

Library Council of New South Wales

Enriching communities: The value of public libraries in New South Wales



***Enriching communities: the value of public
libraries in New South Wales***

**Library Council of New South Wales
March 2008**

*Prepared by
J.L. Management Services Pty. Ltd.*

for the

Library Council of New South Wales

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November 2007

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Library Services Interviewed:

Bathurst Library Service
Camden Library Service
Canterbury Library Service
Central West Libraries
Great Lakes Library Service
Lane Cove Library
Liverpool City Library
Newcastle Region Library
Waverley Library
Western Riverina Community Library

Non-Library Organisations Interviewed:

Community Relations Commission
Hunter Business Chamber
Law & Justice Foundation NSW
Mission Australia
NSW Board of Studies
NSW Department of Corrective Services
NSW Department of Education and Training
NSW Health
NSW Nurses Association

FOREWORD

While there is a general recognition of the vital contribution public libraries make towards the social capital, educational and recreational development of local communities, there is increasing pressure for libraries to clearly demonstrate their contribution in terms of value.

The NSW Public Library Network Research Committee recognised that measuring the value of NSW libraries in a holistic and meaningful way is important for maintaining and building support for public libraries with government and other stakeholders. The Committee resolved to commission research to measure the economic, social, cultural and environmental value of public libraries using a range of methodologies, including the measurement of direct and indirect, tangible and intangible impacts. JL Management Services Pty Ltd was contracted to conduct the study in 2006 and 2007.

This report, *Enriching Communities*, provides clear evidence of the contribution and value of NSW public libraries in terms of the *triple bottom line*, or economic, environmental and social impact.

The research explored the ways in which New South Wales public libraries sustain the community in social, cultural and environmental terms. The study also found that public libraries contribute positively in terms of economic value, benefit and activity. NSW public libraries generate at least \$4.24 of economic value for each dollar expended, and \$2.82 of economic activity for each dollar expended. The methodology employed by this research is well recognised and a respected approach to valuing non market goods. It is also worth noting that the methodology used did not consider intangible factors or indirect benefits, and is therefore conservative in estimating economic value of public libraries.

Aside from these triple bottom line factors, the report is rich in demographic data and provides an up to date profile of NSW public library users. This data further highlights the importance of public libraries to communities given that high proportions of public library users are either young or old, earn below the average income, speak languages other than English, and participate in some form of education. This provides clear evidence of the role of public libraries in promoting equity in our society.

The report also provides individual public libraries in New South Wales with a tool to measure the contribution and value of their own services. It is envisaged that regular measurement will promote better planning, management and support for public libraries.

Enriching communities: the value of public libraries in NSW was submitted to the 25 February 2008 meeting of the Library Council of New South Wales for consideration. Library Council commended and endorsed the report.

Kathleen Bresnahan

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February 2008

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SNAPSHOT

A snapshot of the principal findings from research into how NSW public libraries sustain their communities in social, cultural and environmental terms and their associated economic contribution follows:

- Library users visit for an average of 35 minutes, view the library more as a cost-saver than a time-saver and are attracted mainly by the fixed collections, the availability of professional support and the friendly atmosphere.
- The top five outcomes from public library use are enhanced quality of life; enhanced enjoyment from hobbies; ability to obtain information not available elsewhere; facilitation of lifelong learning; and support for children's education.
- The top five contributions to the community were seen as being a safe and pleasant place to visit; supporting educational facilities; facilitating lifelong learning; encouraging responsible social behaviour; and ensuring access to the Internet for all. The underlying themes are clearly those of safety, harmony, equity and education.
- Public libraries principal contribution to community culture is through their lending, reference and local history collections. There is also an appreciative audience for cultural activities such as local art displays and talks by visiting authors.
- Economic value as measured by library users' willingness to pay averaged \$58.20 per annum, which valued public libraries statewide at \$392 million. This is 36.2% higher than 2004-2005 expenditure levels.
- Economic benefit, that is the financial amount saved relative to the cost of purchasing materials, was found to average \$325 per annum among surveyed library users. This aligned closely with a more structured estimate of a statewide benefit of \$1.216 billion, which equates to a benefit-cost ratio of 4.24 against the 2004-2005 investment of \$287 million. Thus for each dollar expended on public libraries, \$4.24 of economic benefit is generated.
- Economic activity measures the contribution of public libraries to the economy in real terms and was estimated at \$810.2 million. Thus for each dollar expended on public libraries, \$2.82 of real economic activity is generated.

EXECUTIVE SUMMARY

This Executive Summary outlines the key findings from Phase 2 of the NSW Public Library Network Research Program's "Sustaining Communities: measuring the value of public libraries project". The project recognises that contemporary government practice expects publicly funded bodies to demonstrate their value to the community, hence the commissioning of this research to ascertain how NSW public libraries sustain their communities in social, cultural and environmental terms and to estimate the associated economic contribution.

A variety of methodologies were utilised to adequately explore the subject and included:

- An Industry Survey inviting input from the library managers of all public library services.
- An in-depth evaluation of stakeholders' views across ten case study library services selected as representative of the NSW public library sector. For each of the ten case studies service, this involved:
 - a) An In-Library User Survey of 200 adults (ie total of 2000 surveys across the ten case studies)
 - b) A Mailed Survey of 200 randomly selected individuals. (ie total of 2000 surveys across the ten case studies)
 - c) Visits to and in-depth interviews with library managers and representatives from the elected councillors and council management.
- Interviews with representatives from nine external organisations to better understand how public libraries benefit other institutions.

By inviting input from both the supply and demand sides of the equation, bias was minimised and the participation of key stakeholder groups ensured.

HOW & WHY PUBLIC LIBRARIES ARE USED:

It was found that library users visit for an average of 35 minutes; view the library more as a cost-saver than a time-saver; and are attracted predominantly by the fixed collections, the availability of professional support and the friendly atmosphere.

In terms of how public libraries sustain their communities, it was found that they:

- Are flexible, accommodating and impose no time limits, apart from opening and closing hours, on how individuals choose to structure their visits.
- Have remained true to their core business in order to address the strong demand for extensive multimedia collections whilst accommodating new technologies such as the Internet and meeting niche demands through customised programs.
- Offer a time- and cost-effective means to access a wide range of informational and recreational services.
- Offer services not available elsewhere. Although one could purchase virtually any title held in a public library, the need for commercial

booksellers to prioritise current and fast moving goods limits their ability to compete with public libraries' ease of access.

- Offer the convenience and privacy of self-service concurrent with the availability of professional staff to assist users at any time.
- Provide a genuine public space and a safe and welcoming atmosphere, thus creating the potential for individuals and the general community to mould the library environment in accordance with the history, values and characteristics of the local area.

Each of the above are supply-side characteristics which, individually and collectively, create the potential for library users to benefit from public libraries and by so doing, create a cumulative benefit at the community level.

OUTCOMES FROM USING PUBLIC LIBRARIES:

All actions serve a purpose and whilst individuals may describe the purpose of a library visit to be, for example, to borrow a book, that is only the visible and easily measured component of their action. It does not tell why they wish to borrow a particular book, which is simply a means to an end; the means to achieving an outcome by which individuals are sustained and it is those outcomes that are summarised in the following table.

Outcomes from Library Use (% of respondents).

Outcome	Total
Generally enhanced my quality of life	64.5%
Enhanced my enjoyment from hobbies	47.8%
Helped me obtain information not available elsewhere	45.6%
Facilitated my pursuit of (informal) lifelong learning	41.9%
Supported my children's education	32.0%
Helped me accomplish tasks &/or achieve goals	30.9%
Fostered my sense of community or belonging	26.2%
Exposed me to a wider range of cultural activities	24.4%
Supported my children's early (0 to 5 years) development	24.4%
Supported my involvement in educational courses	23.5%
Supported my involvement in community activities	21.7%
Enabled me to gain or improve my computer skills	16.2%
Made me more productive in my job	14.0%
Clarified my understanding of critical health information	12.9%
Assisted me to develop English language skills	8.9%
Helped me obtain a new job or promotion	8.1%
Encouraged me to get my own Internet account	6.8%
Clarified my understanding of critical legal information	5.3%
Helped me improve or start a business	5.1%
Helped me develop improved financial management skills	4.9%

The research found that outcomes are not mutually exclusive, with approximately 82% of respondents reporting multiple outcomes from their usage of public library services. Furthermore, one would anticipate outcomes to vary over time in accordance with individuals' circumstances, thus through

their ability to meet multiple and changing needs, public libraries contribute to the wellbeing of their individual users and general communities.

