct benefits (i.e. using the financial savings approach). This is because, for instance, a library user may save $100 on a major purchase or a home improvement project, after consulting relevant material at the library. The direct use benefit approach would only capture the financial savings for the customer associated with the avoided purchase of the relevant material; it would fail to capture the $100 savings attributable to the customer’s use of the content of the material itself. Thus, a better measure of value of such services is obtained from an estimate of users’ willingness to pay.
<table>
<thead>
<tr>
<th>Benefits of the following programs:</th>
<th>Valuation technique</th>
<th>Study *</th>
<th>Estimate per capita (2009$) **</th>
<th>Commercial benchmarks (2009 $ per transaction) *</th>
</tr>
</thead>
<tbody>
<tr>
<td>General programs</td>
<td>Financial savings (consumer surplus): in lieu of avoided commercial cost of attending program</td>
<td>Liddle (2008)</td>
<td>$2.23</td>
<td>$21.01</td>
</tr>
<tr>
<td>School holiday program</td>
<td></td>
<td></td>
<td></td>
<td>$14.20 (commercial fee) $4.70 (participation fee)</td>
</tr>
<tr>
<td>Visiting author talks</td>
<td></td>
<td></td>
<td></td>
<td>$15.80 (commercial fee) $6.60 (participation fee)</td>
</tr>
<tr>
<td>PC/internet training</td>
<td>Travel cost method (TCM): travel costs saved to customers whose trips to the library were rendered unnecessary</td>
<td>Levin et al (2006)</td>
<td>$0.06*</td>
<td>$35.01^-</td>
</tr>
<tr>
<td>Outreach program</td>
<td></td>
<td>Levin et al (2006)</td>
<td>$0.44</td>
<td>$0.57 per roadway mile Equivalent to $0.35 per km</td>
</tr>
</tbody>
</table>

Notes:


* All values are presented in 2009 Australian dollars. An inflation rate of 2.5% p.a. has been applied to align benefits with the current period (based on ABS Cat 6401.0). Historic exchange rates have been accessed from www.xe.com to convert foreign currency to Australian dollars.

* Benefits per capita have been derived by taking the total value of benefits as a ratio of the reference population served by the library.

** Levin et al (2006) estimate that library customers are able to recoup 50% of the purchase value of books and CDs by re-selling these items.
Table 4: Estimates of indirect use benefits

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Valuation technique</th>
<th>Study *</th>
<th>Estimate per capita (2009$) ^ ^</th>
<th>Accepted benchmark (2009$ per annum)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilitating career development and productivity improvements</td>
<td>Contingent valuation methodology (CVM): user surveys</td>
<td>Liddle (2008)</td>
<td>$17.65</td>
<td>10% benefit on weekly earnings</td>
</tr>
<tr>
<td>Social/cultural benefit:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improved knowledge; improved general and computer literacy; improved social and cultural skills; increased local amenity; equitable access; feeling of respect and involvement</td>
<td>Contingent valuation methodology (CVM): user surveys and library manager surveys</td>
<td>Liddle (2008)</td>
<td>Not available</td>
<td></td>
</tr>
<tr>
<td>Avoided drug use costs</td>
<td>Financial savings: govt. cost savings due to improved societal welfare</td>
<td></td>
<td>$0.16</td>
<td>Approx. $1 million saved for every 1kg of avoided opiate use</td>
</tr>
<tr>
<td>Environmental benefits: avoided paper use due to multiple use of material</td>
<td>Financial savings: avoided paper use</td>
<td>Liddle (2008)</td>
<td>Not applicable</td>
<td></td>
</tr>
</tbody>
</table>

Notes:


^ All values are presented in 2009 Australian dollars. An inflation rate of 2.5% p.a. has been applied to align benefits with the current period (based on ABS Cat 6401.0).

^ ^ Benefits per capita have been derived by taking the total value of benefits as a ratio of the reference population served by the library.
Other social benefits of public libraries, for instance, a curb in drug use because of information contained in materials available at the library, are measured using the financial savings to government (in lieu of avoided spending on health costs). Each kilogram of avoided opiate use because of information available at the library is measured against any available index of government’s health costs due to certain types of drug consumption.

### 4.2.5 Non-use benefits

Non-use benefits are mostly measured using CVM techniques, i.e. undertaking non-user surveys. Where such survey collection methods may prove too expensive and/or time-consuming, studies suggest using either of the following as representative of value to the non-user:

- value of public libraries to users of facilities, as suggested by user surveys; or
- per capita funding expended by the government for the relevant jurisdiction.

Table 5 summarises the results of studies which have ascertained non-use values generated by libraries.

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Valuation technique</th>
<th>Study</th>
<th>Estimate per capita (2009$) *</th>
<th>Estimate per non-user per annum (2009$) *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option, existence and legacy value of public libraries</td>
<td>Contingent valuation methodology (CVM): non-user survey</td>
<td>Liddle (2008)</td>
<td>$8.81</td>
<td>$20.29</td>
</tr>
<tr>
<td></td>
<td>Apply valuation by the user as representative of value to non-user</td>
<td>Liddle (2008)</td>
<td>$26.54</td>
<td>$61.15</td>
</tr>
<tr>
<td></td>
<td>Apply current per capita funding level for the jurisdiction as representative of value to non-user</td>
<td></td>
<td>$19.49</td>
<td>$44.89</td>
</tr>
</tbody>
</table>

Notes:


* All values are presented in 2009 Australian dollars. An inflation rate of 2.5% p.a. has been applied to align benefits with the current period (based on ABS Cat 6401.0). Historic exchange rates have been accessed from www.xe.com to convert foreign currency to Australian dollars.

* Benefits per capita have been derived by taking the total value of benefits as a ratio of the reference population served by the library.
4.3 Techniques to estimate induced economic activity

As discussed in Section 3.3, expenditure by a library, its staff and customers of the library, all sustain and create new income for the local economy. Earlier studies have argued that these expenditures include:

- Expenditure by public libraries:
  - purchases made by libraries; and
  - salaries of staff.
- Expenditure by library customers:
  - travel expenditure in commuting to and from the library; and
  - IT-related expenditures for those customers who acquire a PC and internet facilities at home, after benefiting from these uses at the library.
- Redistributed financial savings by library customers on materials accessed at the library in lieu of purchase/rental costs, i.e. redistributions to other sectors of the economy.

Common techniques for assessing how these direct expenditures flow through to buyer and supplier industries through numerous rounds of transactions in the local economy include:

- Adopting input/output multipliers which, in Australia are published at the national level by the Australian Bureau of Statistics for various industry groups based on data measured in the National Accounts. These multipliers enable stimulatory expenditures (direct impacts) in any one industry to be assessed in terms of their overall impact on economic output/income, value added and employment.
- Utilisation of regional econometric models which perform a similar task but which can isolate the depth and breadth of buyer–supplier transactions at sub-national levels. Each model differs considerably and a full examination here is unwarranted.

4.4 Available evidence of induced economic activity

Table 6 summarises the available evidence on the economic activity generated by public libraries.

4.5 Synopsis

Previous studies have identified several techniques for estimating the use and non-use benefits associated with public libraries, i.e. the contingent valuation method, the financial savings/consumer surplus method, as well as the travel cost method. The CVM can be used to value all of the elements of user benefits, i.e. direct and indirect components as an aggregate, as well as non-user benefits as an aggregate. The financial savings/consumer surplus and TCM techniques can both be used to estimate direct user benefits as an aggregate and, sometimes, individual components of this aggregate.

Existing studies have also used multipliers to translate the stimulatory expenditures associated with public library operation into estimates of overall economic activity induced. These multipliers have generally been national multipliers and, therefore, potentially overstate economic activity induced in local communities.

The estimates generated in relevant studies have been profiled in this section in a manner that will enable the results of this project to be both referenced and benchmarked.
Table 6: Estimates of induced economic activity

<table>
<thead>
<tr>
<th>Identified component creating economic stimulus</th>
<th>Valuation technique</th>
<th>Study *</th>
<th>Activity (value added) generated per capita (2009$) **</th>
<th>Value added multiplier used (indirect effect)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditure on salaries of staff</td>
<td>Industry multipliers</td>
<td>Liddle (2008)</td>
<td>$44.90</td>
<td>$33.23</td>
</tr>
<tr>
<td>Expenditure on library purchases (books and material) and other capital expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel expenditure of customers when commuting to the library</td>
<td></td>
<td></td>
<td>$7.07</td>
<td>-$0.70</td>
</tr>
<tr>
<td>IT expenditures of library customers because of increased awareness of PCs and internet usage at the library</td>
<td></td>
<td></td>
<td>$15.77</td>
<td>$6.47</td>
</tr>
<tr>
<td>Marginal effects of redistributed financial savings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes:


* All values are presented in 2009 Australian dollars. An inflation rate of 2.5% p.a. has been applied to align benefits with the current period (based on ABS Cat 6401.0).

* Value added per capita has been derived by taking the total value added as a ratio of the reference population served by the library.
5 Distilled Assessment Framework

This section presents the refined cost benefit assessment (CBA) and economic impact assessment (EIA) frameworks that were utilised in this project. It nominates the preferred measurement techniques for the array of costs and benefits associated with public libraries, as well as their induced economic activity in local economies. It then goes on to nominate the data collection methods that were used to gather the inputs for each of the measurement techniques.

5.1 Cost benefit analysis
The CBA of Victorian public library services contrasts the recurrent cost of provisioning with the recurrent benefits conferred on users and non-users. That is, it subtracts annual delivery costs from annual benefits conferred to calculate an annual net dollar benefit.

The measurement techniques for the broad elements of cost and use and non-use benefit are shown in Figure 14.

Figure 15 links each of the CBA framework’s key components with relevant data collection methods, acknowledging that qualitative insights were gathered by a variety of methods.

Each of the following data collection methods were utilised in each of the seven case study library services (which include services in metropolitan and country areas; fast growth, established and disadvantaged geographic areas; as well as areas serviced by single municipality versus regional corporation delivered services):

- Existing publications.
- Site visits/consultation.
- User surveys.

A statewide household survey was also utilised to complement the case study based results.

5.2 Economic impact analysis
The EIA of Victorian public library services utilises the recurrent costs of library service operations as the key expenditure stimuli into the local economy. It also includes the triggered expenditures of library customers elsewhere in the economy because of their library patronage, e.g. books, PCs, etc.

The EIA framework uses these direct stimulatory expenditures as an input into a local econometric model to estimate total local area economic activity generated, i.e. total local area output/income, value added and employment impacts associated with public library services.

The econometric model developed for each of the case study communities using SGS’s tried and tested method of adjusted national level input output multipliers to local area levels by making adjustments to reflect local area economic strengths, weaknesses and capacities.

The measurement techniques that align with specific inputs into this modelling process are shown in Figure 16.

Each of the following data collection methods were utilised in each of the seven case study library services:

- Existing publications.
- Site visits/consultation.
- User surveys.
### Figure 14: Technique for estimating costs and benefits

<table>
<thead>
<tr>
<th>COSTS</th>
<th>Measurement technique</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital and operating costs</td>
<td></td>
</tr>
<tr>
<td>Recurrent capital works to library buildings</td>
<td>Depreciation allowances</td>
</tr>
<tr>
<td>Recurrent operating costs: expenditure on library materials, staff costs and other administration costs</td>
<td>Actual costs</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Services and programs</th>
<th>Benefits</th>
<th>Measurement technique</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Use</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indirect</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legacy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Option</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Existence</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legacy</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**COSTS**

**Capital and operating costs**

- Recurrent capital works to library buildings
- Recurrent operating costs: expenditure on library materials, staff costs and other administration costs

**Measurement technique**

- Depreciation allowances
- Actual costs

**Services and programs**

- Collection – print
- Collection – non-print material
- Collection – news and serials
- Subscriptions
- Information technology
- Programs
- Provision of facilities

**Benefits**

- Access to services
- Social interaction
- Financial savings

**Measurement technique**

- Travel cost method (TCM)
- Contingency valuation method (CVM): survey of user willingness to pay

**Use**

**Direct**

- The direct benefits to library customers

**Benefits**

- Improved local amenity
- Environmental savings
- Contribution to language and computer literacy
- Complement to education institutions
- Facilitation of career development
- Contribution to community health

**Indirect**

- The flow-on benefits of using library services

**Benefits**

- Improved local amenity
- Environmental savings
- Contribution to language and computer literacy
- Complement to education institutions
- Facilitation of career development
- Contribution to community health

**Non-use**

**Option**

- Preserving the option for future use

**Benefits**

- See description

**Existence**

- Perceived value and significance to the community

**Benefits**

- See description

**Legacy**

- Value of preservation for future generations

**Benefits**

- Contingency valuation method (CVM): survey of non-user willingness to pay
5.3 Scaling the results

5.3.1 Cost benefit analysis

The results of the CBA were scaled to a Victorian level. To do this:

- The recurrent costs of all public library services were sourced from existing publications.
- These publications were used to assess use types and frequencies by key facility/program type for each library service.
- The dollar value of willingness to pay, financial savings and cost of travel, measured in the case study customer surveys, was applied to broader customer numbers of libraries bearing similar characteristics to the chosen case study libraries.
- The statewide non-user survey results, i.e. the non-user willingness to pay, were applied across all Victorian households.

This enabled an annual net dollar benefit for the Victorian community to be generated.

5.3.2 Economic impact assessment

In terms of the EIA, the recurrent costs of all public library services were sourced from existing publications, as per the CBA. Additional user-based stimulatory expenditures were assessed from the case studies on a per customer basis and subsequently applied to total customer numbers across the state.

These stimulatory expenditures were input into a Victorian econometric model to assess the indirect impacts, with the end result a sound assessment of economic activity generated in Victoria by public libraries, expressed in terms of:

- Victorian economic output/income.
- Victorian value added.
- Victorian employment (jobs).
Figure 16: Data collection methods for EIA framework

- Site visits/consultation
  - Library service recurrent costs (direct impact)
  - User driven direct impacts
  - Indirect impacts
  - Total impacts
  - Qualitative content & insights

- User survey
  - Existing publications
6 Survey Results

This section commences the summary of results of the data collection phase. It includes a summary of the survey of Victorian residents, as well as a distillation of the library customer survey across the case study library services. Detailed analysis and tables of survey results have also been provided in the Appendix.

6.1 Victorian household survey

The findings from a survey of a representative sample of 1,050 Victorians are summarised in this sub-section. The sample was selected using random digit dialling using quotas to ensure representativeness in terms of age, gender and metropolitan/country balance.

6.1.1 Library membership

Two-thirds (67%) of respondents were members of a Victorian public library. This was similar for Melbourne and country residents. The following differences were noted:

- Women were more likely to be members (75% women cf. 59% of men).
- People with children in the household were more likely to be members (71% with children cf. 64% with no children).
- Older people were slightly more likely to be members (73% of people 55+; 70% of people 35-54; 58% of people under 35).

6.1.2 Use of public libraries

Participants were asked when they last used a Victorian public library. Figure 17 shows the findings.

Key points to note:

- 63% had used a Victorian public library in the previous 12 months.
- Recent use was more common among women and people over 55 years of age.

6.1.3 Awareness of library services

Participants were asked whether they were aware of a variety of library services. As Figure 18 indicates, there was almost universal awareness of some services, while other services were little-known.

Key points to note:

- Four main features were universally recognised by recent library customers and non-users:
  - books and print for borrowing;
  - access to the internet;
  - reference materials; and
  - expert staff for reference.
- Most other features were more widely known among library customers.
- Four features were known by less than one-third of respondents:
  - ESL programs;
  - boardgames;
  - Xbox, PlayStation and games; and
  - homework clubs.
- Family history resources were a little better known in country Victoria than in Melbourne.
- Resources in community languages were a little better known in Melbourne than in country Victoria.
Figure 17: Last use of Victorian public library
Base: 1,050

Figure 18: Awareness of library services among users (past 12 months) and others
Base: 1,050
6.1.4 Perceived benefits of public libraries

Participants were asked to nominate to what extent Victorian public libraries offered a range of benefits. A wide range of benefits from libraries was recognised (Figure 19), including:

- supporting children’s education and early development;
- helping people obtain information not available elsewhere;
- contributing to enjoyable and meaningful pastimes, hobbies and interests;
- supporting educational courses and lifelong learning; and
- fostering a sense of community belonging.

Much smaller proportions of people thought that libraries made a large or moderate contribution to:

- helping job productivity or helping people get a job/promotion;
- helping people start a new business; and
- helping people understand medical or legal information.

It was interesting to note that most of these perceptions were held by library customers and non-users alike. Similarly, there was little difference in perception according to gender, age, location (Melbourne/other) or presence of children.

While the views of non-users were the same as customers for most measures, there were five areas where non-users were less likely to see the benefits offered by libraries:

- support children’s early development;
- facilitate pursuit of informal lifelong learning;
- contribute to enjoyable and meaningful pastimes;
- foster a sense of community or belonging; and
- help people pursue hobbies and interests.