CONTRIBUTING TO THE COMMUNITY:

As well as commenting from a personal perspective, survey participants were asked to consider twenty-one statements (hypotheses if you like) from the broader community perspective and register their opinion on a scale ranging from “strongly agree” to “strongly disagree”. The findings firmly established that public libraries contribute to the community in a variety of ways, with particularly strong support for the following hypotheses where the combined ratings for “strongly agree” and “agree” exceeded 80%:

- Being a safe and pleasant place to visit (98.3%).
- Supporting educational facilities (95.3%).
- Facilitating lifelong learning (93.4%).
- Encouraging responsible social behaviour (88.7%).
- Ensuring access to the Internet for all (85.9%).
- Promoting and encouraging (language and computer) literacy (85.9%)
- Improving the overall quality of life (85.2%).
- Providing information about community events (85.1%).
- Operating in a non-discriminatory manner (83%).

As can be seen, the underlying themes of the top tier contributions relate to safety, harmony, equity and education.

Second tier contributions with a combined rating within the 60% to 80% range were:

- Supporting local culture and the arts (78%).
- Providing access to Statewide legal and health information programs (75.9%).
- Providing important infrastructure to develop Australia as a knowledge economy (74%).
- Providing public meeting spaces (72.1%).
- Supporting the development of English as a second language (71.6%).
- Recognising the demand for non-English materials (68.1%).
- Acting as a source of government information (64.7%).
- Providing and/or supporting outreach programs (62.2%).
- Facilitating job or career planning (60.9%).

Only three hypotheses attracted combined ratings below 50%. These were:

- Acting as a provider of other government services [for example, RTA and ATO] (48.8%).
- Attracting new businesses to the community (39%).
- Increasing local property values (38.8%).

Although their contribution is less significant, one should not ignore that they were seen as contributing by a significant minority of survey respondents.

Also notable was the extremely low incidence of “disagree” responses. In fact, ten of the twenty-one hypotheses registered “disagree” ratings of one percent or less and only three registered above 5%, the highest being 8.1%.

TRIPLE BOTTOM LINE CONTRIBUTIONS:

Triple bottom line approaches provide a more balanced and expansive measure of whether organisations are performing favourably or unfavourably. By addressing how public libraries are perceived to contribute financially, socially/culturally and environmentally, the following snapshots of current perceptions emerged.

Perceived Contribution to Social Wellbeing:

Following is an outline of the most frequently recurring contributions.

- The library’s value as a place that is a safe, harmonious, welcoming and inclusive environment was the most oft quoted contribution. Among the supporting comments was that libraries promote acceptance and understanding of others by acting as neutral meeting places accessible to the whole community.
- The availability of public library collections was seen to address disadvantage by ensuring free and equitable access to collections for all community members; address the needs of specific target groups; contribute to developing, maintaining and improving literacy levels; and preserve the past through extensive local and family history collections.
- Library programs and services were seen as complementing collections and enabling library services to specifically target and contribute to social wellbeing within niche groups. Examples included:
 - a) Contributing to positive community relationships and community harmony through multicultural Storytimes and by extending its reach through programs such as Storytime in the Park and Stories in the Street.
 - b) Supporting Book Clubs and Reading Groups, thereby creating social interaction among people with common interests who may never otherwise meet.
 - c) Assisting non-English speaking members of the community to develop language skills through English Literacy programs.
 - d) Encouraging parents to commit to early literacy development for their children.
 - e) Meeting the needs of aged and members with a disability, who are unable to visit the library, through Home Library or Housebound programs.

Perceived Contribution to Cultural Wellbeing:

Ways in which public libraries contribute to cultural wellbeing included:

- Library staff playing an active role in local cultural coordinating committees.
- Writers in residence programs and participating in literary events such as poetry festivals, writing workshops and competitions and visiting author programs, all of which contribute to a deeper understanding of the writing process.

- ▶ Celebrating cultural diversity through events and festivals held at significant times and involving performances by musicians, dancers, poets and actors.
- ▶ Working with local theatres to promote their events.
- ▶ Utilising library space to exhibit work by local artists and travelling exhibitions.
- ▶ Working closely with other cultural institutions to explore the scope for cooperation and joint projects.

It was also evident that public libraries play an active role in keeping alive the names and work of significant Australians. For example, the Tenterfield Library manages the Sir Henry Parkes Memorial School of Arts and the Grenfell Library hosts the annual Henry Lawson Festival Art Exhibition. Of equivalent significance in keeping Australian culture alive is the close association between libraries and the traditional owners of local lands. One example is the annual Cameraygal Festival sponsored by the Lane Cove Council and named after the traditional owners of the Lower North Shore.

Perceived Contribution to Economic Wellbeing:

The most frequently recurring contributions attributed to public libraries were as follows:

- ▶ Enables users to avoid or reduce expenditures, (estimated by adult library users to be \$325 per annum).
- ▶ Enables job-seekers to research the employment market, develop resumes, lodge on-line applications and communicate via e-mail with prospective employers.
- ▶ Public libraries are a significant employer and in 2004-2005 employed a total of 2,320 full-time equivalent employees earning in excess of \$130 million in wages and salaries.
- ▶ Support of local businesses.
- ▶ Building programs to establish new libraries or extend/refurbish existing libraries.
- ▶ Assists small to medium-sized enterprises (SMEs) to maintain high professional standards and compete with larger organisations.
- ▶ Contribution to tourism through events such as Grenfell Library's hosting of the annual Henry Lawson Art Exhibition – a major income generator for the town.

Public libraries thus contribute to economic wellbeing in diverse ways and in so doing assist individuals to become more independent.

Perceived Contribution to Environmental Wellbeing:

Ways in which public libraries contribute to environmental wellbeing included:

- ▶ Following a business model based on resource sharing. In other words, the practice of borrowing was seen as less demanding on scarce physical resources than if individuals purchased their own copies.
- ▶ Holding sub-collections of environmental titles across a range of formats.
- ▶ Raising awareness of the environment and promoting environmentally friendly practices through displays, exhibitions, information sessions and promotional literature.

- ▀ Serving as collection points for the recycling of products such as ink cartridges, mobile telephones and phone directories.
- ▀ Being seen to visibly practice recycling within the library by, for example, recycling paper and other items; “no plastic bags” policies and by promoting and selling re-usable library bags.
- ▀ Serving as high visibility demonstration projects for a range of environmentally efficient practices including recycling bins, rainwater tanks, water recycling, solar power and landscaping for scarce water environments.
- ▀ Auditing and/or monitoring energy usage in order to optimise energy efficiency.
- ▀ Incorporating ESD (environmental sustainable design) into new library buildings.
- ▀ Promoting recycling during children’s activities to build awareness and develop good habits and practices during their formative years.

It is interesting to note the diverse ways libraries contribute to their communities and to note how prominently library collections feature within each of the four elements, which reinforces the need to maintain a clear focus on the core business – a lesson many businesses have ignored to their detriment.

ECONOMIC MEASURES OF PUBLIC LIBRARIES:

It is perhaps natural when considering economic measures to think in terms of economic value. However, the reality is that value is only one of three main measures. In addition to value, this research study also estimated the financial benefit to users of public libraries and the economic activity generated by public libraries. It is not uncommon for these measures to be grouped under the value umbrella in general discussion, but readers are urged to recognise the distinctions and to utilise the measures as complementary when viewing public libraries’ contribution from an economic perspective. One may distinguish the measures thus:

- ▀ The **economic value** of public libraries expresses, as a financial amount, the importance of library services to individuals within the community. It is an imputed amount and involves no exchange of goods and services, thus no economic activity is generated.
- ▀ The **economic benefit** derived from public libraries is the financial amount saved relative to the cost of obtaining services from alternate sources. This is also an imputed amount and involves no direct exchange of goods and services; hence no direct economic activity is generated. It does, however, free financial resources to be used for other purposes, which may translate to either a positive or negative impact on economic activity.
- ▀ The **economic activity** generated by public libraries involves real financial activity in the form of the various exchanges of goods and services and associated multiplier effects necessary to provide public library services.

The measures should enable stakeholders to advocate more effectively on behalf of public libraries by being able to adopt multiple measures rather than

rely on contribution to economic activity alone, where public libraries are unlikely to have a major advantage over other public services.

Estimated Economic Value:

Contingent valuation methodology (CVM) was adopted to estimate economic value based on responses to the following question: "Thinking from the broader community perspective, if the public library was not funded by government, how much would you be willing to pay to maintain the community's access to the current services?" Provision was made to nominate a specific amount or to select from a range of nominated values.

It was found that library users were willing to pay (WTP) an average of \$58.20 per annum. Compared to the per capita expenditure on NSW public libraries in 2004-2005 of \$42.73, this is equivalent to a premium of 36.2% over current expenditure levels and an indication that a positive return on investment is being achieved. Extrapolating the average WTP of \$58.20 across the NSW population would, therefore, value public libraries statewide at \$392 million.

Estimated Economic Benefit:

An economic benefit occurs when public library users utilise library services at a cost lower than the cost of equivalent commercially available services. The minimum economic benefit of NSW public libraries based on tangible benefits was found to approximate \$1.216 billion, which represented a benefit-cost ratio of 4.24 against the annual investment of \$287 million.

Whilst it was impractical to estimate intangible benefits with an acceptable degree of confidence, consideration of the following intangibles underlined their potential significance.

- In the event that public libraries did not exist, it was estimated that annual expenditure on government school libraries would increase by \$24.4 million.
- 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. The associated economic benefit was estimated at \$113 million per annum.
- Based on the Australian Federal Police Drug Harm Index estimates of the social cost of drug use, for every kilogram of opioid use avoided through information provided by public libraries, the community would benefit financially by in excess of \$1 million.

Notwithstanding the estimation complexities, the research found that public libraries generate at least \$4.24 of value for each dollar expended; an amount that would be significantly boosted by the inclusion of intangible benefits.

Estimated Economic Activity;

Economic activity is differentiated from the other measures of economic value and economic benefit in that it is a real rather than imputed measure of public libraries' impact on the general economy. Economic activity reflects transactions involving economic exchanges associated with and necessary for

the delivery of public library services. Examples of such exchanges include the payment of salaries in exchange for library employees' services and payments for a wide range of goods and services such as books and other collection materials.

Other areas of economic activity attributable to public libraries include the travelling costs incurred by library users visiting libraries; the costs of maintaining Internet accounts and related IT expenditures resulting from exposure to library provided services; and the change in economic activity resulting from the redistribution of funds saved by borrowing from the library in lieu of purchase. The resultant economic activity is estimated in the following table.

Economic Activity Generated by NSW Public Libraries (\$ million)

Description	Base level activity	Value added multiplier	Total economic activity
Public libraries operating & capital expenditure	\$287.5	1.74	\$500.3
Travelling costs incurred by library visits	\$45.3	0.90	\$ 40.8
Internet accounts opened & related IT expenditure	\$101.2	1.41	\$142.4
Redistribution of financial savings by borrowing from the library	\$1,151.7	0.11	\$126.7
Total			\$810.2

It was estimated that NSW public libraries generated \$810.2 million of economic activity based on 2004-2005 conditions. This was equivalent to \$2.82 of economic activity for each dollar expended directly as operating or capital expenditure. Once again, the above estimate represents only tangible activities that could be estimated with an acceptable level of confidence and is, therefore, conservative. Including estimates for intangible factors such as the impact of language and computer literacy would further increase public libraries' contribution to economic activity.

CONCLUSION:

Public libraries mean different things to different people and a key finding from the research was public libraries' malleability in being able to satisfy the wide-ranging needs of a diverse community.

This was achieved primarily through library collections – still very much the mainstay and defining element of public library services. Supporting the highly visible and tangible collections was the library space and in particular, its description as a socially inclusive environment where people can pursue predominantly individual activities in a communal environment. A feeling of being safe in the library was a recurring theme, a theme that has been promoted by industry professionals for some years.

This feeling of community safety was accompanied by other forms of being sustained including, for example; career, family, financial, spiritual, parental

and above all, sustaining people and communities by providing an accessible means to acquire the knowledge to cope with circumstances as they arise.

The research looked at three economic measures, each of which confirmed that public libraries are economically beneficial. It was found that respondents were willing to pay an average of \$58.20 per capita to retain existing services. At the statewide level, this translated to an economic value of \$392 million, significantly above current spending of \$287 million.

It was further found that public libraries generated an economic benefit equivalent to \$4.24 per dollar of public library expenditure. In the hands of library users, this is equivalent to freeing funds for use elsewhere, which, at the statewide level equated to an estimated benefit of \$1.216 billion per annum.

Finally, on the key measure of economic activity, the research found that NSW public libraries generated \$810.2 million of economic activity annually, which is equivalent to \$2.82 of economic activity for each dollar expended on public libraries.

Further investment in public libraries can, therefore, be expected to generate economic as well as social, cultural and environmental benefits. It should also be remembered that the nominated estimates are conservative and make no allowance for the intangible contributions of public libraries.

To conclude, this project has demonstrated that public libraries sustain the community in social, cultural and environmental terms and contribute positively in terms of economic value, benefit and activity. Furthermore, it is proposed that the findings from this research demonstrate that NSW public libraries contribute to at least eight of the fourteen goals set out in the “State Plan: A New Direction for NSW”. These are:

- Keeping people safe.
- Building harmonious communities.
- Students fulfil their potential.
- Customer friendly services.
- Strengthening Aboriginal communities.
- Opportunity and support for the most vulnerable.
- Early intervention to tackle disadvantage.
- Improved urban environments.

When viewed in this context, a strong, healthy public library system has the potential to play a key role in pursuing a new direction for NSW.

1.0 BACKGROUND:

This research project is Phase 2 of the project *Sustaining Communities: measuring the value of public libraries* and was undertaken as part of the NSW Public Library Network Research Program. The first phase report *Sustaining Communities: measuring the value of public libraries: a review of research approaches* focused on policy analysis, secondary data collection and exploring relevant work undertaken to date.

Phase 2 adopts a more applied research focus in order to ascertain the contribution that NSW public libraries make to sustaining their communities from the multiple perspectives of their economic, social (including cultural) and environmental wellbeing. (Key extracts from the State Library of New South Wales' Project Outline are reproduced at Appendix 1.)

For the purpose of this research, sustainability was defined as: *“meeting the needs of current and future generations.”* Encompassed within this straightforward definition are a number of principles key to providing public library services. These are:

1. Public libraries are *“needs”* driven and, by extension, are demand driven organisations.
2. *“Needs”* are highly variable, thus public libraries must operate in a dynamic manner.
3. There is an implicit obligation to individuals and communities. Whilst public libraries may focus strategically on their communities, at the operational level they must meet the *“needs”* of individuals.
4. To effectively sustain it is necessary to move forward and embrace change. Sustain differs to maintain in that individuals and communities expect their *“future”* to be an improvement over their *“current”* position.

Given that public libraries are generally respected and perceived as providing a valuable service, it is reasonable to ponder why this research is necessary. In part, the answer is contained within the above discussion of sustainability. Public libraries do operate in a dynamic environment, a characteristic of which is the growing expectation that publicly funded bodies should be able to demonstrate their value to the community. Accordingly, it is unreasonable to expect that output measures alone are an adequate basis for funding submissions, particularly in the highly competitive local government sector where public libraries compete against a range of other valuable services. The need to compete effectively is underscored by the reliance of public libraries in New South Wales on local government funding, which provided 91% of total funding in 2004-2005.

The research will, by adding to the knowledge base of key stakeholders, provide an objective base to demonstrate the breadth of public libraries'

contributions by focusing on outcomes rather than outputs. In more specific terms, the research will:

- ▀ Assist public libraries and their councils in the planning, development and support of public libraries.
- ▀ Provide a framework to measure the economic, social, cultural and environmental value of public libraries.
- ▀ Inform the NSW Government in its development of a whole of government sustainability approach.

Whilst the project addresses the topic of value and utilises tools that ask individuals to demonstrate their willingness to pay under a hypothetical scenario, it is emphasised that the project is about gauging value not price sensitivity and fully recognises that public library services in NSW are free as set out in the Library Act 1939.

2.0 METHODOLOGY:

The methodology adopted for the project recognised that sustainability is influenced by both the supply and demand sides of the public library equation. Addressing only one side would give an incomplete and biased perspective, hence the need to structure the methodology accordingly. This was achieved through a multi-faceted approach, several of which could be regarded as credible standalone studies. It should, however, be recognised that other approaches have been adopted to similar studies as was found through the research undertaken as Phase 1 of this project.

Prior to outlining the key components, two other design characteristics should be mentioned. Firstly, it was considered important to involve all NSW public library services in order to benefit from their input and establish the project as a genuine statewide project. Secondly, for practical reasons and given that the project is the first of its type undertaken within New South Wales, it was decided to adopt a case study approach to capture additional detailed information.

Accordingly, the following ten library services were nominated by the Steering Committee and agreed to participate as case studies. (The information in brackets denotes each service's general location and the library model in place).

1. Bathurst City Library (country / standalone).
2. Camden Library Service (metropolitan-outer / standalone).
3. Canterbury City Library (metropolitan-inner / standalone).
4. Central West Libraries (country / regional).
5. Great Lakes Library Service (country / standalone).
6. Lane Cove Library (metropolitan-inner / cooperative).
7. Liverpool City Library (metropolitan-outer / standalone).
8. Newcastle Region Library (metropolitan-outer / regional).
9. Waverley Library (metropolitan-inner / standalone).
10. Western Riverina Community Library (country / regional).

The key components of the research methodology, undertaken over the period June 2006 to December 2006, are briefly outlined below.

Conceptual Review:

A number of similar international studies precede this research, which are acknowledged and discussed in the first phase report *Sustaining Communities: measuring the value of public libraries: a review of research approaches* and other international studies were published during the course of this research.