Figure 19: Perceived benefits of public libraries

Base: 1,050

<table>
<thead>
<tr>
<th>Percentages</th>
<th>Large</th>
<th>Moderate</th>
<th>Small</th>
<th>No</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support children’s education</td>
<td>80</td>
<td>60</td>
<td>40</td>
<td>20</td>
<td>10</td>
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<tr>
<td>Help people obtain information not available elsewhere</td>
<td>60</td>
<td>40</td>
<td>20</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>Contribute to enjoyable and meaningful pastimes</td>
<td>60</td>
<td>40</td>
<td>20</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>Support children’s early (0-5 years) development</td>
<td>60</td>
<td>40</td>
<td>20</td>
<td>10</td>
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<tr>
<td>Help people pursue hobbies and interests</td>
<td>60</td>
<td>40</td>
<td>20</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>Facilitate pursuit of lifelong learning</td>
<td>60</td>
<td>40</td>
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<td>10</td>
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<tr>
<td>Support people’s involvement in educational courses</td>
<td>60</td>
<td>40</td>
<td>20</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>Foster a sense of community or belonging</td>
<td>60</td>
<td>40</td>
<td>20</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>Help people accomplish tasks or achieve goals</td>
<td>60</td>
<td>40</td>
<td>20</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>Assist people to develop English-language skills</td>
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<td>40</td>
<td>20</td>
<td>10</td>
<td>0</td>
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<td>Help people be more productive in their job</td>
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<td>40</td>
<td>20</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>Help people obtain a new job/promotion</td>
<td>60</td>
<td>40</td>
<td>20</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>Help people understand legal/medical information</td>
<td>60</td>
<td>40</td>
<td>20</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>Help people improve or start a business</td>
<td>60</td>
<td>40</td>
<td>20</td>
<td>10</td>
<td>0</td>
</tr>
</tbody>
</table>

Dollars, Sense and Public Libraries: Technical Report
6.1.5 Perceived characteristics of public libraries

Respondents were asked to indicate their level of agreement with a series of statements about public libraries. There were notable differences between people who had used a library in the past 12 months and those who had not, as Figure 20 shows.

Figure 20: Customer and non-user agreement with statements (agree strongly)

Base: 1,050

The overall profile of responses for library customers and non-users is similar, with strongest agreement for the safe and pleasant environment of libraries and lowest agreement for their role in supporting and attracting new businesses. It is not surprising that with their greater knowledge of libraries, library customers were more likely to agree with most of the statements.

Figure 21: Best things about public libraries (customers and non-users)

Base: Total=1,050; Customers=668; Non-users=382

The overall profile of responses for library customers and non-users is similar, with strongest agreement for the safe and pleasant environment of libraries and lowest agreement for their role in supporting and attracting new businesses. It is not surprising that with their greater knowledge of libraries, library customers were more likely to agree with most of the statements.
6.1.6 Best things about public libraries

Participants were asked to nominate the best things about Victorian public libraries. Figure 21 shows the most common types of responses.

The most common responses were:

- the opportunity to borrow books at no cost (37%);
- the range and variety of books in library collections (29%);
- access to information and resources (26%); and
- the opportunity to borrow DVDs, CDs, audio books and other media (16%).

Library customers were more likely than non-users to mention borrowing books at no cost; the range/variety of books; and especially DVDs, CDs and audio books. Non-users put the same emphasis on access to information/resources as customers.

Some of the unprompted comments made by participants are listed below:

- ’It is great. You can order books from all over Victoria.’
- ’If you have kids studying, they are good resource for reference material, good for a quiet place to study without distractions.’
- ’You can escape from the real world and just read a book. If the kids have annoyed you the whole day, you can get on a computer there. You can get videos without paying for them and you can grab and read as many books as you like. Good for research for kids – the internet is good but you can photocopy as much as you can and you can sit and concentrate on it.’
- ’You can borrow books for free. Wide variety of books and magazines. Can borrow CDs and DVDs.’

- ’Locally here we have a small library and they are able to get all the books we want from other libraries. Just the service that we have, it’s always great service. And my children use the services at the local library quite a lot. They use the internet a lot.’
- ’The access to books and the people that work there are very helpful. They help if you are not sure and they guide you to what you are after.’
- ’I think they’re great for info. There’s not much you can’t find if you need information about places or things. They have a lot of facilities for children and web… so you don’t have to own a computer and you can spend a couple of hours there.’
- ’It is good and quiet, I like the environment, a lot of newspapers and magazines.’
- ’They’re good for the elderly. It gives them access to a lot of things they can’t afford to buy themselves. I know my father-in-law uses them, and I think they run computer classes and I know he took one of those.’
- ’Range of books you don’t have to purchase. Also for talking books when you drive.’
- ’Just the range of books, our library has just been renovated and it looks really good. I also like the storytime that they have for the little kids.’
- ’The atmosphere, it is a great place to go and read. The assistance that is given by the library staff when you are researching a project. The availability of the books.’
- ’They have got everything. They have got good books and the paper is there to read and also the internet if you do not have it at home.’
6.1.7 Suggested improvements to public libraries

Participants were asked to suggest improvements to library services. Overall, 47% did not suggest improvements, either because they were happy with the service, or they did not know it well enough to comment. Those who did not suggest improvements comprised 44% of customers and 51% of non-users. Figure 22 summarises the findings.

Given the contrasting levels of experience of library customers and non-users, it is not surprising that there are notable differences in the suggestions made by these two groups. Customers were more likely to want a wider variety of books, longer opening hours and more up-to-date material/media. Non-users were more likely to say that libraries should be more proactive in promoting their services.

6.1.8 Estimated financial value of library services

Participants were asked to think about their typical library use in a 12 month period and to nominate how much they would have spent if they had to buy the services from a private business. Figure 23 shows the results.

Points to note:

- The average amount spent across the whole sample was $364.
- 69% said that they would have spent over $100.
- 45% said they would have spent over $250.
- 27% said they would have spent over $500.
- 18% said they would have spent over $750.
- Only 4% said they would have spent nothing.

6.1.9 Willingness to pay for library services

Participants were asked to nominate how much they would be willing to pay to maintain community access to current library services. People who had used public libraries in the previous year tended to nominate higher amounts as Figure 24 shows.

In total:

- The average amount people were willing to pay was $65 per year:
  - library customers, average amount = $72.
  - library non-users, average amount = $55.
- 16% said they were prepared to pay more than $100 a year for library services.
- 18% said they were prepared to pay $51–$100 per year.
- 22% were prepared to pay $26–$50 per year.
- 21% were prepared to pay up to $25.
- 22% were not prepared to pay anything.

Participants were asked whether their response was affected by their capacity to pay. Overall, 82% indicated that libraries were worth more than they said they would pay but that this was all they could afford.
**Figure 22: Suggested improvements (customers and non-users)**
Base: Total=1,050; Customers=668; Non-users=382

- Wider range/variety of books
- Longer opening hours/open weekends
- Keep up-to-date with new media/new books
- Raise awareness/more promotion of library services
- More copies of popular books
- More computers/more internet access
- More activities for children

**Figure 23: Estimated cost of library services used**
Base: 580 (used a library in past 12 months)

- Nothing
- $1–$50
- $51–$100
- $101–$250
- $251–$500
- $501–$750
- $750+

**Figure 24: Willingness to pay (annual amount) – library customers vs non-users**
Base: Total=1,050; Customers=708; Non-users=342

- Nothing
- $1–$25
- $26–$50
- $51–$100
- $101–$250
- $251–$500
- $500+
- Don’t know
6.2 Library customer survey

Library customers from seven case study library services were also surveyed as part of this research via online and paper surveys. Figure 25 details the response rate.

**Figure 25: Library customer sample size**

<table>
<thead>
<tr>
<th>Library service</th>
<th>Sample size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geelong</td>
<td>355</td>
</tr>
<tr>
<td>Darebin</td>
<td>202</td>
</tr>
<tr>
<td>Gannawarra</td>
<td>142</td>
</tr>
<tr>
<td>Casey-Cardinia</td>
<td>164</td>
</tr>
<tr>
<td>Eastern</td>
<td>238</td>
</tr>
<tr>
<td>Wyndham</td>
<td>203</td>
</tr>
<tr>
<td>Latrobe</td>
<td>76</td>
</tr>
<tr>
<td><strong>Total completed surveys</strong></td>
<td><strong>1,380</strong></td>
</tr>
</tbody>
</table>

Most library customers in this survey were library members. Indeed, in all case study services, more than 90% of respondents were library members.

6.2.1 Usage frequency

Participants were asked how often, on average, they used the library service. Figure 26 summarises the data.

Points to note:

- Most customers used the library weekly (49% overall) or fortnightly (29% overall).
- Weekly visits were less common in the country areas of Latrobe and Gannawarra.

**Figure 26: Frequency of library use**
6.2.2 Length of stay

Respondents were asked how long they expected to stay at the library on their current visit. On average, customers spent 41 minutes at the library. Figure 27 shows the average length of time for the case study areas.

Figure 28 shows the average length of time spent in the library according to the activities undertaken during the visit.

While there was some overlap in the activities undertaken at libraries, with some people doing more than one thing, there was sufficient separation for distinct patterns to emerge.

It is clear that borrowing activities generated the shortest library visits. Civic/community meetings, studying and socialising activities generated much longer visit times.

Figure 27: Average time at library (minutes)

Figure 28: Average time spent according to activities
6.2.3 Reasons for library use

The survey asked respondents to say whether or not five factors contributed to their use of the library. Figure 29 shows the responses. Points to note:

- The collection (extensive range of materials) was the most widely noted reason for visiting the library in each of the case study areas.
- The pleasant atmosphere of the library setting was the second most widely mentioned reason for visiting.
- The professional staffing was a moderately common reason for using the library.
- Saving money was moderately important.
- Saving time was a relatively minor consideration for most library customers.

Those who said their visit had saved time or money were asked how much time or money they had saved. The average amount of time saved across the sample as a whole was 69 minutes. The average amount of money saved was, coincidentally, $69.

6.2.4 Things done at the library

The survey asked customers to indicate what they did at the library on their current visit. Figure 30 shows the results for the sample as a whole.

It is clear that borrowing was the dominant activity at the library. Overall, 86% of customers borrowed books or printed materials and 55% borrowed CDs, DVDs or videos. Importantly, a wide variety of activities were carried out within the library:

- reading, watching or listening to library materials (23%);
- accessing the internet (21%);
- using reference materials (19%);
- making reference enquiries (18%); and
- using computers (11%).

Figure 29: Reasons for using the library
6.2.5 Distance travelled

The survey asked how far people had travelled on their outing to the library. Figure 31 shows the average distance travelled by customers in each case study area.

It is not surprising that people in rural Gannawarra travelled the greatest distance, on average, (19.4 km) to visit the library. Wyndham library customers appeared to travel the shortest distance (only 7km) among the case study areas.

Interestingly enough, out-of-pocket travel expenses ranged between $0.80 and $2.10 per visit, with Darebin recording the highest due to its higher propensity for public transport use.

Figure 30: Things done at the library

Base: 1,380

Figure 31: Average distance travelled on library outing
6.2.6 Satisfaction with library services

The survey asked library customers to rate their satisfaction (on a 5-point scale) with the following aspects of the library service:

- overall service;
- staff assistance;
- collection;
- computers;
- amenity of the building; and
- desks/meeting rooms.

A score of 5 is a perfect score or highly satisfied, whereas a score of 1 indicates poor satisfaction. See Figure 32.

The aspects that rated highest were 'overall service' and 'staff assistance'. Desks/meeting rooms were rated lower than other aspects of service.

6.2.7 Benefits of library services

Participants were asked to consider a number of possible benefits and say how important those benefits were to them personally over the previous five years. Figure 33 summarises the data.

Points to note:

- The most widely valued benefits related to meaningful pastimes, hobbies and interests, and lifelong learning. They were major or minor benefits for more than three-quarters of the library customers in this survey.
- Finding information not available elsewhere, accomplishing tasks/goals and feeling a sense of community or belonging were benefits for more than 60% of library customers.
- More than 40% of all customers said that the library benefited their children's early development or education.
- Half of the library customers said that their library had supported their own education.
- Small proportions (14–30%) of people nominated work or business-related benefits, English language skills or medical/legal information.

6.2.8 Public library contributions to the community

Respondents were asked to rate the importance of a number of features of library services. Those contributions that were rated as very important are listed in Figure 34.

Points to note:

- Strongest emphasis was placed on the importance of libraries as safe and pleasant places to visit (87%) and as places that facilitate lifelong learning (80%).
- Internet access for everyone (74%) and encouraging responsible social behaviour (67%) were widely recognised as important aspects of library services.
- As in the survey of Victorian households in general, library customers put relatively less emphasis on job/career and business-related benefits.

6.2.9 Best things about public libraries

Participants were asked to nominate the best things about Victorian public libraries. Figure 35 shows the most common types of responses.

The main beneficial services were:

- the range and variety of books in library collections (39%);
- helpful and knowledgeable staff (29%);
- the opportunity to borrow DVDs, CDs, audio books and other media (18%);
- the opportunity to borrow books at no cost (16%);
- electronic catalogue/order from other libraries (13%); and
- place to study/educational materials (11%).
Figure 32: Satisfaction with aspects of library service (mean score)

Figure 33: Personal benefits of library services in previous five years

Base=1,380

- Contributed to enjoyable and meaningful pastimes
- Helped me pursue hobbies and interests
- Facilitated my pursuit of lifelong learning
- Helped me get information I could not get elsewhere
- Supported my children’s education
- Helped me accomplish tasks / goals
- Supported my children’s early development
- Fostered my sense of community or belonging
- Supported my involvement in educational courses
- Made me more productive in my job
- Clarified my understanding of legal or medical information
- Helped me get a new job or promotion
- Helped me to develop English language skills
- Helped me improve or start a business

Percentage

- Major benefit
- Minor benefit
- Not a benefit
Some of the comments made by participants are shown here.

• ‘Accessing the library on the internet from home. Great to be able to put on hold a book. Fantastic to have access to books via other libraries in Victoria. Great opening hours for ease of accessibility, e.g. till 6pm some evenings and Sunday afternoon.’

• ‘Storytime is great, the librarian is very patient and focused and works well with children who are easily distracted.’

• ‘The staff who are helpful, friendly and willingly go out of their way to assist.’

• ‘When I walk into the library it feels like home.’

• ‘It’s free, provides community space and resources.’

• ‘Storytime twice a week. Prompt service when needed. Large range of books. Friendly and helpful staff.’

• ‘Diversity of books, magazines and DVDs, but mainly all the staff are delightful, chatty and very knowledgeable.’

• ‘Great children’s books, audio books, DVDs, CDs. Great opportunity to encourage my children toward a love of books and for them to be known by staff and hence community members.’

• ‘Excellent selection of books. Excellent selection of DVDs, videos, etc. Access to family heritage sites via internet, e.g. ancestry.com. Good opening hours. Reference materials available.’

• ‘Free internet use. Some collection materials are very useful. Most staff members are competent and helpful. Cheap and reliable photocopier(s).’

• ‘Proximity to home and at a shopping centre. Pleasant and knowledgeable staff and building.’

• ‘On hold items saves lots of time searching and waiting with kids. On hold reminder service (SMS). Helpful staff. Good selection of books and learning materials esp. readers, DVDs and CDs being free of charge. Library online catalogue and links to other educational content and learning for kids and adults.’

• ‘Storytime, magazines and books (even other languages).’

• ‘A diverse collection of recreational and educational materials in a relatively peaceful environment – excellent for maintenance of a brain overstressed in a work environment.’

• ‘I could borrow as many books I want, often new books coming in. Staff know you.’

• ‘Email for notifications. Good range of books. Able to source books from other libraries online.’

• ‘The ladies that work at the desk every Tuesday evening when I come in. They take the time to learn people’s names, ask about their jobs; etc. They are always helpful, polite and friendly.’

• ‘Friendly and helpful. Good range of books, magazines and reference material. It’s an important part of a community.’

6.2.10 Suggested improvements to public libraries

Participants were asked to suggest improvements to library services. Overall, 47% did not suggest improvements, either because they were happy with the service or did not know it well enough to comment. Those who did not suggest improvements comprised 44% of customers and 51% of non-users. Figure 36 summarises the findings.

The most common improvements suggested were extensions of current practice including extended collections, computers, internet access and opening hours.

6.2.11 Estimated financial value of library services

Participants were asked to think about their typical library use in a 12-month period and to nominate how much they would have spent if they had to buy the services from a private business. Figure 37 shows the results.
Figure 34: Importance of contributions to general community (very important)
Base: 1,359

- Libraries are safe and pleasant places to visit
- Libraries facilitate lifelong learning
- Libraries ensure internet access for all
- Libraries encourage responsible social behaviour
- Libraries provide information about community events
- Libraries recognize the demand for non-English language materials
- Libraries support local culture and the arts
- Libraries provide public meeting spaces
- Libraries support existing businesses
- Libraries act as a source of government information
- Libraries facilitate job or career planning
- Libraries attract new businesses to the community

Figure 35: Best things about public libraries
Base: 1,380

- Range and variety of books
- Staff are helpful/knowledgeable/friendly
- Can borrow DVDs/CDs/audio books
- Free service/don’t need to buy books
- Electronic catalogue/order from libraries
- Place to study/ed materials
- Easy to find/access
- Wide access to resources/information
- Internet access/computers
- Children’s activities

Figure 36: Suggested improvements
Base: 1,380

- Wider range/variety of books
- Wider range DVD/CD/audio
- More computers/more internet access
- More quiet/study areas
- Longer opening hours/open weekends
- More activities for children
- More copies of popular books
"Diversity of books, magazines and DVDs, but mainly all the staff are delightful, chatty and very knowledgeable."

(survey respondent)
6.3 Synopsis

The survey of Victorian households tells us that:

- Two-thirds of the population were members of a public library. Moreover, nearly two-thirds of the population have used a Victorian public library in the past 12 months.

- Library customers estimated that they would have to spend an average $364 per year to access library services from private businesses. This is a significant financial saving.

- Survey respondents stated they were willing to spend an average of $65 per year to maintain community access to current library services. Non-users were prepared to pay $55 per year on average, compared with $72 per year among library customers. Most people said that libraries were worth more than they nominated, but this was all they could afford to pay.

- Library services that were widely known included: books and print loans, internet access, reference materials, expert staff, video, DVD, and CD loans, and computers for general use. There was patchy awareness of other services.

- Many benefits provided by libraries were widely recognised by broader community members, including:
  - supporting children’s education and early development;
  - helping people obtain information not available elsewhere;
  - contributing to enjoyable and meaningful pastimes, hobbies and interests;
  - supporting educational courses and lifelong learning; and
  - fostering a sense of community belonging.

- Many people made no suggestions for improving library services. Suggestions focused on broadening the range of loan items, longer opening hours, and raising awareness of library services.
The library customer survey tells us:

- Most customers used the library weekly or fortnightly, i.e. regularly.

- On average, customers spent 41 minutes at the library. Borrowing activities generated the shortest library visits. Civic/community meetings, studying and socialising activities generated much longer visit times.

- Borrowing was the predominant activity at the library. Overall, 86% of customers borrowed books or printed materials and 55% borrowed CDs, DVDs or videos during their visits. Importantly, a wide variety of other activities are also carried out within the library including:
  - reading, watching or listening to library materials;
  - accessing the internet;
  - using reference materials;
  - making reference enquiries; and
  - using computers.

- Library customers generally are well satisfied with services afforded. Overall, service and staff assistance rate higher in terms of satisfaction than buildings and facilities.

- In terms of personal experience, library services have helped customers most with supporting meaningful pastimes, hobbies and interests and lifelong learning. Finding information not available elsewhere, accomplishing tasks/goals and feeling a sense of community or belonging also featured significantly.

- From a broader community perspective, customers believed libraries make very important contributions as safe and pleasant places to visit and by facilitating lifelong learning, providing internet access for everyone, and encouraging responsible social behaviour.

- Library customers estimated that they would have had to spend an average of $419 per year to access library services from private businesses. As in the Victorian household survey (customers saved $364 per year), this is a significant recorded saving.

- Customers stated they were willing to spend an average of $72 per year to maintain community access to current library services. Most people said that libraries were worth more than they nominated, but this was all they could afford to pay. Both these results accord well with the findings of the Victorian household survey.

- Few customers suggested improvements to library services. Again, the most common improvements suggested were extensions of current practice including extended collections, computers, internet access and opening hours.

"Email for notifications. Good range of books. Able to source books from other libraries online.”

(survey respondent)
This section takes a more focussed approach and uses the content of the aforementioned surveys, along with the case study site visits and interviews, to present a summary of CBA, EIA and other findings for the seven library services studied, as well as value specific library programs deliver to the Victorian community.

7.1 Library services

7.1.1 Casey-Cardinia Library Corporation

Context

The Casey-Cardinia Library Corporation provides public library services within the City of Casey and Cardinia Shire across eight service points, including seven static branches and one mobile library service. It also offers a home library service to those unable to reach the library branches.

The seven branches are located in Cranbourne, Doveton, Emerald, Endeavour Hills, Hampton Park, Narre Warren and Pakenham. The mobile library provides weekly service to Beaconsfield, Bunyip, Cockatoo, Garfield, Gembrook, Koo Wee Rup, Lang Lang, Maryknoll, Tynong and Upper Beaconsfield. The home library service is delivered with the help of volunteers who provide library materials to recipients on a monthly basis.

The Casey-Cardinia region is located at the interface of the metropolitan and rural area in the south-east of Melbourne and is spread over 1,690 sq km. It is one of Victoria’s fastest growing regions with a population of 300,000 that is expected to increase annually at a rate of 3.1% and reach over 518,000 by 2026.

The role of the library as a community hub was acknowledged by both key stakeholders and library customers. For instance, one library user stated:

‘All ages sit and use the internet. Younger ones help older people. Many people read the papers and make friends after a while. It is like a club.’

Library customers pointed to a number of services that they value highly, including storytime sessions for young children and the extensive collection of books and audio material that is available. Examples of user testament to this include:

‘Extensive collection between the region’s libraries; fantastic audio book stock.’

On a whole, the importance of the library within the community was clearly expressed by library customers within the region. The library:

‘Engenders a love of books and reading from an early age, which in turn helps learning, communication and relaxation.’

‘...is the most important community service in our area. It meets the needs of all walks of life.’

Library customers estimated that, if their library service was not provided, they would have had to spend, on average, approximately $402 in the past 12 months, if they had to pay for the services from private businesses. Library customers also highlighted they would be willing to pay, on average, $60 per annum to maintain the community’s access to the current library services.
### Operating snapshot

<table>
<thead>
<tr>
<th>Library service</th>
<th>Casey-Cardinia Library Corporation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Area served</strong></td>
<td>1,690 sq km</td>
</tr>
<tr>
<td><strong>Population served</strong></td>
<td>302,646</td>
</tr>
<tr>
<td><strong>No. of service points</strong></td>
<td>8</td>
</tr>
<tr>
<td><strong>Static service points</strong></td>
<td>7 locations</td>
</tr>
<tr>
<td><strong>Other service points</strong></td>
<td>1 mobile library</td>
</tr>
<tr>
<td><strong>Floorspace</strong></td>
<td>5,448 sq m</td>
</tr>
<tr>
<td><strong>Staff</strong></td>
<td>35 full-time 109 part-time 0 casual 144 total</td>
</tr>
<tr>
<td><strong>Annual visitation</strong></td>
<td>1,273,801</td>
</tr>
<tr>
<td><strong>Membership</strong></td>
<td>106,050</td>
</tr>
<tr>
<td><strong>Annual visits to website</strong></td>
<td>495,621</td>
</tr>
<tr>
<td><strong>Public PCs</strong></td>
<td>111 total 70 with internet</td>
</tr>
</tbody>
</table>

### Resources

<table>
<thead>
<tr>
<th></th>
<th>Resources</th>
<th>Annual loans</th>
<th>Annual expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Print collection</strong></td>
<td>283,749</td>
<td>1,691,512</td>
<td>$770,037</td>
</tr>
<tr>
<td><strong>Non-print collection</strong></td>
<td>50,140</td>
<td>672,612</td>
<td>$304,092</td>
</tr>
<tr>
<td><strong>Newspapers and serials</strong></td>
<td>1,124</td>
<td>268,472</td>
<td>$91,903</td>
</tr>
</tbody>
</table>

### Programs

<table>
<thead>
<tr>
<th>Conducted (adults)</th>
<th>Participants (adults)</th>
<th>Conducted (children)</th>
<th>Participants (children)</th>
</tr>
</thead>
<tbody>
<tr>
<td>164</td>
<td>2,027</td>
<td>787</td>
<td>20,989</td>
</tr>
</tbody>
</table>

### Income vs expenditure

<table>
<thead>
<tr>
<th></th>
<th>Income</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Council contributions</strong></td>
<td>$5,325,147</td>
<td>$1,166,032</td>
</tr>
<tr>
<td><strong>Grants</strong></td>
<td>$1,660,260</td>
<td><strong>Salaries and on costs</strong></td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>$468,657</td>
<td><strong>Other</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$7,454,064</td>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

Note: All data has been sourced from the Annual Survey of Victorian Public Libraries 2008-09 (Department of Planning and Community Development 2010). While there may be some discrepancies with the surrounding text, this data has been used across all case studies for the sake of consistency.

*Newspapers and serials is the total number of subscriptions excluding copies.*
Key issues/insights

Changing technology, rapid population growth, limited funding, a greater amount of physical space and the need to balance personal service with efficiency were identified as major issues for the Casey-Cardinia Library Corporation.

The CEO said that there is a need for libraries to provide the latest technologies and deliver traditional services, ‘it is important to provide both new technologies and traditional services without diluting either’.

Rapid population growth within the Casey-Cardinia region was viewed as a challenge for the library service. It was highlighted that branches constantly need to be expanded to meet growing demand and limited funding caused trade-offs to be made.

Physical space was also identified as an issue in the delivery of successful library services. It was noted that while there is a need for more material resources and technologies, the physical capacity for libraries to accommodate more resources is limited.

‘While it would be great to have more resources, we need the physical space to store/provide these.’

From a branch perspective, the Narre Warren Library Branch Manager identified the issue of balancing personal service with demand, stating that libraries are often time poor. There is a need to increase the efficiencies of library services, however, there is also a need to ensure that one-on-one service can be provided: ‘the human aspect of libraries is vital’.

Future outlook

The aging population, new technology, lack of public transport access to library branches and the growing Culturally and Linguistically Diverse (CALD) community are all significant factors that will drive how the Casey-Cardinia Library Corporation contributes to community welfare in the future.

The CEO said that the aging population will drive increased demand for home library services. The need to invest more in this service in the form of a mobile library that can be driven to individual homes, as opposed to volunteers choosing resources from their local library branch and delivering them, was identified.

It was also highlighted that library service needed to become more flexible and prepared to embrace new technologies. The need for staff to be trained to use this technology was also identified, ‘investment in training library staff to be technology savvy is needed’.

As the population continues to sprawl without the provision of adequate public transport services, affordable access to public library services is compromised. The CEO identified the need and importance of the mobile library will increase in the future to meet this growing demand.

Increasing the provision of additional collections in languages other than English was also identified to support the growing CALD community within the region.

As well as growing demands, there are current unmet demands within the community that libraries could fill. An opportunity identified was community meeting spaces. Libraries have valuable meeting spaces that can be used by community groups for group training or organising events. Further investment in meeting spaces within libraries would be valuable for the community.

Expanding the role of libraries as community hubs was also discussed as an unmet demand within the local community. The Community Projects Officer for the City of Casey highlighted the opportunity to collocate libraries with other community services, such as youth and maternal child health services, or even local shopping centres, to attract more people to the library. It was noted that the City of Casey is currently investigating the possibility of leasing out the central part of a shopping centre to install a library service point.
7.1.2 Darebin Libraries

Context

The City of Darebin covers 53 sq km, from Melbourne’s inner northern suburbs of Northcote and Fairfield out to the traditional middle-ring suburbs of Reservoir and Bundoora.

Darebin Libraries, managed by Darebin City Council, has four branch libraries: Fairfield (purpose-built in 1999), with the others all built in the 1970s and 80s at Northcote (refurbished in 2004), Preston (refurbished in 2000) and Reservoir.

The libraries offer wireless hotspots and computers for free internet access and computing. Art display spaces at Northcote, Fairfield and Reservoir Libraries are free of charge to artists, community groups and schools for a period of four weeks.

Moreover:

• Over 1,000 Aboriginal and Torres Strait Islanders live in Darebin, making up one of the largest indigenous communities in Melbourne.
• One in five Darebin residents is aged over 60 years.
• One in seven Darebin households earns less than $15,000 a year.
• One in five Darebin residents has a disability.

One in three Darebin residents was born in a non-English speaking country. The major contributing countries are Italy, Greece, the United Kingdom, China and Vietnam, but significant growth is being experienced among people born in Sri Lanka, India, Egypt, the Philippines and the Middle East.
## Operating snapshot

<table>
<thead>
<tr>
<th>Library service</th>
<th>Darebin Libraries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area served</td>
<td>53 sq km</td>
</tr>
<tr>
<td>Population served</td>
<td>137,360</td>
</tr>
<tr>
<td>No. of service points</td>
<td>4</td>
</tr>
<tr>
<td>Static service points</td>
<td>4 locations</td>
</tr>
<tr>
<td>Other service points</td>
<td>Home library service</td>
</tr>
<tr>
<td>Floorspace</td>
<td>4,057 sq m</td>
</tr>
<tr>
<td>Staff</td>
<td>35 full-time 22 part-time 27 casual 84 total</td>
</tr>
<tr>
<td>Annual visitation</td>
<td>691,929</td>
</tr>
<tr>
<td>Membership</td>
<td>74,897</td>
</tr>
<tr>
<td>Annual visits to website</td>
<td>228,687</td>
</tr>
<tr>
<td>Public PCs</td>
<td>40 total 22 with internet 54,580 hours booked</td>
</tr>
<tr>
<td>Resources</td>
<td>Print collection 193,320 1,015,932 $501,178</td>
</tr>
<tr>
<td></td>
<td>Non-print collection 23,953 422,782 $89,049</td>
</tr>
<tr>
<td></td>
<td>Newspapers and Serials* 569 71,547 $51,151</td>
</tr>
<tr>
<td>Programs</td>
<td>Conducted (adults) 34</td>
</tr>
<tr>
<td></td>
<td>Participants (adults) 515</td>
</tr>
<tr>
<td></td>
<td>Conducted (children) 362</td>
</tr>
<tr>
<td></td>
<td>Participants (children) 14,199</td>
</tr>
<tr>
<td>Income vs expenditure</td>
<td>Council contributions $3,189,525</td>
</tr>
<tr>
<td></td>
<td>Grants $830,709</td>
</tr>
<tr>
<td></td>
<td>Other $197,524</td>
</tr>
<tr>
<td></td>
<td>Total $4,892,890</td>
</tr>
</tbody>
</table>

Note: All data has been sourced from the Annual Survey of Victorian Public Libraries 2008–09 (Department of Planning and Community Development 2010). While there may be some discrepancies with the surrounding text, this data has been used across all case studies for the sake of consistency.

*Newspapers and serials is the total number of subscriptions excluding copies.*
The role of the library and community benefits

According to the library customer survey, customers of Darebin Libraries thought the library had offered them many personal benefits. The most widespread were: contributing to enjoyable and meaningful pastimes, pursuing hobbies and interests, aiding pursuit of lifelong learning, and finding information.

In terms of benefits for the general community, more than two-thirds of Darebin library customers rated the following benefits as very important:

- Libraries are safe and pleasant places to visit (80%).
- Facilitate lifelong learning (77%).
- Ensure access to the internet for all (73%).
- Encourage responsible social behaviour (66%).

The enthusiasm of library customers is evident in the following typical comments:

‘You can park easily. Library is comfortable light and airy. Can reserve books both online and in person. The online reminder and renewal service is handy. Is a quiet place for reading and reflection. I like the diversity of the people who are also using the library. The staff are knowledgeable, wonderful and helpful.’

‘Friendly staff, good sci-fi fiction collection, good internet services, good magazines, altogether a pleasant experience.’

‘I can get books for my 7-year-old who has just started devouring books. I can disappear into fantasy books or DVDs at home and learn more about hobbies I enjoy.’

‘If the library does not have what I want, the friendly staff will look elsewhere and find the book/CD/DVD/information for me. It takes a lot of pressure off.’

‘Saves money as books can be costly. Encourages my children to research, read and learn.’

Library customers estimated that, if their library service was not provided, they would have had to spend, on average, approximately $331 in the past 12 months, if they had to pay for the services from private businesses. Library customers also highlighted they would be willing to pay, on average, $82 per annum to maintain the community’s access to the current library services.

Key issues/insights

Changing technology, special-needs customers, customer expectations, upgrading older library buildings and integration of library staff into other council functions were identified as issues for Darebin Libraries.

- The Library Manager noted there were significant community expectations surrounding new technologies such as WiFi, self-checkout (RFID) and web-based functionality.

- A culturally diverse population, including new migrants and refugee populations, has led to the uptake of niche programs aimed at specific audiences. For example, Finding My Place is a life skills program for at-risk teens, Homework Help is offered to African secondary students with the assistance of the Migrant Resource Centre, and storytime sessions are offered in Somali and Mandarin.

- Physical space was also identified as a key issue in the delivery of successful library services. The Library Manager observed that branch buildings had been refurbished to address the street more positively, and provide more attractive and usable spaces, as well as contemporary shelving. In addition, there were plans to rebuild one of the library branches and to refurbish the exterior of another.

- Other Council staff pointed to the need for library staff to be more closely integrated with other Council functions in order to generate synergies and better communication.
• Economic Development staff described the local economy as focused on manufacturing, retail, education and training (La Trobe University) and healthcare/social assistance. Future growth was predicted for the following sectors: business services, professional services, arts and recreation, sport, education and training, health care and social assistance. The library service was seen as an amenity that made Darebin attractive to new businesses and workers in these sectors. However, libraries had not been promoted or used as venues for economic development initiatives.