It is natural that these reports will have informed stakeholders and there is evidence that their findings are being referred to locally in papers and presentations. Whilst the interest generated is welcome and beneficial, it must be expected that this and other research will be rigorously challenged if used to advocate more favourable arrangements for public libraries. It was, therefore, appropriate to test the validity of the international research to the local environment.

Industry Survey:

Each library service was invited to participate through an Industry Survey (refer to Appendix 2) which sought Library Managers' perceptions of how public libraries sustain communities, their economic value to the community and examples specific to their library services.

The survey was distributed as a downloadable document from the State Library of New South Wales (SLNSW) website and participants were given the option to complete the survey as an on-line or print document. That only two library services were unable to participate is a strong indicator of the industry's interest in the subject and support for the project.

A statistical summary of responses is provided at Appendix 5.

In-Library User Survey:

Each of the ten case study library services distributed 200 In-Library User Surveys (refer to Appendices 3 and 4) to adults visiting their libraries over a one week period. Participants were requested to complete and return the survey prior to leaving the library. Confidentiality was assured.

Information was sought regarding how libraries are used; how libraries contribute at the personal and community level; the financial savings from using libraries; and participants' willingness to pay to maintain services. A number of the questions were matched to those in the Industry Survey, thus enabling the synchronicity of provider and user views to be tested.

The overall response was encouraging with 91.9% of surveys returned and 86.2% accepted for inclusion in the database. (Given that the survey was designed to capture information across a range of topics, those making selective responses and those that were inadequately completed were excluded.)

Mailed Survey:

A further 200 surveys were mailed to a random selection of individuals within each case study's catchment area. The Mailed Survey (refer to Appendices 6 and 7) differed marginally from the In-Library Survey in order to accommodate completion by both library users and non-users.

Once again, confidentiality was assured and stamped addressed envelopes were provided to return the completed surveys. The mail-out was undertaken by the consultant to mailing lists provided by eight of the ten case study services. One service, in order to comply with its host council's policy, declined to make its mailing list available to a third-party and accepted responsibility for the mail-out. In another instance, administration difficulties resulted in the mailing list being delayed and the service accepted responsibility for the mail-out to expedite the process. The two services in question returned the lowest response rates of 9.9% and 12.5%, considerably below the overall response rate of 19.4%.

Considering the length of the survey and the assurance of confidentiality inhibiting follow-up of non-responses (which typically increase returns by around 50%), 19.4% is a good return rate for a mailed survey. Following exclusions for selective and inadequate responses, the net return rate was 16.4%. One would have expected a random mailing list to be approximately evenly distributed between library members and non-members and it was, therefore, disappointing that of the 321 accepted returns, 266 were from library users and only 55 from non-users. It is likely that a survey specifically targeted at non-members/users would achieve a higher response, but the constraints imposed by privacy legislation made it impractical to specifically target such groups.

Local Government Stakeholder Interviews:

As a local government provided service, public libraries are subject to the influence of elected councillors and council management. It was, therefore, important to capture the views and expectations of such stakeholders in order to ensure a balanced view of how public libraries contribute to sustaining their communities. This was achieved through interviews with representatives from these stakeholder groups within each of the ten case study library services. It should be noted that in-depth interviews were also held with the Library Managers. Appendix 8 lists those who participated in stakeholder interviews and Appendix 9 summarises the key findings from interviews with council stakeholders.

Institutional Interviews:

Public libraries engage in a variety of formal and informal partnering arrangements with other groups and organisations on specific programs and services. It is also generally considered that other groups and organisations draw on public library services to benefit their clients or members.

Whilst the above perceptions are intuitively valid and commonsense in many instances, the project provided an opportunity to test such perceptions through interviews with a number of institutions with the potential to benefit from public libraries. Appendix 10 lists those who participated in the institutional interviews and Appendix 17 discusses the findings from the interviews.

Summation:

As can be seen from the outlines of the key components, the methodology has sought to be wide-ranging and inclusive. It has also been designed to test perceptions through the inclusion of specific survey questions and through the more qualitative interviews. Naturally, such an approach may yield conflicting findings, thereby highlighting areas where appropriate actions may further strengthen the public library brand.

A further benefit of adopting such a wide-ranging methodology is that it provides a more extensive base against which to develop an ongoing methodology to measure public libraries' contribution to social, cultural and environmental sustainability and economic value.

3.0 SOCIAL / CULTURAL CONTRIBUTIONS:

The Library User and Industry Surveys sought insights into the social / cultural benefits attributable to public libraries as perceived by library users and managers. In both instances, the questions were unprompted and required a qualitative response in participants' own words. Library Managers were generally found to be more expansive, with the findings from each group summarised below in sub-sections 3.1 and 3.2.

3.1 Community Perceptions:

Table 1 summarises benefits nominated by at least 2.5% of survey participants, with further detail provided at Appendix 15, question 18..

Table 1: Most Important Social/Cultural Benefits

Nominated Benefit	Percentage of participants
Meeting & interacting with others (including for group study).	14.1%
Improving one's general knowledge.	8.0%
Gaining a better understanding of other countries, cultures and societies.	5.1%
Satisfies a love of reading & reading as a primary leisure activity.	4.3%
Broadened social & cultural horizons.	4.1%
Source of information about community events & groups.	3.9%
Enjoyment of library events (live performances, artworks, exhibitions etc).	3.6%
A good place to relax, unwind or hang out.	3.5%
Helps to develop children's social skills through contact with others.	2.7%
Creates a feeling of being accepted, involved and respected.	2.6%

From the social/cultural perspective, public libraries' importance as a meeting place was confirmed and it was interesting to note that in many instances this involved meetings to study with others. The interest in gaining a better understanding of other cultures demonstrated a desire at the individual level to accommodate differences as will be seen from users' comments later in this section. Although nominated by only 2.6% of respondents, the feeling of being accepted, involved and respected is significant in that it demonstrates the relevance of public libraries to members of the community who, by choice or circumstance, lead relatively solitary lives.

The most effective way to communicate the perceived benefits is through the words of library users and a selection of survey comments is provided below, with the respondent's library service, gender and age group shown in parentheses.

"The library service symbolises for me, the value we place on equality and opportunity for all. I have travelled widely, observing family life in other countries and know that information is knowledge." (Camden; female; 35-39)

"It has helped my children's social and education development in Storytime – it has been really beneficial." (Liverpool; female; 35-39)

“Meeting other people with different interests on a wide variety of things. This in turn helps to break down cultural barriers.” (Canterbury; female; 55-59)

“An island of tranquillity in a busy life.” (Canterbury; female; 60-64)

*“There’s a lot of books from a non-English speaking background and am feeling [at] home.”
(Canterbury; female; age unknown)*

*“Chance to communicate with friends on various matters regarding HSC.”
(Lane Cove; male; 16-19)*

“The opportunity to get out of my own residence and have contact (albeit superficial) with other people.” (Newcastle; male; 55-59)

*“‘Herding’ – being around other people (I live alone)”
(Newcastle; female; 30-34)*

*“Exposure to authors through lectures, author visits and book discussions – opened many doors and introduced me to the wonders of writing.”
(Central West; female; 55-59)*

*“My son (2½ years old) loves coming to library every day to play, interact with others and borrow books and DVDs. He loves being read to and spending time with other children at the library.”
(Central West; female; 20-24)*

“It’s a great place to meet friends to study and there is always something new to see, e.g. artist of the month.” (Camden; female; 20-24)

“Lifelong learning – every new area I am interested in has been opened up by the information I have received at the library.” (Waverley; female; 40-44)

*“Just to be in the library for a couple of hours is a very relaxing experience.”
(Western Riverina; female; 55-59)*

*“I have watched about 400 movies from other countries.”
(Bathurst; male; 25-29)*

3.2 Library Industry Perceptions:

As stated at section 3.0, Library Managers were more expansive in their responses to how public libraries contribute from the social and cultural perspectives. Given that they were also more specific in differentiating between social and cultural contributions, the key findings from the Industry Survey are, therefore, reported accordingly.

Perceived Contribution to Social Wellbeing:

When asked if public libraries contribute to sustaining their communities, 98% of Library Managers responded in the affirmative and the remaining 2% were unsure. Following is an outline of the most frequently recurring contributions nominated by Library Managers and it is suggested that they be viewed not only in terms of their current relevance, but also in terms of how libraries are helping to create the pre-conditions and capability for social wellbeing in the longer-term.

- The library's value as a place was the most oft quoted contribution, with the reasons given clearly indicating a focus on creating a safe, harmonious, welcoming and inclusive environment as the base objective. In doing so, public libraries influence individuals and communities subtly rather than through specifically targeted actions. Feelings of social wellbeing are thus allowed to permeate rather than be imposed.