Future outlook

New library infrastructure and new technologies were recognised as important factors for future library services in Darebin.

• The Council has immediate plans to upgrade the courtyard and external grounds of the Preston Library with a view to encouraging greater use of the outdoor areas.

• The Reservoir Branch will be rebuilt to provide a modern facility with a better street presence.

• There are plans to improve basic functions of check out and book returns using RFID technology.

Furthermore, opportunities to create a stronger activity hub by integrating library facilities and services with other Council initiatives such as calendar events, workshops, courses and meetings were recognised. In particular, there were opportunities to make greater use of library meeting spaces.

Advocacy for public libraries was recognised as an under-served area in several ways. Advocacy materials suitable for distribution to lay audiences were appreciated. For example, the 2009 booklet Little Book of Libraries put basic information at the fingertips of library and council staff and gave them a handy tool for initiating or following up conversations.

Funding decisions were seen to be strongly influenced by context and underlying assumptions. For example, Darebin Council saw their libraries as an important agent of social inclusion and they looked to Britain and Europe for models of successful initiatives. Without knowledge of library systems in other countries, local decision makers may take a limited view or may look towards inappropriate reference points. Advocacy measures that share wider perspectives are important in setting the context for decision making.

It was recognised that there are untapped funding sources through a variety of grant programs. It was recommended that Council and library staff receive training in locating grants and preparing effective applications.

Darebin Libraries were thought to have been effective in partnering with other organisations, such as Migrant Resource Centres, to offer programs targeted to specific audiences. This was thought to be an effective way of promoting library services in the wider community and building grass-roots support. The Library Manager commented that, ‘our African Homework Help program has been a big story in the local community’.

An important element of advocacy related to measures that raise the visibility of the library within the community. Some suggestions were:

• Library buildings that have strong street presence and high visibility.

• Wider use of library meeting spaces for programs provided by other divisions of Council.

• Vibrant program of calendar events, better integration of the library with other Council events.

It was considered important for library advocacy that library staff maintain active and close relationships with other Council departments in order to counter a tendency towards silos. The Library Manager commented, ‘I always go to things. If I’m invited, I always say yes. It takes time, but you learn what is going on, and they discover what the library can do’.

Dollars, Sense and Public Libraries Technical Report

CASE STUDY RESULTS
There was a view that industry advocacy should focus on recognising that libraries are core services that should be properly funded by local councils.

It was suggested that industry-wide approaches be prepared to approach the State Government for projects such as new technologies, and that the Federal Government be approached to support nation-wide projects such as home library services or homework help which would suit Federal policies on social inclusion.

Some advocacy initiatives have worked better than others, and there is scope for a clearing house that describes pitfalls and gives hints for good practice.

7.1.3 Eastern Regional Libraries Corporation

Context

Eastern Regional Libraries Corporation (ERLC) provides public library services within the municipalities of Knox, Maroondah and Yarra Ranges Shire across 16 service points including 13 static points (branches) and three mobile library services. It also offers a home library service to those unable to reach library branches.

The static branches are located at Boronia, Ferntree Gully, Knox, Rowville, Croydon, Ringwood, Belgrave, Healesville, Lilydale, Mount Evelyn, Mooroolbark, Yarra Junction and Montrose. The Ranges mobile library provides a weekly service to the townships and surrounding communities of Mt Dandenong, Walmsley Village, Kirkbrae Village, Macclesfield, Sassafras, Olinda, Ferry Creek, Upwey Shops, Belgrave Heights and Monbulk. The Valley mobile library travels 400km a week from Warburton, Yarra Glen and Powelltown to Wonga Park and Mt Dandenong on a weekly timetable. The Knox mobile library visits the following on a weekly basis: Bayswater, Upper Ferntree Gully, Knoxfield, Wantirna Mall, The Basin, Scoresby, Salford Park Retirement Village, Glengollan Retirement Village, and Alchester Village.

The home library service is coordinated by library staff that help select the materials and, with the help of volunteers, the materials are delivered on a monthly basis.

ERLC serve a population of 401,752 residents across the three municipalities with a land area of 2,645 sq km. The combined population of all three municipalities is expected to rise gradually over time at a rate of 0.5% p.a. to 440,000 by 2026. As with the rest of Victoria, the population is expected to age considerably too, as the proportion of persons aged 65 and over rises from the current 11% to 23% by 2026.
### Operating snapshot

<table>
<thead>
<tr>
<th>Library service</th>
<th>Eastern Regional Libraries Corporation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Area served</strong></td>
<td>2,645 sq km</td>
</tr>
<tr>
<td><strong>Population served</strong></td>
<td>401,752</td>
</tr>
<tr>
<td><strong>No. of service points</strong></td>
<td>16</td>
</tr>
<tr>
<td><strong>Static service points</strong></td>
<td>13 locations</td>
</tr>
<tr>
<td><strong>Other service points</strong></td>
<td>3 mobile libraries</td>
</tr>
<tr>
<td><strong>Floorspace</strong></td>
<td>8,170 sq m</td>
</tr>
<tr>
<td><strong>Staff</strong></td>
<td>52 full-time 99 part-time 18 casual 171 total</td>
</tr>
<tr>
<td><strong>Annual visitation</strong></td>
<td>2,219,847</td>
</tr>
<tr>
<td><strong>Membership</strong></td>
<td>126,582</td>
</tr>
<tr>
<td><strong>Annual visits to website</strong></td>
<td>683,572</td>
</tr>
<tr>
<td><strong>Public PCs</strong></td>
<td>99 total 73 with internet 92,670 hours booked</td>
</tr>
<tr>
<td><strong>Resources</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Print collection</strong></td>
<td>408,203</td>
</tr>
<tr>
<td><strong>Non-print collection</strong></td>
<td>49,383</td>
</tr>
<tr>
<td><strong>Newspapers and serials</strong></td>
<td>356</td>
</tr>
<tr>
<td><strong>Programs</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Conducted</strong></td>
<td>514</td>
</tr>
<tr>
<td><strong>Participants</strong></td>
<td>35,698</td>
</tr>
<tr>
<td><strong>Conducted</strong></td>
<td>1,762</td>
</tr>
<tr>
<td><strong>Participants</strong></td>
<td>54,350</td>
</tr>
<tr>
<td><strong>Income vs expenditure</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Council contributions</strong></td>
<td>$7,674,000</td>
</tr>
<tr>
<td><strong>Grants</strong></td>
<td>$2,318,000</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>$736,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$10,728,000</td>
</tr>
</tbody>
</table>

**Note:** All data has been sourced from the *Annual Survey of Victorian Public Libraries 2008–09* (Department of Planning and Community Development 2010). While there may be some discrepancies with the surrounding text, this data has been used across all case studies for the sake of consistency.

*Newspapers and serials is the total number of subscriptions excluding copies.*
The role of the library and community benefits

Consultation with key stakeholders from ERLC highlighted the significant role the library service plays within the community. The library service is seen to play the traditional role of lending library materials (books, DVDs, audio books, large print, etc.), reading materials and studying in a quiet place, as well as a more community engaged hub servicing people of all ages. This includes 190 external bookclubs which source their books from the library. There are also nine discussion groups, three cookery groups, a military history club and a travel group. In addition to the regular pre-school programs, there are several other after school clubs for primary school aged children, and two teen bookgroups. All 13 branches offer school holiday programs during vacation time.

Interestingly, it was highlighted that each library branch has a slightly different engagement with the community. For instance, the Knox library branch, due to its sheer size and presence in a shopping centre, receives a mix of visitors. Some are interested in only accessing the internet and others borrow books quickly and leave. Yet others like to spend a more relaxed time at the library. Other library branches, for instance in the Yarra Ranges, are more community based, where a majority of visitors use the library as a relaxation place and spend quality time reading books or magazines and/or meeting other people.

For example, Mount Evelyn Community Library is collocated with a Community Link service provided by the local Neighbourhood House and a cafe run by the Neighbourhood House. This ensures a better use of a community facility while providing multiple opportunities for community interaction. The collocation has also meant the opening hours of the library branch could be increased with an immediate benefit to the local community. The collocation offers a true ‘third place’ in which to relax and congregate.

The library service is continually expanding ways to reach out to the community, for instance, constantly increasing the provisioning of PCs and creating wireless hotspots. The provision of such new facilities has also encouraged people to access information online. The service also runs affiliate programs with private businesses to add value to its members by way of discounts on products.

The library customer survey highlighted the important role the library plays within the region. One library customer identified an array of elements that are highly valued, including the staff and resources available:

‘The ability to borrow books/CD/DVD/jigsaw puzzles on numerous subjects whether fiction/non-fiction … the staff’s knowledge/friendliness to assist with book selection and suggestions for other borrowings … the ability for computer owners to access the library catalogue from home to investigate book availability/renew borrowings, etc…. the ability for non-computer owners to access library computers.’

Library customers of ERLC estimated that, if their library service was not provided, they would have had to spend, on average, approximately $508 over the past 12 months, if they had to pay for the services from private businesses. ERLC library customers also highlighted that they would be willing to pay, on average, $73 per annum to maintain the community’s access to the current library services.

Key issues/insights

Limited funding and the need to embrace new technology were the key issues highlighted during discussions with stakeholders.

It was acknowledged that limited funding made it difficult for the library to operate the requisite type of vehicles for the home library service, the demand for which is expected to grow in the future, particularly from aged care and retirement facilities. The current vehicles are unable to access certain areas, such as caravan park sites and events/festivals, because of their bulky size. A more nimble mobile library service is required. The Knox mobile library is being replaced with a smaller rigid body vehicle that will allow access to many other aged care and retirement facilities. The new vehicle will also provide opportunities
to promote the library service by accessing skate parks, industrial estates and football/sporting grounds.

Councils’ contribution has kept pace with inflation and the available funds are sufficient to cover all costs, including depreciation. However, covering depreciation represents only historical cost and does not support collection growth. Other expenditure areas, such as staff training, marketing and promotion, are limited.

As the library industry embraces new technology, such as PCs with internet and WiFi hot spots, RFID, e-books, etc., efforts need to be continued in:

- educating staff to help them understand and embrace new technology; and
- attracting more people to use such services, and, in doing so, drawing them into the library.

**Future outlook**

While the level of funding (particularly State and Federal funding) will continue to be a major challenge, ERLC will continue to pursue opportunities (including public/private partnerships) that will enhance the library experience for all its customers. All grant opportunities, to enhance both the physical and service environment, will be pursued. ERLC will continue to refurbish branches (funding permitting) to reflect its key role as the ‘third place’ for its communities.

Technology, such as RFID, will be introduced to free staff to expand existing services and introduce additional programs. ERLC will be introducing RFID self-checkout which will free staff time to engage in programs that will provide greater benefits to local communities e.g. reader development, outreach services, etc.

As detailed earlier, Knox will be replacing its current mobile library with a smaller rigid body vehicle that will allow greater access to sites otherwise inaccessible to its current vehicle. The opportunities to replace at least one of the Yarra Ranges vehicles will be explored as part of future Living Libraries (or equivalent) grants. All opportunities to increase outreach services, including increasing the levels of volunteer support, will be explored.

Drawing on the Mount Evelyn success, the Healesville library branch will be collocated with the Shire Community Link office and Swinburne TAFE. This integrated approach will provide a one-stop shop for all community needs. It also helps rationalise under-utilised infrastructure facilities. In this sense, the library provides a wide public interface helping communities strengthen their social focus. By doing so, and combining these resources, the library staff are able to utilise time more productively. This model will continue to be explored when opportunities are presented for future collocation and relocation of library services.

Overall, despite its funding limitations, ERLC is taking a very positive approach to the future. In conjunction with its member Councils, private partnerships, new technologies and possible grant opportunities, ERLC believes it will be able to deliver improved services to its communities.

### 7.1.4 Gannawarra Library Service

**Context**

The Gannawarra Library Service is the smallest public library service in Victoria. It provides public library services within the Gannawarra Shire across four service points including three static points (branches) and one depot library service. It contracts out its mobile library service and offers a home library service to those unable to reach library branches.

The three static branches are located at Kerang, Cohuna and Leitchville, with the depot service located at Quambatook. The mobile library provides a fortnightly service to the township and surrounding community of Lalbert. The home library service is delivered by library staff with the help of volunteers who provide library materials on a monthly, fortnightly or weekly basis, as the need may be.

The Gannawarra Shire is located in the Loddon-Murray region and is primarily supported by agriculture. The Shire is spread over a land area of 3,732 sq km. It is one of the few regions...
## Operating snapshot

<table>
<thead>
<tr>
<th>Library service</th>
<th>Gannawarra Library Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area served</td>
<td>3,732 sq km</td>
</tr>
<tr>
<td>Population served</td>
<td>11,296</td>
</tr>
<tr>
<td>No. of service points</td>
<td>5</td>
</tr>
<tr>
<td>Static service points</td>
<td>4 locations</td>
</tr>
<tr>
<td>Other service points</td>
<td>1 mobile library</td>
</tr>
<tr>
<td>Floorspace</td>
<td>881 sq m</td>
</tr>
<tr>
<td>Staff</td>
<td>3 full-time 4 part-time 3 casual 10 total</td>
</tr>
<tr>
<td>Annual visitation</td>
<td>96,397</td>
</tr>
<tr>
<td>Membership</td>
<td>3,951</td>
</tr>
<tr>
<td>Annual visits to website</td>
<td>7,794</td>
</tr>
<tr>
<td>Public PCs</td>
<td>12 total 12 with internet</td>
</tr>
<tr>
<td>Resources</td>
<td>Annual loans Annual expenditure</td>
</tr>
<tr>
<td>Print collection</td>
<td>44,190 69,468 $57,562</td>
</tr>
<tr>
<td>Non-print collection*</td>
<td>2,668 10,116 $6,962</td>
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<tr>
<td>Newspapers and serials</td>
<td>23 3,177 $3,693</td>
</tr>
<tr>
<td>Programs Conducted (adults) Participants (adults) Conducted (children) Participants (children)</td>
<td></td>
</tr>
<tr>
<td>43 2,067 191 3,017</td>
<td></td>
</tr>
<tr>
<td>Income vs expenditure Income Expenditure</td>
<td></td>
</tr>
<tr>
<td>Council Contributions</td>
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<td>Grants</td>
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<td>Other</td>
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<td>Total</td>
<td>$602,308</td>
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</table>

Note: All data has been sourced from the Annual Survey of Victorian Public Libraries 2008–09 (Department of Planning and Community Development 2010). While there may be some discrepancies with the surrounding text, this data has been used across all case studies for the sake of consistency.

*Newspapers and serials is the total number of subscriptions excluding copies.
in Victoria where population is expected to fall gradually over time at a rate of 0.38% p.a. from 11,300 in 2008 to 10,800 by 2026. The population is expected to age considerably too, as the proportion of persons aged 65 and over rises from the current 20% to 30% by 2026.

The role of the library and community benefits

The library’s role as a community building hub was highly acknowledged by key stakeholders from the Gannawarra Library Service. Stakeholders highlighted that the library service provides a social meeting place for the small community. In this sense, the library is seen to play two roles: the traditional role of a quiet space for reading books and the role of a community engaged hub servicing people of all ages.

Interestingly, it was also noted that library visits had increased by approximately 17% and loans uptake by 10% since the onset of the global financial crisis. Such an outcome was not unexpected in this small community, as few alternate avenues of leisure exist.

Other key contributions libraries make to the community identified by stakeholders include:

- Complementing local education institutions: All three library branches have implemented a pilot program, Libraries Supporting Schools, where a librarian visits a designated school with books, DVDs and other information that tailor to specific topical needs. This is done especially for smaller schools that are unable to provide a bus for their students to visit the library. Additionally, some relatively larger schools participate in similar programs, where students visit the library and learn researching skills using books and the online catalogue.
• Encouraging fledgling talent at art and writing: Each library branch, in combination with Children’s Book Week, promotes books written by children which are officially launched and provided to the public for perusal. Additionally, the library provides several facilities for exhibiting art and craft of local residents, which are also available for purchase.

• Acting as point for community information: Librarians often speak publicly at community events to spread awareness about the role played by public libraries. The thrust is on moving away from the perceived traditional role of a library, i.e. quiet places of reading, to a more conventional community building place. Library branches also run a variety of programs to bind the community together. Some examples include Maternal Child Health group visits, Rural Women’s Day, Seniors Week, etc. where free morning/afternoon tea is provided. The purpose of these programs is not only to promote the library through the community, but to showcase the relaxed atmosphere provided by the library where people can visit and relax. The Kerang branch library also operates as an administration point for Portsea Children’s Camp, which has been a huge success in disseminating information to local children and their parents.

• Supporting self-esteem: The Cohuna branch library runs a Local Library Link Program, which supplements the home library service. This program funds transportation fares for 10 elderly people every fortnight to visit the library and select books of their choice, rather than staying at home and reading books chosen by library staff and brought to them.

The dual role the Gannawarra Library Service plays in providing resources and acting as an important hub for the community was noted by its customers. For example, the library:

‘Provides a safe environment – never a harsh word… I can honestly say the library is the only free, safe, service that has consistently helped me through life.’

‘…is accessible, has friendly, capable staff, a good area for local displays, etc. meeting rooms, toilets, excellent children’s area. It is exactly what the town needed and I am sure we are very proud of it.’

‘The library has always featured in my life over many years. Mostly for recreational reading (sanity), also for research for studies. My five children used the library extensively during their years here. More recently, access to computers for those without is a marvellous service.’

Gannawarra library customers estimated that if their library service was not provided, they would have had to spend, on average, approximately $354 in the past 12 months, if they had to pay for the services from private businesses. Library customers highlighted that they would be willing to pay, on average, $92 per annum to maintain the community’s access to the current library services.

Key issues/insights

The main issues highlighted during discussions were:

• Limited funding.

• Nurturing a spirit of joint and better commitment by all levels of government.

• The need to maintain a personal touch even with rapidly changing and available technologies that enable automatic checkouts, etc.

It was acknowledged that limited funding made it difficult for the library to operate the requisite type of vehicles for the home library service, the demand for which is expected to grow in the future. Moreover, the level of funding made available has not been commensurate with the need for new acquisitions, nor has it kept pace with inflation.

Even though funding levels have been sustained over the past few years, community needs have grown. The library has been able to meet some of these needs through other libraries, using the SWIFT service; however, more resources are required. Additional funding is also needed.
to bolster community engagement activities and undertake other tasks, such as upgrading shelving space and providing more exhibition space.

The stakeholders greatly appreciated Council’s increasing acknowledgement of the value of public libraries in the Shire. It was noted though, that more efforts need to be coordinated to nurture a spirit of joint commitment towards public libraries from all levels of government, including the State and other local governments.

It was also suggested that as libraries embrace new technology, such as automatic checkouts, there is a persistent need to retain the personal touch. One of the foundational elements of libraries being a community hub was the personal interaction that library staff provide, and this should not be compromised.

Future outlook

These discussions highlighted a number of challenges for the library. One of the greatest challenges is to effectively reach out to a community of people who are remote, not only in terms of location, but also in terms of culture, education, and/or technological skills. In order to serve the needs of these people, the library needs to identify key groups in question and then train/re-train their staff and volunteers in approaching and interacting with these groups.

Further, an aging population will only put increasing pressure on the home library service. This means purchasing a library vehicle more suited to serving the needs of a sparsely spread population.

Because of this growing demand, not only for the home library service, there is a need to improve the inter-library loan service. It was highlighted that loans accessed through SWIFT had increased from 160 to 4,000 over the past two years and this is expected to climb further. Consequently, more investment is required in dedicated and tailored courier services to support a more efficient sharing of resources between different library services.

There is a possibility that, over time, economic activity becomes more concentrated in only a few regional town centres across the Shire. Any restructure of the portfolio of library branches would, therefore, need to be planned accordingly with economic and social objectives appropriately balanced.

7.1.5 Geelong Regional Library Corporation

Context

The Geelong Regional Library Corporation (GRLC) provides library services in the Geelong region, comprising the municipal districts: Borough of Queenscliffe, City of Greater Geelong, Golden Plains Shire and Surf Coast Shire. With 76% of the population in the region, the City of Greater Geelong (CGG) is the largest partner in this arrangement.

GRLC provides services through a co-ordinated online network of 13 libraries and three mobile libraries. The City of Greater Geelong, with 11 libraries and one mobile library, has a tiered hierarchy of library service delivery with a central library, sub-regional level libraries followed by smaller branch libraries catering for local neighbourhoods.

The Geelong region has a population of over 260,000, dispersed across 5,512 sq km. The regional population is projected to rise to 380,000 by 2031 and to 500,000 by 2050, indicating a high level of growth. The spread of economic activity across the region is diverse and includes a strong industrial base, significant employment in the manufacturing sector, major retail centre in Geelong, State and Local Government service delivery agencies, broad-acre farming and other agricultural activities, and a significant tourism industry.

The GRLC plan, Reading Revolution, new generation libraries: Library Plan 2008–2013, outlines goals, plans and KPIs. The Annual Survey of Public Library Services in Victoria 2008–09 (Department of Planning and Community Development 2010) shows that
Operating snapshot

<table>
<thead>
<tr>
<th>Library service</th>
<th>Geelong Regional Library Corporation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area served</td>
<td>5,512 sq km</td>
</tr>
<tr>
<td>Population served</td>
<td>257,220</td>
</tr>
<tr>
<td>No. of service points</td>
<td>16</td>
</tr>
<tr>
<td>Static service points</td>
<td>13 locations</td>
</tr>
<tr>
<td>Other service points</td>
<td>3 mobile libraries</td>
</tr>
<tr>
<td>Floorspace</td>
<td>5,846 sq m</td>
</tr>
<tr>
<td>Staff</td>
<td>30 full-time 39 part-time 34 casual 103 total</td>
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<tr>
<td>Annual visitation</td>
<td>1,238,404</td>
</tr>
<tr>
<td>Membership</td>
<td>93,838</td>
</tr>
<tr>
<td>Annual visits to website</td>
<td>216,004</td>
</tr>
<tr>
<td>Public PCs</td>
<td>90 total 61 with internet 83,029 hours booked</td>
</tr>
<tr>
<td>Resources</td>
<td>Annual loans</td>
</tr>
<tr>
<td>Print collection</td>
<td>286,496 1,494,051 $771,252</td>
</tr>
<tr>
<td>Non-print collection</td>
<td>48,270 400,153 $230,880</td>
</tr>
<tr>
<td>Newspapers and serials*</td>
<td>694 133,998 $51,590</td>
</tr>
<tr>
<td>Programs</td>
<td>Conducted (adults) Participants (adults) Conducted (children) Participants (children)</td>
</tr>
<tr>
<td></td>
<td>113 5,176 702 32,170</td>
</tr>
<tr>
<td>Income vs expenditure</td>
<td>Income Expenditure</td>
</tr>
<tr>
<td>Council contributions</td>
<td>$4,476,722 Materials $1,124,802</td>
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<tr>
<td>Grants</td>
<td>$1,568,532 Salaries and on costs $3,396,104</td>
</tr>
<tr>
<td>Other</td>
<td>$381,342 Other $2,637,469</td>
</tr>
<tr>
<td>Total</td>
<td>$6,426,596 Total $7,158,375</td>
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</tbody>
</table>

Note: All data has been sourced from the Annual Survey of Victorian Public Libraries 2008–09 (Department of Planning and Community Development 2010). While there may be some discrepancies with the surrounding text, this data has been used across all case studies for the sake of consistency.

*Newspapers and serials is the total number of subscriptions excluding copies.
GRLC is catching up on all measures and notes that library services are improving, expanding and serving larger numbers. As the Corporation Chair said: ‘Every time we refurbish a library, we double use. That's a measure of unmet demand.’

The Geelong Future Cities Project is an initiative of the City of Greater Geelong which will redevelop a number of cultural facilities, including the Geelong City Library to establish a strong cultural precinct in the city. A new Geelong Library and Heritage Centre will be a core element in this major development.

The GRLC delivers a broad range of programs across its branches. In addition to familiar programs such as: pre-school story time, PC/Internet training, homework clubs, home library and Summer reading programs, GRLC supports a number of additional programs, for example:

- Many Stories..., Many Cultures..., Many Languages... @ your Library: the 12 months of languages.
- Dog Training tips and tricks...the gentle way.
- Web Allsorts (basic internet training).
- Chatterbooks (bookclub for kids).
- Book Chats (book clubs for adults).
- Poetry Idol.
- Open Mind Lecture Series (bimonthly series of lectures).
- Red Cross Mobile Phone Recycling Program.
- Free hearing tests with Hearing Australia.
- Childhood Anxiety Book launch in partnership with Barwon Health.
- True Crime evening in partnership with Geelong Gallery.

The enthusiasm of library customers is evident in the following typical comments made by GRLC library survey participants.

‘A wide variety of books, availability of large print books, helpful and friendly staff who will order books from other libraries.’

‘I cannot rate the Library highly enough. It provides a fantastic service. We especially use and appreciate the online reservation system. As a parent of young children, we regularly use the storyline sessions.’

‘Friendly helpful compassionate staff. Great family friendly atmosphere (no bad looks when my little girl had fun in the kids' corner). It's a fun place to be. Fantastic access and variety. Engaging in early introduction into reading e.g. storyline, kids corner, school holiday programs. These are great and we appreciate the fantastic events’.

Like most case study libraries, GRLC customers:

- Used their library for recreation, study/education and to look things up.
- Thought that the library had offered them many personal benefits, the most widespread being: contributing to enjoyable and meaningful pastimes, pursuing hobbies and interests, aiding pursuit of lifelong learning and finding information.

The role of the library and community benefits

GRLC library customers tended to use the library website more than most other case study libraries; 75% had used the website in the previous 12 months, and had averaged nine uses in the previous month.
'Access to a huge variety of books and DVDs on subjects I am interested in. I can borrow any number of books and don't have the expense of buying them. I can order books and DVDs in from any branch of the Geelong Library and pick them up locally. I am notified by SMS when the books I have requested from other branches are available for pick up at my local branch, which is very convenient.'

'The variety of creative, enjoyable and popular events over the past couple of years has been great, especially bringing popular authors to Geelong; these in themselves encourage reading and exploration of wider reading.'

'In these tough economic times, it provides access to books, DVDs and CDs at minimal or no cost. It provides an excellent study environment and, despite Wikipedia, provides the best source of reference material.'

'It is a community necessity. I direct my students to use the library facilities, especially the internet as many are unable to afford their own internet.'

Library customers estimated that, if their library service was not provided, they would have had to spend, on average, approximately $461 in the past 12 months, if they had to pay for the services from private businesses. Library customers also highlighted that they would be willing to pay, on average, $68 per annum to maintain the community’s access to the current library services.

**Key issues/insights**

In the Geelong region, libraries have lagged behind their peers and they face the challenge of catching up with industry standards, while also expanding to meet the needs of a growing population. This has highlighted the need for well-informed leadership and a strong cooperative relationship between GRLC and member councils. Other challenges relate to the adoption of new practices such as collocation and the implementation of new technologies.

The City of Greater Geelong General Manager for Community Services pointed to the importance of strong ties between GRLC and Council so library services could reach their full potential and contribute to Council plans for the changing community. In her view, strong leadership at GRLC could be a real catalyst for change.

The Chair of GRLC emphasised the value of economic clustering as highly relevant to library operations at several levels. In Geelong town centre, the new Geelong Future Cities Project will incorporate an ambitious flagship library as one of the anchors of the proposed cultural precinct, while at the local level, the region is exploring the possibilities of collocating libraries with a variety of other services, including retail centres, cultural facilities, community services and recreation facilities.

A new community hub in Leopold will include a library along with a pre-school, day and occasional care, maternal and child health care, rooms for health care professionals, a youth centre and meeting rooms with kitchen facilities.

The Chair noted that there is a special challenge in ensuring that decision makers are aware of leading developments in library practice internationally. If decision makers are not aware of new practices, it is hard for them to support initiatives that are outside their experience. To address this need, the Board has toured innovative libraries in Victoria, NSW and Queensland.

In Geelong, there is a policy focus on economic development that encourages creative industries. Libraries are recognised as one of the important elements that attract workers and businesses in the creative industries.

The opportunities provided by new technologies are approached through implementation of WiFi in libraries, RFID-enabled checking of books through local company, FE Industries, and the extension of web-based functionality.

**Future outlook**

The growing population, new technology and the desire to support Geelong as a centre of excellence with the assistance of a network of contemporary libraries, are all significant factors
that will drive how the GRLC contributes to community wellbeing in the future.

With population projected to increase by 100,000 in the next 20 years, there will be an ongoing demand for more infrastructure and enhanced resourcing of libraries. With a wide area to service, City of Greater Geelong has a preference for a network of local libraries that are located close to other local facilities.

With respect to new technology, Geelong is home to FE Industries, a local business that has developed RFID technology to improve inventory control and circulation. GRLC has implemented their system and FE Industries is now selling the system to other libraries in Australia and making headway in New Zealand and Asia. The Chair noted: 'with FE Industries, we have the opportunity to showcase local excellence in a hi-tech industry'.

Other technologies being implemented include: wireless internet access, MP3 format audio books, online access to the catalogue and reservations and an expanding range of online database resources.

Public libraries were seen to need strong supporters who could be effective advocates for the benefits they deliver to healthy and productive communities. The following needs were recognised:

- Strong and close association between library staff and local councils, across several departments, and especially among elected councillors.
- Good current knowledge about developments in library practice world-wide and their relevance to local practice.
- Good understanding of current thinking about the role of cultural institutions in place making.
- Good understanding of current thinking about creative communities.
- Helpful resources suitable for distribution to lay audiences. The 2009 booklet Little Book of Libraries was regarded as useful but limited to portraying a somewhat traditional view of libraries. Additional materials should present the more adventurous and serious initiatives offered by libraries.
- Reliable information that helps to support business cases for investment in library infrastructure, collections and services.
- Strong leadership and a willingness to argue persistently for resources for libraries.

7.1.6 Latrobe City Library Service

Context

The Latrobe City Library Service is managed by Latrobe City Council. It provides public library services across four static points (branches) within the City. It also offers a home library service to members of the community who have difficulty accessing their local library branch. The four branches are located in Churchill, Moe, Morwell and Traralgon. The home library service is delivered with the help of volunteers who provide library materials on a monthly basis.

Latrobe City is a rural area located 135 km east of Melbourne. It is made up of four major urban centres and a number of smaller townships spread over 1,422 sq km. The region has a population of approximately 74,000 that is expected to increase and reach over 77,000 by 2026.

The role of the library and community benefits

Consultation with key stakeholders highlighted that the library branches within Latrobe City are in the midst of transition, moving from providing traditional services to an integrated service model that will include community information services being provided within all library branches.

This form of integrated service delivery is already occurring in Churchill, with the recent development of the Churchill and District Community Hub. The hub provides a single point of access to a number of services including the library and Council Service Centre, Maternal and Child Health Centre, Churchill Pre-school, Pooh Corner Child Care Centre, Churchill
## Operating snapshot

<table>
<thead>
<tr>
<th>Library service</th>
<th>Latrobe City Library Service</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Area served</strong></td>
<td>1,426 sq km</td>
</tr>
<tr>
<td><strong>Population served</strong></td>
<td>73,982</td>
</tr>
<tr>
<td><strong>No. of service points</strong></td>
<td>4</td>
</tr>
<tr>
<td><strong>Static service points</strong></td>
<td>4 locations</td>
</tr>
<tr>
<td><strong>Other service points</strong></td>
<td>Home library service</td>
</tr>
<tr>
<td><strong>Floorspace</strong></td>
<td>2,589 sq m *</td>
</tr>
<tr>
<td><strong>Staff</strong></td>
<td>8 full-time 27 part-time 2 casual 37 total</td>
</tr>
<tr>
<td><strong>Annual visitation</strong></td>
<td>208,852</td>
</tr>
<tr>
<td><strong>Membership</strong></td>
<td>21,596</td>
</tr>
<tr>
<td><strong>Annual visits to website</strong></td>
<td>20,696</td>
</tr>
<tr>
<td><strong>Public PCs</strong></td>
<td>22 total 16 with internet 6,485 hours booked</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Resources</th>
<th>Annual loans</th>
<th>Annual expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Print collection</strong></td>
<td>107,984 299,557 $196,030</td>
<td></td>
</tr>
<tr>
<td><strong>Non-print collection</strong></td>
<td>8,542 64,571 $58,982</td>
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</tr>
<tr>
<td><strong>Newspapers and serials</strong></td>
<td>96 17,845 $17,706</td>
<td></td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Programs</th>
<th>Conducted (adults)</th>
<th>Participants (adults)</th>
<th>Conducted (children)</th>
<th>Participants (children)</th>
</tr>
</thead>
<tbody>
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<td><strong>3</strong></td>
<td><strong>100</strong></td>
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<td></td>
<td><strong>7948</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Income vs Expenditure</th>
<th>Income</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Council contributions</strong></td>
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<td><strong>Materials</strong></td>
</tr>
<tr>
<td><strong>Grants</strong></td>
<td>$458,196</td>
<td><strong>Salaries and on costs</strong></td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>$35,896</td>
<td><strong>Other</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,468,323</td>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

Note: All data has been sourced from the Annual Survey of Victorian Public Libraries 2008–09 (Department of Planning and Community Development 2010). While there may be some discrepancies with the surrounding text, this data has been used across all case studies for the sake of consistency.

*Newspapers and serials is the total number of subscriptions excluding copies.

*The floorspace of the Churchill and District Community Hub is not included in the total.
Neighbourhood Centre and other facilities for the community including a parenting room, community kitchen and meeting rooms for town and district residents.

The benefits of moving towards this type of service model were identified by the stakeholders, as being:

- The creation of a strong community focal point.
- A place to interact with a diversity of activities.
- Ability to enhance operating hours.
- Efficient use of staff resources.
- Contributes to staff development through involvement in a diverse range of Council services.
- Travel time savings by reducing the number of trips required to access a variety of services.