To communicate the above summation in more detail, the following points attempt to present a composite picture of how libraries are created as safe, harmonious, welcoming and inclusive places. (It should also be noted that the following points have been minimally edited and retain the Library Managers' words where possible.)

In order to create a space that positively contributes to social wellbeing, public libraries:

- a) Act as neutral meeting places accessible to the whole community, thereby promoting acceptance and understanding of others.
- b) Are community owned and thus provide spaces that help to build a sense of identity and foster a sense of belonging to the local community.
- c) Act as a focus for gentle social interactions, encouraging responsible, respectful social behaviours.
- d) Are open, welcoming and friendly to people on the margins of society, for example, homeless people.
- e) Encourage inter-generational interaction through the use of a shared library space.
- f) Provide a safe and comforting haven from the cold and heat.
- g) Often provide the only indoor space that is inclusive, free of charge and is staffed to meet patrons' needs.
- h) Promote inclusion through displays and programs highlighting an area's cultural groups.
- i) Respect and treat everyone equal in terms of service provision.

- j) Actively create a safe space by training staff in relevant areas such as customer service, working with children and working with people with challenging behaviours.
- k) Adopt an ethos of supporting individual wellbeing.
- l) Provide a safe space for young people to do homework, use computers and find information relevant to their lives.
- m) Invite lonely and isolated people to participate in the community at a safe, undemanding level.
- n) Maintain Community Directories and public noticeboards to inform people of community events and organisations.
- o) Act as a welcoming body for new residents and visitors.

Underlying the above is a focus on ensuring that public library space is functionally efficient and able to serve multiple purposes such as being a meeting place, a study place, a reading place, a technology space and a venue for events and exhibitions. This focus subsequently translates to achieving the less tangible outcome of contributing to social wellbeing through a safe, harmonious, welcoming and inclusive environment.

- Social wellbeing was also strongly linked to public library collections, which were seen to:
 - a) Address disadvantage by ensuring free and equitable access to collections for all community members.
 - b) Provide a wide range of resources to expose readers to alternative perspectives and viewpoints.
 - c) Present a diversity of viewpoints through unbiased collections.
 - d) Provide resources in different formats in order to meet the varying preferences within the community for print, audio-visual and on-line modes.
 - e) Address the needs of specific target groups such as the aged, the hearing and sight impaired, Indigenous communities and those with a preference for non-English language materials. As well as meeting individuals' reading needs, the provision of multicultural resources further contributes to social wellbeing by demonstrating that the host council(s) values multicultural communities.
 - f) Contribute to developing, maintaining and improving literacy levels, thus creating an opportunity for people to escape negative social environments.

- g) Promote and support early literacy development through the provision of appropriate collections.
- h) Support lifelong learning and contribute to a well-informed community.
- i) Preserve the past by acting as the custodian of records, stories and photos through extensive local and family history collections.
- j) Provide information for everyday living in the form of community information and specialised collections such as health, legal information and drug and alcohol information.

When considering the above contributions, it is important not to over-emphasise the importance of informational and educational collections at the expense of the more recreational collections such as fiction, music and DVDs. The contribution of library collections to social wellbeing is highly dependent on libraries' ability to satisfy users' demand, hence the practice of maintaining diverse collections with recreational and informational components. Indeed, the relative popularity of fiction and audio-visual materials may be interpreted as indicating that such collections are at least of equal importance in contributing to social wellbeing.

- a) Contributing to community harmony through multicultural Storytimes.
 - b) Extending the reach of Storytime by taking it off-site. Ashfield Library's experience of Storytime in the Park attracted residents from large blocks of nearby units, including many non-English speaking grandparents and exposing them and their families not only to Storytime, but to the public library generally. Port Stephens Library had a similarly positive experience with their Storytime in the Park and has extended their outreach through their Stories in the Street program delivered through the Port Stephens Activity Van and aiming to introduce the service to areas known to have low library membership and patronage.
 - c) Helping people to connect through programs targeted at specific groups such as new residents or new parents. In addition to such specifically targeted programs, there is considerable evidence of regular programs such as Storytime and school holiday activities serving as the catalyst for friendships between parents and carers.
 - d) Promoting and making available the materials and space for Book Clubs and Reading Groups creates social interaction among people with common interests who may never meet under normal circumstances.

- e) Customised programs around special events such as Youth Week, Seniors Week, Naidoc Week, Law Week and Science Week that enhance the social wellbeing of the community.
- f) Assisting non-English speaking members of the community to develop language skills through English Literacy programs, thereby strengthening their integration path into the community.
- g) Encouraging parents to commit to early literacy development for their children through targeted programs such as Books for Babies.
- h) Meeting the needs of people with a disability and aged members unable to visit the library through Home Library or Housebound programs, whereby materials are selected and delivered (usually by volunteers), thus enabling housebound members to pursue their interests as well as providing a valuable social contact.

The programs commented on above are only a fraction of the programs provided by public library services across New South Wales. As shown at Appendix 11, a total of 1,081 programs were presented at the statewide level in 2004-2005. These programs were presented on 34,654 occasions to a total of 825,050 attendees, thereby contributing to community sustainability.

The Industry Survey sought specific information (refer to Appendix 2) across a range of seven nominated programs, where it was found that Children's programs inclusive of the trademark Storytimes was the only nominated program provided by all library services. Other widespread programs were School Holiday programs (92%), talks by visiting authors (88%) and technology training programs (68%). Significant but less common were homework or tutoring programs (31%) and English language programs (13%), the latter clearly dependent on catchment population demographics. Employment search was in place at only one library service, which tends to suggest that public libraries' support in this area is predominantly informal through the provision of appropriate "self-help" resources.

Standard practice would appear to be to provide programs at no cost to participants as the survey found that charges applied to less than 15% of reported programs. The most commonly imposed fees were for School Holiday programs and visiting author talks, where fees applied in 30% and 19% of instances respectively. The respective average fees (where charged) were \$4.50 and \$6.30, which were relatively nominal compared to the estimated equivalent commercial fees of \$13.50 and \$15.00 (based on median values).

The practice of providing programs at nil or nominal fees represents a specific cost benefit to program attendees (refer to section 4.6) and it is reasonable to argue that changing the current practice would reduce community participation in public library programs. Whilst difficult to

quantify, reduced patronage would also have a negative secondary effect on economic activity in that the actual and potential benefits from the skills acquired through library programs would, at least, be diminished.

- Communities support many organisations and groups with a periodic need for public meeting places. Among such facilities are meeting rooms administered by public libraries, where the Industry Survey found that:
 - a) 61% of services have meeting rooms available for community use.
 - b) A total of 118 meeting rooms are available (an average of two per service where provided), which provide an estimated total floorspace of 6,554 square metres. (Wollongong's data is excluded due to the nature of the spaces administered and a current internal review to ascertain whether it is appropriate for the library service to maintain responsibility.)
 - c) The average utilisation was 44.5% of available time and the total income generated in 2005-2006 was \$212,780. This is equivalent to \$31.20 per square metre or \$70.09 at full utilisation.
 - d) As well as being used by community groups, the survey found that library meeting rooms are utilised by councils, government departments and the business sector to conduct meetings and training programs. A summary of community uses is provided at Appendix 12 and will be seen to include uses as diverse as University of the Third Age (U3A), yoga and meditation classes, reading and writer's groups, historical societies, arts and crafts and as an examination venue for distance students.

Perceived Contribution to Cultural Wellbeing:

When considering if and how public libraries contribute to cultural wellbeing, Library Managers could have responded on the basis of public libraries being cultural institutions in their own right and/or on the basis of how libraries contribute to other cultural streams, principally those involving the visual and performing arts. It would appear from the responses that the emphasis was placed on the latter.

Nominated ways that public libraries contribute to cultural wellbeing are summarised below:

- Arranging talks by visiting authors was the most frequently reported means of contributing to community cultural development with 76% of services hosting at least one visiting author per annum and 28% hosting quarterly or more frequent talks. Across the ten case study services, the estimated annual attendance at author visits was approximately 31,000.
- Utilising library space to exhibit work by local artists and travelling exhibitions, with 56% of services supporting each activity.

- ▀ Participating in other literary events such as poetry festivals, writing workshops and competitions, all of which contribute to a deeper understanding of the writing process.
- ▀ Library staff playing an active role in local cultural coordinating committees. For example, Central West Libraries' staff members are actively involved across the region's seven communities to co-deliver cultural programs and events.
- ▀ Writers in residence programs such as those administered and supported by the Central West and Broken Hill libraries.
- ▀ Celebrating cultural diversity through events and festivals held at significant times and involving performances by musicians, dancers, poets and actors.
- ▀ Establishing regular performances such as the "InConcert Series @ Narellan Library". This acts as a showcase for local musicians through free lunchtime performances held on the last Wednesday and Saturday of each month and has proven to be an effective means to position the library as a cultural centre.
- ▀ Working with local theatres to promote their events.
- ▀ Hosting Art Council meetings.
- ▀ Managing municipal art collections.
- ▀ Working closely with other cultural institutions to explore the scope for cooperation and joint projects. This practice is particularly important where libraries are co-located with other institutions – most frequently municipal art galleries.