The library customer survey highlighted the important role the library plays in providing resources that are provided at no cost to the community, as well as the library’s enjoyable atmosphere.
‘I very much enjoy the atmosphere and there is a large variety of books available for free. Free internet is a great thing about the library.’

‘It’s the centre of local community; you can network, help the elderly with their selection, and just be there to enjoy the ambience.’

Library customers of the Latrobe City Library Service estimated that if their library service was not provided, they would have had to spend, on average, approximately $417 in the past 12 months, if they had to pay for the services from private businesses. Library customers also highlighted that they would be willing to pay, on average, $56 per annum to maintain the community’s access to the current library services.

**Key issues/insights**

The perception that libraries play a limited role as a quiet space and a place to loan books was identified as a key issue within Latrobe City. Instead, libraries need to be promoted as a community hub for social interaction and accessing a wide range of media.

‘There is a need to encourage a change in mentality to reflect the multifunctional role libraries can play.’

Other issues and needs identified in the delivery of the library service include:

- Having appropriately trained front line staff with good customer service skills and experience backed up by qualified librarians and other support staff.
- Access to ICT infrastructure and other facilities (e.g. physical spaces for storytime) within each library that meet community needs.
- Being able to compete with and complement other services, e.g. cinema.
- Extending opening hours, e.g. opening on Sunday.

**Future outlook**

Latrobe City highlighted that its library service is best positioned to further contribute to community welfare in the future by:

- Working in partnership with a range of government agencies and other organisations, as well as related community service departments within Council to provide a ‘holistic’ service.
- Providing access to ICT through wireless and other platforms for the community to use.
- Providing access to information and resources beyond Latrobe City through inter-library lending and document delivery services.
- Continuing the work associated with the integrated service model where the library provides a more flexible and accessible service for the community.

To support this contribution and ensure success and a vibrant, engaged, prosperous and happy community, the following areas are identified as future priorities: families, school-aged children, fee-for-service reference and research services (business related), ICT and outreach services.

As well as these priority areas, there are other unmet demands within the community that the service could fill, including providing a venue for games, recording studios and tourist information services.

### 7.1.7 Wyndham Libraries

**Context**

Wyndham Libraries provide library services in the Wyndham City Council area. The estimated population for January 2010 is 142,630 people representing a 6.1 per cent annual growth rate. Wyndham has experienced the largest and fastest growth in all Victorian local government areas and is the fourth fastest growing in Australia. Its estimated residential population is set to exceed 245,000 people by 2021.
Operating snapshot

<table>
<thead>
<tr>
<th>Library service</th>
<th>Wyndham Libraries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area served</td>
<td>542 sq km</td>
</tr>
<tr>
<td>Population served</td>
<td>132,793</td>
</tr>
<tr>
<td>No. of service points</td>
<td>3</td>
</tr>
<tr>
<td>Static service points</td>
<td>3 locations</td>
</tr>
<tr>
<td>Other service points</td>
<td>Home library service</td>
</tr>
<tr>
<td>Floorspace</td>
<td>2,103 sq m*</td>
</tr>
<tr>
<td>Staff</td>
<td>17 full-time</td>
</tr>
<tr>
<td></td>
<td>31 part-time</td>
</tr>
<tr>
<td></td>
<td>15 casual</td>
</tr>
<tr>
<td></td>
<td>63 total</td>
</tr>
<tr>
<td>Annual visitation</td>
<td>404,301</td>
</tr>
<tr>
<td>Membership</td>
<td>63,378</td>
</tr>
<tr>
<td>Annual visits to website</td>
<td>170,288</td>
</tr>
<tr>
<td>Public PCs</td>
<td>42 total</td>
</tr>
<tr>
<td></td>
<td>31 with internet</td>
</tr>
<tr>
<td></td>
<td>37,626 hours booked</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Resources</th>
<th>Annual loans</th>
<th>Annual expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Print collection</td>
<td>197,560</td>
<td>$1,204,189</td>
</tr>
<tr>
<td>Non-print collection</td>
<td>13,962</td>
<td>$110,740</td>
</tr>
<tr>
<td>Newspapers and serials*</td>
<td>293</td>
<td>$24,538</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Programs</th>
<th>Conducted (adults)</th>
<th>Participants (adults)</th>
<th>Conducted (children)</th>
<th>Participants (children)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>40</td>
<td>140</td>
<td>390</td>
<td>16,879</td>
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<table>
<thead>
<tr>
<th>Income vs expenditure</th>
<th>Income</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council contributions</td>
<td>$2,788,867</td>
<td>Materials</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,339,467</td>
</tr>
<tr>
<td>Grants</td>
<td>$889,336</td>
<td>Salaries and on costs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,639,146</td>
</tr>
<tr>
<td>Other</td>
<td>$152,400</td>
<td>Other</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$619,089</td>
</tr>
<tr>
<td>Total</td>
<td>$3,814,660</td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$3,597,702</td>
</tr>
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</table>

Note: All data has been sourced from the *Annual Survey of Victorian Public Libraries 2008–09* (Department of Planning and Community Development 2010). While there may be some discrepancies with the surrounding text, this data has been used across all case studies for the sake of consistency.

*Newspapers and serials is the total number of subscriptions excluding copies.

* The new Point Cook Library in the new town centre of Point Cook is not included in this total.
The role of the library and community benefits

Like most case study libraries, Wyndham Libraries customers:

- Used their library for recreation, study/education and to look things up.
- Mainly borrowed books and DVDs/CDs/videos as activities at the library, and were more likely than customers of other library services (on average) to attend a program or event.
- Showed high levels of satisfaction with library staff and the overall library service.
- Thought that the library had offered them many personal benefits in the previous five years, including how the library contributed to enjoyable and meaningful pastimes, helped customers pursue hobbies and interests, aided the pursuit of lifelong learning and finding information.
In terms of benefits for the general community, more than two-thirds of Wyndham Libraries’ customers rated the following benefits as ‘very important’:

- libraries are safe and pleasant places to visit;
- facilitate pursuit of lifelong learning;
- ensure access to the internet for all;
- encourage responsible social behaviour; and
- promoting and encouraging (language and computer) literacy.

The enthusiasm of library customers is evident in the following typical comments made by Wyndham Libraries’ survey participants.

‘A diverse collection of recreational and educational materials in a relatively peaceful environment, excellent for maintenance for a brain overstressed in a work environment.’

‘The children and I enjoy the atmosphere, and attendance encourages my children’s interest in books and reading.’


‘Lovely new building and lots of great books and magazines and, of course, Wii for kids – gives me my time to look for what I want. Wonderful facility.’

‘The facility is excellent. The books and services are great. Also school holidays programmes are excellent.’

‘Very educational for my children. We enjoy storytime and the activity. We borrow books every time we come to storytime.’

Wyndham City Council has a policy to collocate libraries with related services in ‘Community Learning Centres’. The new Point Cook Library is located in a purpose-built building that also includes two kindergarten rooms, maternal and child health service, community learning programs, recreation programs, consulting services and play groups. This integrated service model is intended to increase effectiveness by encouraging synergies between the various uses. For example, the maternal and child welfare nurses run fortnightly sessions in the library, and youth workers from the youth resource centre run internet sessions at the library.

Libraries are recognised as an important community facility that helps to build sustainable and healthy communities. They are seen to offer essential access to information resources and the internet for low-income residents, and to support literacy and creative endeavours. The Director of Sustainable Development noted: ‘there are not many bookshops in Wyndham and we’re lagging with respect to arts and culture. Libraries can help fill the gap. Businesses are attracted to opening near a library.’

Wyndham places high importance on community learning which is demonstrated through:

- The early establishment of libraries in new towns/suburbs.
- The implementation of www.wynlearn.net.au, an online resource that provides information about learning events and programs in the local area.

Library customers estimated that if their library service was not provided, they would have had to spend, on average, approximately $389 in the past 12 months, if they had to pay for the services from private businesses. Library customers also highlighted that they would be willing to pay, on average, $73 per annum to maintain the community’s access to the current library services.

Key issues/insights

Population growth, collocation, sustainable communities, community learning and staff shortages were identified as issues for Wyndham Libraries.

The most pressing issue for Wyndham Libraries was the challenge to meet the demands of rapid population growth. In addition to maintaining and upgrading current library facilities, Wyndham City Council had to find the resources to plan,
build and operate new libraries at a pace to keep up with the rapid growth. The Library Manager commented: ‘can we build them fast enough? Do we have the energy and resources to plan for growth?’

Libraries were identified as important early facilities in new towns/suburbs which meant that they had to be funded before the rates-base was fully developed.

Wyndham City Council is a member of the National Growth Areas Alliance comprising 25 Councils across Australia, and of the Interface Councils Group, representing eight Councils around Melbourne. Through these groups, the Council advocates to Federal and State Governments for the special needs of rapid-growth areas.

The Library Manager pointed to the challenge of finding skilled staff for expanding services. She also noted that this is an industry-wide problem that is partly due to an aging workforce.

**Future outlook**

Wyndham expected to face the challenge of opening new libraries at a regular rate over the next 20 years in line with projected population growth. There were two main challenges: funding the new developments and resourcing the planning and development process, with current staffing levels.

Wyndham Libraries expected to continue to expand their use of technology. RFID-enabled check-in and check-out will free library staff for higher-order queries. Web-based services will allow greater offsite access to the catalogue and reservations as well as downloads (e-books, audio books, music and resources). It will also leverage opportunities to link to online resources such as www.insideadog.com.au, a website for young people.

The library expected to meet increasing demands for home library services with the aging population.

The libraries could cater more effectively for youth and young adults by providing a ‘third place’ that targets their needs and interests.

From an advocacy perspective at the Federal level, the National Growth Areas Alliance would benefit from the outcomes of this study given their lobbyist position, i.e. population increases are placing significant financial strain on growth area councils and residents are disproportionately disadvantaged. Federal Government, therefore, has a role in funding growth area infrastructure and services.

At the local level, the Library Manager expected the current project would provide evidence that would support the annual budget application process in Council, and would support Council applications for Federal grants.

**7.2 Library programs**

**7.2.1 Pre-school storytime**

**Objectives**

Pre-school storytime is aimed at 3–5 year olds. The program includes interactive storytelling, finger/rhyme games and song. The program is set to achieve multiple objectives:

- to promote learning and reading as a habit at a relatively young age;
- to promote literacy by making a visit to the library a positive experience for young children and adults; and
- to encourage positive interaction between families.

**Delivery patterns/usage**

Pre-school storytime is delivered across most Victorian public library services. All case study library services run at least one session at each of their library branches each week; often branches run multiple sessions each week. Pre-school storytime sessions usually run from anywhere between 30 minutes and an hour.

Usage patterns vary across library services, often reflecting their rate of population growth and the attractiveness of certain locations to young families. Eastern Regional had 35,225
participants in 2008–09, followed by Geelong (25,930), Darebin (16,296), Casey-Cardinia (15,388), Wyndham (11,286), Latrobe City (7,500), and Gannawarra (2,900).

Community benefits

A broad range of benefits from the program have been identified, as follows:

- Improves literacy of participants (children aged 3–5).
- Enables interaction between children.
- Teaches parents how to interact with their children.
- Promotes social linkages between parents (or carers).
- Exposes resources that the library has to offer to participants, often increasing circulation figures immediately preceding storytime.
- Enables children from CALD backgrounds to get acquainted with the English language at a relatively young age.
- Exposes library staff to new activities.

Delivery costs

The cost of delivering the program includes staff time (presentation and preparation time), materials and equipment. Most library services highlighted that there is no separate budget to deliver the program, as it is considered as part of the day-to-day workings of the library.

While a number of case study libraries attempted to cost pre-school storytime specifically, the range of costings received highlighted numerous costing techniques at play.

7.2.2 PC/internet training

Objectives

The objective of PC/internet training depends on what is being delivered but the broad premise is to provide participants with skills in the use of PCs and the internet at either the beginner or advanced level.

Delivery patterns/usage

The delivery of PC/internet training is different across the library services studied, ranging from pre-prepared formal training targeted at learning specific skills, to basic one-on-one training to library customers on request.

Casey-Cardinia Library Corporation offers basic classes for those new to the internet (L-web) and sharing and interacting on the web (Web 2.0). It also offers more specific programs such as Search (covering use and types of search engines), eBay and Australian family history online resources. The frequency of the program can vary and is dependent on demand, but sessions are usually held two to three times over a given month, mainly from February to November. In 2008–09, 264 people from Casey-Cardinia participated in PC/internet training.

Darebin Libraries provides internet training on a one-to-one basis as requested by customers. Each session is completed in one hour and customers are provided with a basic introduction to the internet and email services. Session times are negotiated between the staff member and the customer. About 115 sessions are scheduled each year.

Eastern Regional Libraries Corporation provides regular formal training to its customers. Separate sessions are run for basic training to send and receive email and for accessing the internet. Five sessions for email training and three sessions for internet training are delivered each month across all library branches.

Geelong Regional Library Corporation offers the Web Allsorts program on a monthly basis at three branches. This is focused on internet basics, with the sessions responsive to individual need. There were approximately 300 participants in 2008–09.

Latrobe City Library Service delivers internet courses focused on specific databases or aspects of the internet, e.g. using the internet to research family history. These courses are usually run twice a year with an average of 10 participants per session. Basic support to
customers using the internet and PCs is provided at all times by library staff.

Wyndham Libraries offers one-on-one PC/internet training to library customers on request. These sessions can range from basic PC skills, including email and online searching, to specific requests like attaching photos or using library resources such as the library catalogue.

While Gannawarra Library Service does not deliver any formal training directly, assistance to library customers is provided by library staff upon request.

Community benefits

The identified benefits of the program include:

- Contributes to computer literacy.
- Promotes ongoing self-learning by enabling the participant to come back and use the same computer in a familiar setting.
- Improves communication skills and interconnectedness of the community.
- Social benefits from participation in group organised sessions.
- Provides the required skills to access information.
- Enables a more efficient use of time.
- Enhances the teaching skills of library staff.

Delivery costs

For most library services, the costs of delivering the program were part of the day-to-day workings of the library, including utilisation of existing computer units located in library branches and staff time.

7.2.3 Homework clubs

Objectives

The objectives of homework clubs vary across the library services depending on how the program is delivered and the type of participants targeted. The homework clubs delivered by Eastern Regional Libraries Corporation are aimed at assisting students from migrant families and indigenous communities with their educational needs.

Similarly, Darebin Libraries has a strong focus on African students, with volunteer tutors assisting with their homework and study needs. This complements the Your Tutor service offered to members more generally. This program is aimed at children in grade 4 through 12 and obtains online help from vetted tutors coordinated through a commercial provider. Many other Victorian public libraries subscribe to this service. Subjects covered include maths, science, English, research and study skills.

Wyndham Libraries offer a Secondary Maths Learning Club in partnership with The Smith Family. Run by volunteers, the program aims to provide students assistance with their maths homework in sessions held once a week during school term. On average, each session has about 12 to 15 students. Students need to register with the Coordinator to join the club and this involves them and their parents signing a contract. Administration of the Secondary Maths Learning Club is handled by The Smith Family with the Wyndham Library Service providing the venue and the marketing.

Both Casey-Cardinia Library Corporation and Latrobe City Library Service do not offer a formal homework club program but do provide access to the Your Tutor online service.

The Smith Family run a program – Learning for Life – from the Geelong Regional Library Corporations’ Corio branch on a weekly basis for a couple of hours during school terms. The Smith Family use existing library IT infrastructure and collections to deliver the program, i.e. via their two specialist staff.

Delivery patterns/usage

The homework clubs delivered by Eastern Regional Libraries Corporation, Wyndham and Darebin Libraries are delivered weekly.
The Your Tutor computer program is accessible to library customers at library branches and via the library website between 4pm and 8pm from Monday to Friday. Casey-Cardinia Library Corporation highlighted that the number of participants varies according to the school year but ranges from 80 to 120 sessions per month. In 2008–09, there were a total of 1,510 participants.

Community benefits

The benefits of the program are:

- Local, safe place for expert assistance with homework.
- Financial savings from not having to pay for a tutor.
- Reduced pressure on parents by knowing there is additional educational support for their children.

In addition, the homework club programs delivered within library branches, for example the program delivered by Eastern Regional Libraries Corporation, exposes people to the information available at the library, and therefore, helps increase the library user base.

Delivery costs

The homework program delivered by Eastern Regional Libraries Corporation is staffed by volunteers and run at library branches in separate dedicated rooms. The program is delivered at no additional cost to general day-to-day expenses of the library.

In Darebin, the cost of specialist staff and associated collateral accumulates to an estimated $3,000 p.a.

In Wyndham, the Library provides the venue free of charge and the marketing material is provided by Council. The Smith Family covers the cost of administration and refreshments.

The cost in delivering the Your Tutor online service is scaled based on the number of users.

7.2.4 Home library service

Objectives

The home library service provides free delivery of library materials to people unable to reach library branches. Older age, illness or incapacity is the usual, but not the only, reason for use of the service. The objective of the program is to ensure that isolated or housebound members of the community have access to public library services.

Delivery patterns/usage

The home library service is coordinated by library staff and is primarily delivered by volunteers. The service is heavily used across all case study libraries.