It was also evident from the responses that public libraries are playing an active role in keeping alive the names and work of significant Australians. For example, the Tenterfield Library is the manager for the Sir Henry Parkes Memorial School of Arts; the Grenfell Library hosts the annual Henry Lawson Festival Art Exhibition; and an opportunity exists for the Bathurst Library to play a role in its Council's consideration of how to effectively restore and present Ben Chifley's home. The Industry Survey did not specifically test for such associations and one would, therefore, expect other associations to exist between libraries and Australian cultural icons.

Of equivalent significance in keeping Australian culture alive is the close association between libraries and the traditional owners of local lands. One example is the annual Cameraygal Festival sponsored by the Lane Cove Council and named after the traditional owners of the Lower North Shore.

Finally, one must acknowledge that public libraries inherently contribute to cultural wellbeing through their core collections. No matter how narrowly or

broadly one defines culture, the shelves and electronic resources of any library enable individuals to access materials relevant to their cultural interests whether such interests be art, ballet, Zen Buddhism or any other topic. Despite the tendency to view libraries as community rather than cultural institutions due to their diversity and the apparent mainstream nature of collections, one should remember that culture is highly fragmented and libraries are ideally placed to allow interested individuals to explore many if not all fragments.

4.0 ECONOMIC CONTRIBUTIONS:

As stated in section 1.0, there is a growing expectation that publicly funded bodies should be able to demonstrate their value to the community, hence the focus through this project on the economic contributions attributable to public libraries.

It is, however, important to be aware that the term “value” is often used loosely in relation to economic and financial matters and Appendix 13 offers some observations for readers’ considerations. It is also recognised that this research is preceded by a number of international studies which have estimated the economic value of library services in the UK, the US and New Zealand, on which comment is made at Appendix 14.

Following is an outline of the economic benefits as perceived by the community (sub-section 4.1); library industry perceptions (sub-section 4.2); and the development of a number of measures by which to assess the economic contributions of public libraries (sub-sections 4.3 to 4.7).

4.1 Community Perceptions:

Table 2 summarises benefits nominated by at least 2.5% of the Library User Survey participants, with further detail provided at Appendix 15, question 17.

Table 2: Most Important Economic Benefits

Nominated Benefit	Percentage of participants
Able to access books, CDs and DVDs etc at nil or minimal cost.	47.5%
Able to use PCs and access the Internet at nil or minimal cost.	10.6%
Facilitate job search and/or ongoing career development.	4.3%
Access to research & reference materials for educational or personal research.	4.0%
Helps with children’s education through access to materials & facilities.	2.9%

The most dominant benefit nominated by library users was clearly the ability to save money by utilising library services, predominantly the fixed collections of books and audio-visual materials. Similarly, being able to access the Internet was important to those without private access, particularly at Western Riverina (17%), Liverpool (16.8%) and Bathurst (13.1%). By contrast, Internet access was nominated by only 6.5% and 5.3% of respondents at Waverley and Lane Cove respectively.

As with social / cultural contributions, the most effective way to communicate the perceived benefits is through the words of library users and a selection of survey comments is provided below, with the respondent’s library service, gender and age group shown in parentheses.

“I don’t have to be wealthy to be knowledgeable. When my 4 children were young, we had to have a strict budget and books were birthday and Christmas presents. Through the library we borrowed every week and the children loved this outing.” (Camden; female; 55-59)

“Able to read fiction books that I am now not in a position to purchase personally due to limited income. Also access to non-fiction books that I would not otherwise read.” (Great Lakes; female; 35-39)

“The diverse range of free contemporary titles is amazing – saves me buying or renting titles to the value of at least \$100 per month. Ability to try before I buy – browse titles I may have some curiosity in without having to make the financial commitment to purchase.” (Great Lakes; male; 40-44)

“I read many books that I would be unable to purchase due to financial constraints. My children also are able to experience more books, videos and DVDs than we could afford to buy.” (Liverpool; female; 35-39)

*“I don’t have to buy books to read to my class to support learning activities and personally save money not buying books for enjoyment.”
(Waverley; female; 55-59)*

*“When my partner was away in the Middle East I didn’t have a computer at home so I would visit the library everyday to write e-mails.”
(Western Riverina; female; 20-24)*

“I have no computer of my own at home, so I do all sort of on-line jobs such as tax-return and transfer money to my family overseas through Internet banking here in library.” (Western Riverina; male; 40-44)

*“Being able to use the Internet whilst our computer at home is not working.”
(Bathurst; male; 50-54)*

*“Personally, self-education (completing various degrees and coursework) which greatly assisted my employment opportunities.”
(Central West; female; 55-59)*

*“The library provided computer books so that I could research software programs, therefore enabling me to better my career prospects.”
(Liverpool; female; 45-49)*

“In my job as a writer/journalist I need good research facilities. Bathurst Library provides these.” (Bathurst; male; 50-54)

*“My business as a consultant historian is considerably benefited through the ability to freely access archival and historical material.”
(Newcastle; female; 55-59)*

*“Access to information and help for 40+ years for the whole family.”
(Lane Cove; details not advised)*

4.2 Library Industry Perceptions:

As one would expect, Library Managers viewed public libraries contribution to economic wellbeing from a broader perspective, as is evident from the following outline of the most frequently recurring responses.

- By operating as a predominantly free service, public libraries enable users to avoid or reduce expenditures on a range of print and audio-visual materials, as well as a broad range of library programs. (This research project found that the average saving per adult library user was estimated by library users to be \$325 per annum [refer to question 20 at Appendix 15].)
- As an early provider of public access to the Internet and as an ongoing provider of low or zero cost access and training, public libraries have reduced the impact of the digital divide. In terms of economic wellbeing, attention was drawn to public access Internet enabling job-seekers to research the employment market, develop resumes, lodge on-line applications and communicate via e-mail with prospective employers.
- Public libraries are a significant employer and in 2004-2005 employed a total of 2,320 full-time equivalent employees in New South Wales and paid in excess of \$130 million in wages and salaries.
- By supporting local businesses, public libraries contribute to their local economies and, therefore, the economic wellbeing of the community generally. In some instances, libraries' relationships with local booksellers to supply materials is likely to be an important factor in retaining stores in areas where low populations may create marginally profitable business conditions. As well as spending locally on library materials, public libraries procure a wide range of other goods and services from local suppliers.
- As popular destinations, public libraries attract patronage to an area, thereby creating business opportunities for surrounding businesses. As one Library Manager commented: *"With its central location, it helps attract up to 600 people per day to its part of the CBD, which must assist businesses in the immediate vicinity, as those people might not otherwise visit that part of the CBD."*
- As well as directly contributing to economic activity, building programs to establish new libraries or extend/refurbish existing libraries add vibrancy and create a feeling of economic wellbeing as demonstrated by the following quotation: *"Three new libraries have contributed to community infrastructure and added value to the three main towns in the shire. This is linked to real estate values, effective governance, perception of towns and shire as forward thinking and well supported by services such as libraries, hospitals, schools etc."*
- The comment that public libraries: *"... provide reference material to local business people such as Building Code of Australia to builders and Australian Standards to a wide range of trade people"* highlights public

libraries' contribution to the economic wellbeing of small and medium sized enterprises (SMEs). Resource constraints and their less frequent need for information make it impractical for SMEs to maintain the corporate libraries found within larger organisations. Thus, by providing access to print and on-line sources such as ABS statistics, legal information, Australian Standards and other business literature, public libraries address a critical information gap and enable SMEs to maintain high professional standards and compete with larger organisations.

- Given the growth in home based businesses and the reality that infrequently used meeting spaces are a cost burden for many SMEs, the availability of meeting rooms addresses a structural gap and represents a cost benefit to business users. An example of such use is the recently opened Wallsend Library where the meeting rooms are reportedly attracting use by a cross-section of the community including local business people. However, the more general library space is also utilised by businesses as was found at the Liverpool Library, where the introduction of a coffee cart in the foyer has attracted (among others) a business sector clientele.
- Following on from the previous contribution, public libraries contribute to economic wellbeing by partnering with local businesses such as coffee cart proprietors, artists and bookshops to, for example, jointly promote book launches and author visits which represent revenue generating potential for the bookshops involved.
- Real estate agents use of local history collections (for example at Lane Cove Library) to research properties for sale and glean information for use in marketing materials contributes directly to the Agent's and their client's economic wellbeing and arguably to property values within the municipality.
- Researchers visiting to access archival and family history collections generate tourism revenue for local economies. Libraries also contribute to tourism by hosting events such as Grenfell Library's hosting of the annual Henry Lawson Art Exhibition – a major income generator for the town.
- Good cultural facilities, of which public libraries may arguably be seen as the anchor facility, were seen to help attract new residents.
- Public library collections and spaces have long been recognised as valuable complements to the education sector, which would otherwise be required to invest more heavily in equivalent materials either directly and/or indirectly through students. Public libraries contribute especially to those engaged in distance education and therefore physically distant from academic libraries, as well as providing a venue for examinations.
- At the individual library user's level, public libraries were seen to contribute to economic wellbeing in numerous ways such as:

- a) Directly assisting and/or facilitating employment-seeking through Internet access to advertisements, lodgement of on-line applications and provision of programs and general support in areas such as resume writing and interview techniques.
- b) Providing access to on-line government information, where there is a growing expectation that information should be sought and forms (where required) should be submitted on-line. By creating access for those with no other Internet source, public libraries thus contribute to overcoming social and financial disadvantage, particularly in relation to government programs involving payment of financial benefits.
- c) The availability of objective information (for example Choice magazine) enables library users to make informed decisions on major purchases and may result in short-and longer-term financial and environmental benefits.
- d) Providing materials whereby individuals can acquire or develop do-it-yourself skills, which may translate into economic benefits as well as contributing a sense of personal satisfaction.
- e) The promotion and facilitation of lifelong learning and self-education contributes not only to the economic wellbeing of individuals, but to their families, their employers and to the general community. This was aptly summarised by a Library Manager's comment that the encouragement of self-education "... supports the tenet that a better educated community is able to attract higher incomes, this may also be reflected in lower rates of crime and vandalism which are [a] high cost to the community."
- f) Improving the employment prospects among CALD (culturally and linguistically diverse) communities through English literacy and similar programs.
- g) Providing low cost access to business equipment such as computers, printers, photocopiers, fax machines and binding and laminating machines.

As can be seen, public libraries contribute to economic wellbeing in diverse ways and in so doing make individuals more independent. Although the link to economic wellbeing may seem tenuous for some of the nominated contributions, when viewed through the lens of creating the pre-conditions and capability to achieve greater prosperity and financial security, the linkages gain clarity.

Consistent with the perceptions outlined above, 87% of Library Managers were found to support the view that public libraries generate value in excess of their annual expenditure. The remaining 13% were unsure.

Notwithstanding their strong belief that public libraries are economically beneficial, no library service has yet incorporated a formal estimate of their library's value into their planning processes. It was evident from Library Managers' comments that the lack of a recognised estimating methodology is a barrier to such inclusions and it is hoped that insights gained through this research project will encourage library services to incorporate such measures in their formal planning processes.

4.3 Definition of Key Terms:

Prior to developing economic measures relevant to public libraries, it is appropriate to define the key terms used within this report and more generally. Not all the definitions within this section apply to the project, but are included for their general relevance to the subject matter and as terms that readers may encounter in other papers on the subject. Where possible, definitions are couched in lay-person terms and customised to apply to the public library sector.

- Benefit:** Public libraries generate benefit by delivering a positive outcome or gain from the use of the library's facilities and/or services, as well as generating benefit from their existence and availability within a community.
- Consumer surplus:** The value that consumers place on the consumption of a good or service in excess of what they must pay for it. For example, borrowing a library book generates a consumer surplus relative to buying the book.
- Contingent valuation:** An economic approach to valuing public goods such as library services which are predominantly free of charge at the point of delivery. The valuation is derived by posing a hypothetical scenario such as the withdrawal of public funding for a service and asking respondents to nominate the amount they would be willing to pay (WTP) to retain current services.
- Cost-Benefit Ratio:** The relationship between benefits expressed in financial terms and the costs of delivering public library services.
- Direct benefits:** Those benefits which are readily identifiable as an outcome of using public libraries. Includes tangible benefits such as costs saved by not having to purchase materials, as well as intangible benefits such as the library's contribution to literacy.

Economic activity:	An amount (expressed as a dollar value) generated by an exchange of goods or services. Only real exchanges generate activity, with an example being librarians exchanging their time in return for their salaried position.
Economic impact:	A measure of the increased economic activity generated by a facility or service. The approach is typically applied to facilities or services that attract new business to an area – a characteristic that does not generally apply to public libraries.
Economic multiplier:	A factor derived through econometric modelling and applied to public library capital and operating expenditures to estimate the ripple effect of such expenditures on the broader economy. For example, employees' salaries are expended across a range of other businesses, thereby setting in motion a chain of economic transactions.
Existence value:	The value assigned to public libraries by those who do not use public libraries, but nevertheless perceive them to be of general benefit to the community and who are willing to financially support their existence.
Halo spending:	A term used to describe expenditure on other activities concurrent with visiting the library. (This study has not recognised halo spending on the grounds that, although it may benefit local economies, it is likely that the expenditure would have been incurred in any case and does not add to NSW's economic activity.)
Indirect benefits:	Those benefits that accrue to third-parties and/or the general community as a consequence of public libraries' existence. Again, these can be tangible such as creating a business opportunity for supplier organisations or intangible such as the impact of public libraries on local property values.
Imputed \$ amounts:	Amounts not supported by actual financial transactions and which may or may not generate measurable economic activity. For example, a benefit based on the costs saved by not having to buy materials is an imputed amount.

Public goods:	Services provided by government which are freely accessible without the payment of usage charges. Public libraries are a prime example of such goods.
Real \$ amounts:	Expenditures supported by actual financial transactions which have generated measurable economic activity. For example, library operating expenditures.
Value:	The importance or preciousness of the library service to each individual based on the perception of actual or potential benefit for oneself and/or the community.
Willingness to accept (WTA):	The amount an individual is willing to accept as compensation to give up access to, for example, public library services. (WTA was not adopted for this study on the grounds that it has been widely criticised as a less reliable measure than WTP.)
Willingness to pay (WTP):	The amount an individual is willing to pay in order to retain or gain access to a hypothetical scenario (for example, public library services) presented as part of a contingent valuation process.

As commented earlier, not all of the above terms will be used in subsequent sections but are nevertheless relevant to the subject.

4.4 Conceptual Approach to Valuing NSW Public Libraries:

Although this and similar projects talk of valuing public libraries, the reality is that value is only one of three main measures. In addition to value, this research study has also estimated the financial benefit to users of public libraries and the economic activity generated by public libraries. It is not uncommon for these measures to be grouped under the value umbrella in general discussion, but readers are urged to recognise the distinctions and to utilise the measures as complementary when viewing public libraries' contribution from an economic perspective. One may distinguish the measures thus:

- The **economic value** of public libraries expresses, as a financial amount, the importance of library services to individuals within the community. It is an imputed amount and involves no exchange of goods and services, thus no economic activity is generated.
- The **economic benefit** derived from public libraries is the financial amount saved relative to the cost of obtaining services from alternate sources. This is also an imputed amount and involves no direct exchange of goods and services; hence no direct economic activity is generated. It does,

however, free financial resources to be used for other purposes, which may translate to either a positive or negative impact on economic activity.

- The **economic activity** generated by public libraries involves real financial activity in the form of the various exchanges of goods and services and associated multiplier effects necessary to provide public library services. Neither economic value nor economic benefit directly contributes to economic activity.

The above distinctions will become clearer through subsequent discussion of each measure. The measures should also enable stakeholders to advocate more effectively on behalf of public libraries by being able to adopt multiple measures rather than rely on contribution to economic activity alone, where public libraries are unlikely to have a major advantage over other public services.

Measuring Economic Value:

Value is perceived and is, therefore, subject to many influences which will naturally vary between individuals. Accordingly, value can only be truly assessed by soliciting the views of library users, hence the adoption of contingent valuation methodology (CVM) as the measurement tool employed for this research study.

Despite the fact that price and value are conceptually different, price is a convenient and often reliable anchor-point to determine the value of market-traded goods and services. For public goods (such as libraries) where price is not determined by the interaction of demand and supply forces, there is no equivalent anchor-point and other means must be employed to assess value. (Utilising the per capita government contributions to public libraries would be inappropriate as such contributions reflect how governments value public libraries relative to other public goods rather than how users value such goods.)

Over some forty plus years, CVM has emerged as a popular and recognised approach to valuing non-market goods. CVM has most typically been applied to environmental matters such as the preservation of grazing traditions in the Australian Alps and replacing a road with a tunnel at Stonehenge.¹ It is estimated that greater than 5,000 studies have been undertaken, including a relatively small but growing number of studies involving cultural organisations and services.²

CVM operates in areas where the concept of value is somewhat blurred and where more straightforward accounting type practices do not apply. It is not surprising, therefore, that CVM history is characterised by challenges to its validity and even today, it would be foolhardy to propose that CVM studies yield highly definitive results. Nevertheless, in the context of the environments to which CVM is applied, the methodology offers an opportunity for informed

¹ Noonan, D S, *Contingent Valuation and Cultural resources: A Meta-Analytic Review of the Literature*, Journal of Cultural Economics 27, pp 161, USA, 2003.