In 2009, Eastern Regional Libraries Corporation staff coordinated volunteers and selected materials. Volunteers gave 2,848 hours of their time to visit 163 housebound customers and 25 housebound organisations, including nursing homes and hospitals. There were a total of 1,956 visits to housebound individuals and 79 visits to housebound organisations.

Gannawarra Library Service provides a home library service to nursing homes, hospitals, retirement villages, people’s homes and even schools, where the school does not have enough financial resources to organise a trip to the library. Frequency of such visits varies according to need: senior citizens and hospitals are visited once every month, retirement villages and nursing homes are visited fortnightly, individuals at their respective homes are serviced as required, and delivery to schools is made during school-terms.

In 2009, seven volunteers gave 20 hours of their time to visit 13 housebound customers and seven housebound organisations including nursing homes and hospitals. There were a total of 89 visits to housebound individuals and 79 visits to housebound organisations.

Wyndham Libraries provide a monthly home library service to 36 people (at home or in a care facility) who are mostly elderly with frail and disability conditions. The main collections used are large print, DVDs and biographies. The
service is delivered by a library technician with the support of a small team of volunteers who deliver the materials to some of the recipients. Recent growth in demand has resulted in expanded recruitment of volunteers. The service currently requires 25% of a library technician's time.

In 2009, Casey-Cardinia Library Corporation saw over 64 volunteers give 406 hours of their time to visit 70 housebound customers and eight nursing homes. There were a total of 426 visits, an increase from 374 the previous year. The visit hours have also increased significantly from the previous year's 330 hours. There were 21 new housebound residents over the past 12 months and 14 new volunteers registered to give their time, clearly indicating the need for the service and the desire for people to help others.

The home library service in Latrobe City is known as an 'outreach service' that either brings customers from their homes into the library using volunteers and the council bus, delivering material to customers homes or setting material aside for customers to collect. Housebound pickups and drop offs are undertaken once a fortnight or as required by the needs of the customer. Material (primarily talking books and large print) are set aside once a week for customers at each library on shelving at the front counter.

In Darebin, 50 participants use the home library service across six nursing homes and one retirement village. Moreover, some of the participating facilities take deliveries for the general population housed or cared for. The service has a delivery cycle of eight times each year (or every six weeks).

The Geelong Regional Library Corporation together with DoCare Geelong, a local not-for-profit community-based organisation, provides a regular home library service. The service is set-up so a DoCare volunteer will visit and discuss the service and arrange delivery times with recipients on a case-by-case basis dependent on need.

Community benefits

A broad range of benefits from the program have been identified including:

- Direct benefit to customers who otherwise could not access library materials, resulting in on-going lifelong learning.
- Social interaction between volunteers and customers.
- Benefit to volunteers who obtain the feeling of giving back to the community.

Delivery costs

Costs in delivering this service relate to staff and volunteer time and transport costs. Many of the library services provide a fuel voucher or reimbursement to compensate volunteers for transportation costs. The cost of library materials is covered within the main acquisitions budget.

Both Eastern Regional Libraries Corporation and Gannawarra Library Service reimburse volunteers for transportation costs. Eastern Regional provides a reimbursement of $7 to compensate volunteers for time and transportation costs. This is based in the premise that the service delivers to residents and locations within a 3–5 km radius of the library branch in question.

Wyndham Libraries calculate the cost as $16,064 per annum which includes staff time and on costs. Volunteers pay their own expenses.

Casey-Cardinia Library Corporation estimates the cost in delivering this program as $19,500 per annum. This includes staff time and associated costs. The service is coordinated by a Band 4 staff member who has seven hours per week allocated for the service. A cost of $25,000 per annum is similarly estimated in Darebin.

The Geelong Regional home library service is delivered free of charge by volunteers from DoCare.
7.2.5 Summer Reading Club

Objectives

The Summer Reading Club is held annually and extends across the whole summer school holidays (December to late January). The objective of the program is to promote reading and reading-related activities to children aged between 5 and 16 years via their local libraries and a dedicated website administered by Australian Library and Information Association (ALIA). It encourages use of the library outside school hours/demands. Certificates are presented to every child reading 10 or more books. A final event includes a draw for prizes.

Delivery patterns/usage

Both Eastern Regional Libraries Corporation and Casey-Cardinia Library Corporation have a high number of participants in the Summer Reading Club. Eastern Regional has approximately 150–200 children participate every year.

In 2008–09, 319 children joined the Summer Reading Club in Casey-Cardinia. Across all of the library branches, children participating read 7,970 books.

At Darebin Libraries, usage rates are also high. During the 2008–09 Summer Reading Club, Darebin Libraries received 723 registrations with a total of 5,980 books read.

In Wyndham, 255 children registered for the Reading Challenge in 2008 and in previous years there have been between 150 and 250 children participating. This will increase in 2009–10 with the opening of Point Cook. At the beginning of January 2010, there were already approximately 550 children registered to participate.

Just over 200 children register for the annual program offered in the Geelong region.

Community benefits

The benefits of the program are:

- Promotes social interaction at the library.
- Encourages both parents and children to use the library more frequently.
- Encourages the use of libraries by non-users.
- Increases the usage of the library’s collection.

Delivery costs

Most libraries highlighted that the costs of the program (library materials and staff time) are covered through the normal acquisitions budget. Casey-Cardinia Library Corporation estimated the cost of delivering the program is $2,600 per annum. Darebin’s cost estimate was higher at $5,600 per annum.

7.3 Cost benefit assessment results

Figure 39 highlights some of the key parameters generated by the library customer surveys, and the Victorian household survey for the non-user willingness to pay data, used to value library benefits at specific case study locations. Taken together, the chosen case study libraries contribute anywhere between $80.7 million and $269 million towards community welfare, depending on the benefit valuation method adopted (Figure 40). This compares to the $37 million expended to sustain the library services annually.

Total benefits outweigh costs for all case study libraries, regardless of the valuation technique adopted. The benefit cost ratio estimated is above one in all cases (Figure 41). The benefit cost ratio is highest for Latrobe City and lowest for Gannawarra, in most cases. In part, Latrobe City’s high BCR is reflective of no capital and depreciation costs incurred by the library service during 2009.

The calculated benefits are higher when measured using either the financial savings or the travel cost method, as compared to the contingency valuation method. This reflects low stated willingness to pay on the part of customers, potentially reflecting their limited capacity to pay and/or the value they place on their time.
The per customer and per capita costs and benefits for case study libraries are reported separately in Figure 42 and 43 respectively.

From a customer perspective, benefits, on average, are highest for Eastern Regional Libraries Corporation, Gannawarra Library Service and Geelong Regional Corporation. On the other hand, from a resident perspective, benefits are highest for Wyndham City Library and Darebin Libraries. The difference in per customer and per capita benefits is reflected by differences in the customer to population ratio served by each library service.

Interestingly, the estimates of user willingness to pay gathered ($118 to $625 p.a.) are higher than that recorded in earlier Australian studies.

For instance, Liddle’s (2008) study valuing NSW public libraries carries an estimate of $61.10 for customer willingness to pay. Moreover, non-users of public libraries in Victoria also seem prepared to pay much higher ($55 p.a.) compared to their counterparts in NSW ($20.30 p.a.).

Figure 39: Willingness to pay, case study libraries

<table>
<thead>
<tr>
<th></th>
<th>Financial savings</th>
<th>Travel cost method</th>
<th>Contingency valuation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Annual financial savings to customers ($)</td>
<td>Avg. time spent at the library (mins)</td>
<td>Avg. distance travelled to the library (kms)</td>
</tr>
<tr>
<td>Casey–Cardinia Library Corporation</td>
<td>$402</td>
<td>45</td>
<td>14.5</td>
</tr>
<tr>
<td>Darebin Libraries</td>
<td>$331</td>
<td>53</td>
<td>13.0</td>
</tr>
<tr>
<td>Eastern Regional Libraries Corporation</td>
<td>$509</td>
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<td>Gannawarra Library Service</td>
<td>$354</td>
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<td>12.6</td>
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<td>$418</td>
<td>43</td>
<td>12.1</td>
</tr>
<tr>
<td>Wyndham Libraries</td>
<td>$389</td>
<td>61</td>
<td>7.0</td>
</tr>
</tbody>
</table>

4 When using the travel cost method to calculate the direct use benefits to library users, appropriate adjustments were made to reflect library users taking multi-use trips, combining a visit to the library with other activities. The opportunity cost of user’s leisure time was valued at $11.31, based on ‘default values’ issued by the Department of Transport.
Figure 40: Annual costs and benefits, case study libraries (2009 $million)

<table>
<thead>
<tr>
<th>Library Corporation</th>
<th>Cost</th>
<th>Financial savings</th>
<th>Travel cost method</th>
<th>Contingency valuation</th>
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<tbody>
<tr>
<td>Casey-Cardinia Library Corporation</td>
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<td>$55.4</td>
<td>$31.1</td>
<td>$172</td>
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<tr>
<td>Darebin Libraries</td>
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<td>$30.5</td>
<td>$23.2</td>
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<tr>
<td>Eastern Regional Libraries Corporation</td>
<td>$11.1</td>
<td>$81.5</td>
<td>$44.2</td>
<td>$24.7</td>
</tr>
<tr>
<td>Gannawarra Library Service</td>
<td>$0.5</td>
<td>$1.8</td>
<td>$1.7</td>
<td>$0.8</td>
</tr>
<tr>
<td>Geelong Regional Library Corporation</td>
<td>$7.2</td>
<td>$53.4</td>
<td>$28.5</td>
<td>$15.4</td>
</tr>
<tr>
<td>Latrobe City Library Service</td>
<td>$1.5</td>
<td>$15.7</td>
<td>$5.8</td>
<td>$4.1</td>
</tr>
<tr>
<td>Wyndham Libraries</td>
<td>$3.6</td>
<td>$30.9</td>
<td>$10.5</td>
<td>$8.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$37.0</strong></td>
<td><strong>$269.2</strong></td>
<td><strong>$144.9</strong></td>
<td><strong>$80.7</strong></td>
</tr>
</tbody>
</table>

Note: Benefits include both customer and non-user benefits.

Figure 41: Benefit cost ratios, case study libraries

Note: Benefits include both user and non-user benefits.
Figure 42: Costs and benefits per customer, case study libraries (2009$)

Note: Benefits include both user and non-user benefits.

Figure 43: Costs and benefits per capita, case study libraries (2009$)

Note: Benefits include both user and non-user benefits.
7.4 Economic impact assessment results

Different economic multipliers were generated by SGS’s econometric model simulation for each of the geographic areas the case study library services respectively serve.

Moreover, each of these sets of multipliers has been applied to different forms of economic stimuli associated with public library operation, as follows:

- Library recurrent expenditure including material purchases, staff salaries and other administration and operational costs (~Libraries, Museums and the Arts multipliers).
- Library capital works expenditure, assuming depreciation expenditure is progressively spent to renew the library’s physical asset base (~Construction, excluding residential building construction, multipliers).
- Library customer expenditure triggered by their use of public libraries (average of Publishing, recorded media and publishing, Photographic and scientific equipment, Electronic equipment and Household appliance multipliers).

These multipliers are reported in Figure 44.

To interpret these multipliers, Casey-Cardinia Library Corporation is used for explanatory purposes.

For every $1.00 of library purchases (exc. capital works) made by the Casey-Cardinia Library Service, an additional $0.27 is generated as income for enterprises in the Casey-Cardinia economy, leading to a total income effect of $1.27.

Casey-Cardinia-based enterprises contribute about $0.11 of value added (i.e. product) for every $1.00 spent in the local economy by the library service (exc. capital works). The remainder of value ($0.89) is generated by supplying enterprises outside of Casey-Cardinia, i.e. imported goods and services. Nonetheless, for each of this $0.11 of local value added associated by the initial $1.00 spend by the library, local buyers and suppliers contribute a further $0.05 of value added in subsequent rounds of transactions, totalling to $0.16.

For every $1 million of library purchases (exc. capital works) made by Casey-Cardinia Library Corporation, 8.03 jobs are supported in the local economy. After subsequent rounds of transactions are accounted for, i.e. through local buyer and supplier links, this initial $1 million in library spending supports a total of 9.25 local jobs.

Taken together, the annual purchasing and capital works expenditure of the case study libraries (i.e. their own expenditure) generates the following in their host local economies each year:

- $30.2 million in income.
- $4.4 million in value-added.
- 340 jobs.

Figure 45 highlights how these contributions are different among the case study library group.

In addition, the expenditure of library customers triggered by library use generates:

- $98.4 million in income.
- $5.9 million in value-added.
- 445 jobs in their host economies (Figure 46)

These own and customer triggered expenditures can be added together to estimate the total level of economic activity generated by the case study libraries, i.e.:

- $128.6 million in income.
- $15.4 million in value-added.
- 785 jobs in their host economies (Figure 47).

7.5 Synopsis

The case study library services reiterated much of what has already been established by Libraries Building Communities. They also show how different library services contribute differently to their respective communities, reflecting the importance of context. Without recounting blow-by-blow the findings of each case study, the table overleaf highlights:

- Some standout messages attributable to each case study.
Figure 44: Economic multipliers adopted

<table>
<thead>
<tr>
<th>Effect of library purchases (exc. Capital works)</th>
<th>Income</th>
<th>Value-added</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Direct</td>
<td>Total</td>
<td>Direct</td>
</tr>
<tr>
<td>Casey-Cardinia Library Corporation</td>
<td>1.00</td>
<td>1.27</td>
<td>0.11</td>
</tr>
<tr>
<td>Darebin Libraries</td>
<td>1.00</td>
<td>1.48</td>
<td>0.14</td>
</tr>
<tr>
<td>Eastern Regional Libraries Corporation</td>
<td>1.00</td>
<td>1.43</td>
<td>0.13</td>
</tr>
<tr>
<td>Gannawarra Library Service</td>
<td>1.00</td>
<td>1.20</td>
<td>0.07</td>
</tr>
<tr>
<td>Geelong Regional Library Corporation</td>
<td>1.00</td>
<td>1.56</td>
<td>0.13</td>
</tr>
<tr>
<td>Latrobe City Library Service</td>
<td>1.00</td>
<td>1.39</td>
<td>0.07</td>
</tr>
<tr>
<td>Wyndham Libraries</td>
<td>1.00</td>
<td>1.38</td>
<td>0.12</td>
</tr>
</tbody>
</table>

| Effect of library capital works                | Income | Value-added | Employment |
|                                               | Direct | Total       | Direct     | Total    | Direct | Total |
| Casey-Cardinia Library Corporation             | 1.00   | 1.87        | 0.13       | 0.28     | 2.06   | 6.29  |
| Darebin Libraries                              | 1.00   | 2.14        | 0.17       | 0.42     | 2.06   | 7.75  |
| Eastern Regional Libraries Corporation         | 1.00   | 2.16        | 0.16       | 0.39     | 2.06   | 7.81  |
| Gannawarra Library Service                    | 1.00   | 1.70        | 0.11       | 0.20     | 2.06   | 5.63  |
| Geelong Regional Library Corporation           | 1.00   | 2.35        | 0.16       | 0.42     | 2.06   | 8.67  |
| Latrobe City Library Service                   | 1.00   | 1.88        | 0.10       | 0.22     | 2.06   | 6.24  |
| Wyndham Libraries                              | 1.00   | 2.08        | 0.14       | 0.34     | 2.06   | 7.26  |

| Effect of triggered purchases by customers     | Income | Value-added | Employment |
|                                               | Direct | Total       | Direct     | Total    | Direct | Total |
| Casey-Cardinia Library Corporation             | 1.00   | 1.27        | 0.07       | 0.11     | 4.60   | 5.72  |
| Darebin Libraries                              | 1.00   | 1.47        | 0.10       | 0.19     | 4.60   | 6.66  |
| Eastern Regional Libraries Corporation         | 1.00   | 1.43        | 0.09       | 0.17     | 4.60   | 6.45  |
| Gannawarra Library Service                    | 1.00   | 1.15        | 0.05       | 0.07     | 4.60   | 5.28  |
| Geelong Regional Library Corporation           | 1.00   | 1.54        | 0.10       | 0.20     | 4.60   | 7.01  |
| Latrobe City Library Service                   | 1.00   | 1.34        | 0.05       | 0.09     | 4.60   | 6.11  |
| Wyndham Libraries                              | 1.00   | 1.38        | 0.08       | 0.15     | 4.60   | 6.16  |
### Figure 45: Total economic impact of own expenditure, case study libraries (2009$)

<table>
<thead>
<tr>
<th>Impact on regional economy</th>
<th>Income ($ million)</th>
<th>Value-added ($ million)</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Direct</td>
<td>Total</td>
<td>Direct</td>
</tr>
<tr>
<td>Casey-Cardinia Library Corporation</td>
<td>$5.14</td>
<td>$6.76</td>
<td>$0.56</td>
</tr>
<tr>
<td>Darebin Libraries</td>
<td>$1.68</td>
<td>$2.48</td>
<td>$0.24</td>
</tr>
<tr>
<td>Eastern Regional Libraries Corporation</td>
<td>$6.38</td>
<td>$9.14</td>
<td>$0.85</td>
</tr>
<tr>
<td>Gannawarra Library Service</td>
<td>$0.38</td>
<td>$0.46</td>
<td>$0.03</td>
</tr>
<tr>
<td>Geelong Regional Library Corporation</td>
<td>$4.33</td>
<td>$7.37</td>
<td>$0.59</td>
</tr>
<tr>
<td>Latrobe City Library Service</td>
<td>$1.14</td>
<td>$1.58</td>
<td>$0.08</td>
</tr>
<tr>
<td>Wyndham Libraries</td>
<td>$1.72</td>
<td>$2.39</td>
<td>$0.21</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$20.77</strong></td>
<td><strong>$30.19</strong></td>
<td><strong>$2.56</strong></td>
</tr>
</tbody>
</table>

### Figure 46: Total economic impact of customer triggered expenditure, case study libraries (2009$)

<table>
<thead>
<tr>
<th>Impact on regional economy</th>
<th>Income ($ million)</th>
<th>Value-added ($ million)</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Direct</td>
<td>Total</td>
<td>Direct</td>
</tr>
<tr>
<td>Casey-Cardinia Library Corporation</td>
<td>$10.41</td>
<td>$13.21</td>
<td>$0.72</td>
</tr>
<tr>
<td>Darebin Libraries</td>
<td>$7.39</td>
<td>$10.88</td>
<td>$0.73</td>
</tr>
<tr>
<td>Eastern Regional Libraries Corporation</td>
<td>$25.22</td>
<td>$36.08</td>
<td>$2.33</td>
</tr>
<tr>
<td>Gannawarra Library Service</td>
<td>$0.13</td>
<td>$0.15</td>
<td>$0.01</td>
</tr>
<tr>
<td>Geelong Regional Library Corporation</td>
<td>$12.58</td>
<td>$19.38</td>
<td>$1.22</td>
</tr>
<tr>
<td>Latrobe City Library Service</td>
<td>$5.98</td>
<td>$7.99</td>
<td>$0.29</td>
</tr>
<tr>
<td>Wyndham Libraries</td>
<td>$7.78</td>
<td>$10.72</td>
<td>$0.63</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$69.49</strong></td>
<td><strong>$98.41</strong></td>
<td><strong>$5.92</strong></td>
</tr>
</tbody>
</table>

### Figure 47: Total economic impact of public libraries, case study libraries (2009$)

<table>
<thead>
<tr>
<th>Impact on regional economy</th>
<th>Income ($ million)</th>
<th>Value-added ($ million)</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Direct</td>
<td>Total</td>
<td>Direct</td>
</tr>
<tr>
<td>Casey-Cardinia Library Corporation</td>
<td>$15.55</td>
<td>$19.97</td>
<td>$1.28</td>
</tr>
<tr>
<td>Darebin Libraries</td>
<td>$9.07</td>
<td>$13.36</td>
<td>$0.97</td>
</tr>
<tr>
<td>Eastern Regional Libraries Corporation</td>
<td>$31.60</td>
<td>$45.22</td>
<td>$3.18</td>
</tr>
<tr>
<td>Gannawarra Library Service</td>
<td>$0.52</td>
<td>$0.61</td>
<td>$0.04</td>
</tr>
<tr>
<td>Geelong Regional Library Corporation</td>
<td>$16.91</td>
<td>$26.75</td>
<td>$1.81</td>
</tr>
<tr>
<td>Latrobe City Library Service</td>
<td>$7.12</td>
<td>$9.58</td>
<td>$0.37</td>
</tr>
<tr>
<td>Wyndham Libraries</td>
<td>$9.51</td>
<td>$13.11</td>
<td>$0.83</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$90.26</strong></td>
<td><strong>$128.60</strong></td>
<td><strong>$8.48</strong></td>
</tr>
</tbody>
</table>
• How the estimated value of benefits compares with library service delivery costs (via the benefit cost ratio (BCR)) under each of the three benefit estimation methods utilised.
• The total amount of local economic income, value added and employment that is attributable to library services in their respective catchments.

7.5.1 Common issues
Some of the common issues highlighted by the case study libraries include:
• the insufficiency of funding to cope with growing and diverse communities, coupled with rising community service expectations;
• the increasing demand for home library services, as the population ages;
• the need to keep abreast of changing technologies and to train staff to be actively engaged with these technologies;
• ability to attract and retain qualified staff.

7.5.2 Future advocacy efforts
From a future advocacy perspective, the case study interviews suggest significant value in:
• Library staff training in assessing and writing grant applications.
• Ensuring that advocacy materials are written in lay terms but are backed by the rigour that is expected in formal business cases.
• Establishing a ‘clearing house’ for best advocacy practice, recognising that some advocacy efforts generate better results than others, and all library services should benefit from past experience.
• Ensuring funding and operating decisions are informed by international best practice and contemporary thinking, disconnecting future debate from the inertia of the past.
• Maximising the visibility of libraries through highly accessible locations, distinctive building structures and collocation of libraries with other community services, i.e. in a community hub or as a one-stop community service location.

“\textit{It gives you information about everything – I mean everything!}”
(survey respondent)
## Figure B: Case study synopsis

<table>
<thead>
<tr>
<th>Standout message</th>
<th>Annual cost ($ million)</th>
<th>Annual benefit ($ million)</th>
<th>Annual economic activity supported in local economy</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Casey-Cardinia Library Corporation</strong></td>
<td>$8.2</td>
<td>$55.4</td>
<td>$31.1</td>
<td><strong>Income ($ million)</strong>: $20.0  <strong>Value-added ($ million)</strong>: $2.0  <strong>Employment (EFT)</strong>: 124 jobs</td>
</tr>
<tr>
<td>• Need to maintain the personal touch in customer service, as new technologies deliver service efficiencies.</td>
<td></td>
<td>BCR = 6.75</td>
<td>BCR = 3.78</td>
<td></td>
</tr>
<tr>
<td><strong>Darebin Libraries</strong></td>
<td>$4.8</td>
<td>$30.5</td>
<td>$23.2</td>
<td><strong>Income ($ million)</strong>: $13.4  <strong>Value-added ($ million)</strong>: $1.8  <strong>Employment (EFT)</strong>: 77 jobs</td>
</tr>
<tr>
<td>• Multicultural and disadvantaged communities make particular use of library services.</td>
<td></td>
<td>BCR = 6.23</td>
<td>BCR = 4.74</td>
<td></td>
</tr>
<tr>
<td><strong>Eastern Regional Libraries Corporation</strong></td>
<td>$11.1</td>
<td>$81.5</td>
<td>$44.2</td>
<td><strong>Income ($ million)</strong>: $45.2  <strong>Value-added ($ million)</strong>: $5.7  <strong>Employment (EFT)</strong>: 282 jobs</td>
</tr>
<tr>
<td>• Different library branches play very different roles, reflecting the character of their catchments.</td>
<td></td>
<td>BCR = 7.35</td>
<td>BCR = 3.99</td>
<td></td>
</tr>
<tr>
<td><strong>Gannawarra Library Service</strong></td>
<td>$0.54</td>
<td>$1.8</td>
<td>$1.7</td>
<td><strong>Income ($ million)</strong>: $0.6  <strong>Value-added ($ million)</strong>: $0.05  <strong>Employment (EFT)</strong>: 6 jobs</td>
</tr>
<tr>
<td>• Libraries play an increasingly strong role in the community in times of crisis.</td>
<td></td>
<td>BCR = 3.38</td>
<td>BCR = 3.03</td>
<td></td>
</tr>
<tr>
<td><strong>Geelong Regional Library Corporation</strong></td>
<td>$7.2</td>
<td>$53.4</td>
<td>$28.5</td>
<td><strong>Income ($ million)</strong>: $26.8  <strong>Value-added ($ million)</strong>: $3.7  <strong>Employment (EFT)</strong>: 168 jobs</td>
</tr>
<tr>
<td>• Libraries can play a strong role in showcasing local skills/technologies, particularly when located in hubs.</td>
<td></td>
<td>BCR = 7.46</td>
<td>BCR = 3.99</td>
<td></td>
</tr>
<tr>
<td><strong>Latrobe City Library Service</strong></td>
<td>$1.5</td>
<td>$15.6</td>
<td>$5.8</td>
<td><strong>Income ($ million)</strong>: $9.6  <strong>Value-added ($ million)</strong>: $0.7  <strong>Employment (EFT)</strong>: 51 jobs</td>
</tr>
<tr>
<td>• Qualified staff are crucial and underpin much of the community benefit conferred.</td>
<td></td>
<td>BCR = 10.68*</td>
<td>BCR = 3.95</td>
<td></td>
</tr>
<tr>
<td>• A broad array of other community services (such as maternal and child health) can be delivered via libraries as ‘one stop’ locations.</td>
<td></td>
<td></td>
<td>BCR = 2.80</td>
<td></td>
</tr>
<tr>
<td><strong>Wyndham Library Service</strong></td>
<td>$3.6</td>
<td>$30.9</td>
<td>$10.5</td>
<td><strong>Income ($ million)</strong>: $13.1  <strong>Value-added ($ million)</strong>: $1.5  <strong>Employment (EFT)</strong>: 76 jobs</td>
</tr>
<tr>
<td>• Coping with growth is difficult but visibility and collocation with other services assists.</td>
<td></td>
<td>BCR = 8.58</td>
<td>BCR = 2.90</td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**
- BCR means benefit cost ratio
- *In part, Latrobe City’s high BCR is reflective of no capital and depreciation costs incurred by the library service during 2009.*
8 Value Assessment

This section takes the case study based results and converts these to whole of Victoria estimates using the scaling process described in Section 5.3.

8.1 Cost benefit analysis

Victorian public libraries contribute at least $344 million, and up to $1.1 billion, to community welfare each year, compared to $191 million expended in costs (Figure 48). From a theoretical perspective, there is no compelling reason to consider one of the estimates of benefit superior to another. However, for the sake of simplicity, i.e. in communicating the results of this report, an average figure might be adopted. That is, an annual benefit of $681 million for Victorian public libraries.

The benefit cost ratio of sustaining public libraries ranges from 1.8 (based on the contingency valuation method) to a high of 5.87 (based on the financial savings approach). Put another way, for each dollar expended on Victorian public libraries, Victorians stand to benefit by at least double, and up to six times that amount. Again the adoption of an average result is recommended, i.e. the benefits outweigh costs by a factor of 3.56.

Figure 49 compares the benefits per customer and per capita calculated herein against the costs of sustaining Victorian public libraries. Also shown alongside these results are the benefits calculated by other studies that have utilised similar approaches to that adopted in this project.

The figure indicates that the results generated herein fall within a reasonable range of results generated elsewhere. In particular, the results generated using the financial savings approach are highly consistent with other studies.

Figure 48: Total costs and benefits (2009$ million) and benefit cost ratio, Victoria public libraries

Source: SGS Economics & Planning calculations

Note: Benefits include both user and non-user benefits
### Figure 49: Costs and benefits per customer and per capita, Victorian and other results

<table>
<thead>
<tr>
<th>Per customer costs and benefits</th>
<th>Cost</th>
<th>Financial savings</th>
<th>Travel cost method</th>
<th>Contingency valuation</th>
</tr>
</thead>
<tbody>
<tr>
<td>SGS (current study) – Victoria</td>
<td>$6780</td>
<td>$398.20</td>
<td>$20720</td>
<td>$122.40</td>
</tr>
<tr>
<td>Liddle (2008) – NSW*</td>
<td>$79.20</td>
<td>–</td>
<td>–</td>
<td>$76.70</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Per capita costs and benefits¹</th>
<th>Cost</th>
<th>Financial savings</th>
<th>Travel cost method</th>
<th>Contingency valuation</th>
</tr>
</thead>
<tbody>
<tr>
<td>SGS (current study) – Victoria</td>
<td>$35.70</td>
<td>$209.60</td>
<td>$109.0</td>
<td>$64.5</td>
</tr>
<tr>
<td>Liddle (2008) – NSW*</td>
<td>$44.80</td>
<td>$189.60</td>
<td>–</td>
<td>$43.4</td>
</tr>
<tr>
<td>Levin et al (2006) – South West Ohio, USA*</td>
<td>–</td>
<td>$119.60</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>


¹ All values are presented in 2009 adjusted Australian dollars. An inflation rate of 2.5% p.a. has been applied to align benefits with the current period (based on ABS Cat 6401.0). Historic exchange rates have been accessed from www.xe.com to convert foreign currencies to Australian dollars.

¹ For the studies shown in the table, benefits per capita have been derived by taking the total value of benefits as a ratio of the reference population served by the library. The Estimated Resident Population (ERP) Estimate for Victoria and NSW was taken from the ABS. Population estimates of the UK and South West Ohio were drawn from respective studies. The number of customers to NSW libraries and the British Library were drawn from the respective studies.
8.2 Economic impact assessment

The economic multipliers for Victoria linked with public library expenditures assessed by SGS’s econometric model simulation are shown in Figure 50.

The results of the economic impact assessment associated with expenditures made by public libraries themselves comprise:

- $399 million in Victorian income.
- $70 million in Victorian value-added.
- 2,980 full-time equivalent Victorian jobs.

In addition, the total economic activity generated from triggered expenditures of library customers amounts to:

- $323 million in Victorian income.
- $50 million in Victorian value-added.
- 1,450 full-time equivalent jobs.

Consequently, it can be concluded that the economic impacts associated with Victorian public libraries in 2008–09 total to (i.e. own expenditure plus triggered user expenditure):

- $722 million in Victorian income.
- $120 million in Victorian value-added (or Gross State Product).
- 4,430 full-time equivalent jobs.

Interpretation Notes:

For every $1.00 of library purchases (excluding capital works) made, an additional $1.16 is generated as income for enterprises in Victoria, leading to a total income effect of $2.16.

Victorian enterprises contribute about $0.14 of value added (i.e. product) for every $1.00 spent in the State economy by the library service (excluding capital works). The remainder of value ($0.86) is generated by supplying enterprises outside of Victoria, i.e. imported goods and services. Nonetheless, for each of this $0.14 of Victorian value added associated with the initial $1.00 spend by public libraries, Victorian buyers and suppliers contribute a further $0.23 of value added in subsequent rounds of transactions, totalling $0.37.

For every $1 million of public library purchases (excluding capital works) made in Victoria, 8.03 jobs are supported in the state economy. After subsequent rounds of transactions are accounted for, i.e. through local buyer and supplier links, this initial $1 million in library spending supports a total of 13.52 Victorian jobs.

![Figure 50: Victorian economic multipliers assessed (All case study libraries)](image)

| Effect of library purchases (exc. capital works) | 1.00 | 2.16 | 0.14 | 0.37 | 8.03 | 13.52 |
| Effect of library capital works | 1.00 | 3.13 | 0.15 | 0.57 | 2.06 | 12.05 |
| Effect of triggered purchases by customers | 1.00 | 2.26 | 0.11 | 0.35 | 4.60 | 10.09 |
9 Conclusions and Recommendations

This section provides final conclusions plus recommendations for better advocating public libraries in Victoria, as well as for the progression of Phases 5 and 6.

9.1 Conclusions

As evidenced by the Libraries Building Communities work and the interviews with library service managers undertaken in this project, library stakeholders are well-equipped to qualitatively articulate the community contributions made by Victorian public libraries. However, when it comes to quantifying these benefits, little information has existed to date within the Victorian context and much of what is available in the public domain is difficult to apply in Victoria.

This study has closed this gap and has found that Victorian public libraries contribute significantly to community welfare. Indeed, the benefits contributed by public libraries outweigh their provisioning costs by a factor of 3.56. This represents a sound return on community investment and provides a compelling case for further investment.

Importantly, these numbers have been generated using conventions and disciplines that align with the requirements of commonwealth and state treasury guidelines for conducting cost benefit assessments. Moreover, the data used to populate the CBA framework were derived from representative market samples. As a result the results are both robust and defendable.

This study has also found that the economic activity induced by Victorian public libraries in Victoria is significant after accounting for all of the multiple rounds of transactions induced by library related expenditures. In short, public libraries contribute some $120 million to Victorian Gross State Product and support 4,430 full time equivalent jobs each year.

The market research undertaken as part of this project has found that Victorians, be they customers or non-users of public library services, appreciate the contributions made by public libraries, with customers obviously better apprised of the diversity of benefits conferred than non-users. Inline with this, Victorians are generally satisfied with Victorian public libraries services and their suggestions for improvement relate primarily to a deepening of existing services.

9.2 Recommendations

Given these findings it is recommended that:

1. This report be communicated widely to Victorians both in a way that can be comprehended by lay people and in a manner suitable for the consumption of funding decision makers.

2. This report and its core qualitative and quantitative results be provided online at a central point familiar to library service managers.

3. Each library service be equipped with the results and instructed how to use these results to estimate their own contributions to community welfare, i.e. Phase 5 and 6 of this project should proceed as originally planned.

4. When communicating the findings of this report, the contributions that align with Commonwealth and Victorian policy objectives be pronounced. This includes the contributions of public libraries to:
   - early childhood learning;
   - numeracy and literacy; and
   - self-organised and lifelong learning.