² Op cit, p161.

decision-making on matters which would otherwise be addressed on wholly subjective grounds.

Apart from the volume of studies suggesting that CVM is a viable and respected approach in its own right, there are two important endorsements that have boosted its status and credibility. In 1993, an expert panel convened by the National Oceanic and Atmospheric Administration (NOAA) and chaired by Nobel laureates Kenneth Arrow and Robert Solow published a qualified endorsement of CVM along with guidelines for ongoing research.³ The methodology's admissibility in court proceedings is a further endorsement of its validity, with its admissibility in the high profile Exxon Valdez damage suit serving as a prime example.⁴

CVM studies rely on responses to survey questions where participants are asked to nominate the amount they are willing to pay to receive or retain a service and/or the amount of compensation they are willing to accept to forego a service. The literature on the subject consistently reported that willingness to pay questions return higher response rates and more accurate results than willingness to accept questions, hence the adoption of the willingness to pay approach for this research study. Notwithstanding the literature's preference for WTP, it was felt that posing WTA questions would be inappropriate as the notion of offering to compensate the community for withdrawing library services would lack credibility.

As can be seen from the preceding discussion, WTP is a tool to estimate value in the absence of indicators typically for goods and services traded under market conditions. It is emphasised that its use was to gauge value rather than price sensitivity, which would in any case be deemed invalid by the Library Act 1939, which sets out that public library services in NSW should be provided free of charge.

The question posed was as follows: *"Thinking from the broader community perspective, if the public library was not funded by government, how much would you be willing to pay to maintain the community's access to the current services?"* Provision was made to nominate a specific amount or to select from a range of nominated values.

To alleviate concerns that the question would be interpreted as testing reaction to adopting a "user-pays" approach to library funding, it was preceded by the following assurance: *"It is, however, stressed that they are **NOT** an indication that funding to public libraries will cease or that additional fees will be introduced."* Nevertheless, it was accepted that assurances would not fully allay such concerns and that the aggregate WTP would tend to be understated as a consequence of some respondents' resistance to the question.

³ Noonan, D S, *Contingent Valuation and Cultural resources: A Meta-Analytic Review of the Literature*, Journal of Cultural Economics 27, pp 161, USA, 2003.

⁴ Holt, G E & Elliott, D, *Measuring Outcomes: Applying Cost-Benefit Analysis to Middle-Sized and Smaller Public Libraries*, Library Trends, Vol. 51, No. 3, Winter 2003, p 430, USA, 2003.

By positioning the question at the end of the survey, where it was preceded by a series of other questions (refer to Appendix 4) relating to, for example, the benefits obtained from using public libraries and the amount saved by not having to purchase books etc, it was felt that respondents would be in a better position to assess the value of public libraries than if the question had been posed independently or at the beginning of the survey. It should be noted that in responding to the question, respondents would intuitively incorporate values for both tangible and intangible benefits received from their use and/or the existence of public libraries.

Finally, it is acknowledged that a number of studies have valued the time spent by library users as a component of public libraries economic value. This approach has not been adopted for this study on the basis that it effectively biases the valuation of public libraries relative to other goods and services. As far as the writer is aware, similar valuations are not applied to time spent exercising, shopping, going to the theatre or any other of the wide range of activities undertaken by community members. Furthermore, when the approach is adopted, time is typically valued at a rate equivalent to the user's earnings from employment or other sources. Such valuation is misleading as decisions as to the allocation of leisure time are predominantly made on non-economic grounds. Accordingly, it was decided not to incorporate the value of time spent within this research study.

Measuring Economic Benefit:

There is really no need to prove that public libraries yield an economic benefit to library users, as it is self evident that borrowing is cheaper than renting or buying the items borrowed. One can, therefore, measure the benefit by assigning equivalent rental and purchase costs to the number of items borrowed and by similarly valuing other services where equivalent market prices can be reasonably determined.

Additionally, the Library User Survey included questions relating to the financial savings from users' most recent visits and over a twelve month period in order to assess the benefit as perceived by library users.

Measuring Economic Activity:

Measuring economic activity is perhaps the most straightforward of the three measures in that it derives from tangible spending on library services. This will include spending on salaries, library materials, information technology, building maintenance and all other expenses incurred by library services. For the purpose of this study, the expenditures reported in the *NSW Public Library Statistics 2004-2005* have been utilised. Applying the appropriate economic multiplier as periodically produced by the Australian Bureau of Statistics to base expenditures thus enables the overall economic activity attributable to public libraries to be calculated. (A more detailed discussion on economic multipliers is provided at section 4.7.)

4.5 Estimated Economic Value of NSW Public Libraries:

It was found from the Library User Survey (refer to section 6.9 and Appendix 15, question 21) that the average willingness to pay was \$58.20 and given that nil responses were assumed to reflect a non-willingness to pay, it is reasonable to conclude that this is a conservative estimate. Furthermore, concerns regarding the introduction of a user-pays approach may have encouraged a number of respondents to submit artificially low WTP estimates. Nevertheless, when measuring the value of public goods, one should expect the subjectivity and complexity of the task to result in respondents tending to be conservative.

Value was found to range from an average WTP of \$40 to \$69 across the ten case study library services, with metropolitan services found to have a higher WTP of \$61 than country services WTP of \$54. Such differences are to be expected – just as one expects to find differences in other areas such as collections, accessibility and branch infrastructure. Reference to section 6.9 will reveal a clear correlation between WTP and a number of user characteristics, which suggests that a service's demographic profile will impact on its WTP and, therefore, its economic value to the community. In this sense, WTP may become a useful analytical tool to compare library services and identify valued structures and practices.

Compared to the per capita expenditure on NSW public libraries in 2004-2005 of \$42.73⁵, the average value of \$58.20 represents a premium of 36.2% over the current expenditure levels, thus indicating that a positive return on investment is being achieved.

In order to determine the statewide economic value of NSW public libraries, it is necessary to determine an average value for non-users. Historically, non-users have funded public libraries through the process of general public goods funding and there would seem to be tacit acceptance that for each individual this involves trade-offs in terms of services used and not used. Whilst it is likely that such willingness will continue, there would seem to be three options by which to value the non-user component of statewide economic value. These are:

1. Apply the same value as for library users (\$58.20) on the grounds that the general community would defer to the judgment of library users, which, of course, represent a significant proportion of the population.
2. Continue to apply the current per capita funding level of \$42.73 on the grounds that it is currently accepted by non-users and, by default, deemed to represent a reasonable option or existence value.
3. Apply the value of \$19 returned by surveyed non-users (refer to section 6.10). It should be understood that this valuation is essentially valuing public libraries as a commercially provided service, in which case it is perfectly rational for non-users to assign a considerably lower valuation than for an equivalent public good. However, caution is advised given the low sample size of only 55 non-users.

⁵ NSW Public Library Statistics 2004-2005, Table 1c.

One must next determine the relative proportion of library users and non-users in the NSW population, which has been estimated as follows:

- a) Library members⁶ = 3,243,634
- b) Members as a percentage of library users⁷ = 85.2%
- c) NSW population served⁸ = 6,727,705
- d) Library users = a / b = 3,243,634 / 85.2% = 3,807,082
- e) Non-users = c – d = 6,727,705 – 3,807,082 = 2,920,623

Applying the above population distribution to the three options would result in the following economic values for NSW public libraries:

$$\begin{aligned}\text{Option 1} &= (3,807,082 \times \$58.20) + (2,920,623 \times \$58.20) = \$392 \text{ million} \\ \text{Option 2} &= (3,807,082 \times \$58.20) + (2,920,623 \times \$42.73) = \$346 \text{ million} \\ \text{Option 3} &= (3,807,082 \times \$58.20) + (2,920,623 \times \$19.31) = \$278 \text{ million}\end{aligned}$$

Economic value would thus fall within the range of \$278 to \$392 million. Given that it is not intended to change the status of public libraries from that of a public good to a commercially traded good, option 3 has little practical relevance. Options 1 and 2 therefore represent more credible valuations and consideration of free market principles, where markets for goods and services reflect the preferences and value systems of potential buyers (invariably less than 100% of the population), would suggest that option 1 most accurately reflects the economic value of NSW public libraries.

4.6 Estimated Economic Benefit of NSW Public Libraries to Library Users:

An economic benefit occurs when public library users utilise library services at a cost lower than the cost of equivalent commercially available services. As library services are predominantly free, economic benefits will naturally be experienced across a broad range of services. Estimating the full economic benefit is, however, hampered by the intangible nature of some benefits, thus limiting the exercise to those tangible benefits for which reasonable estimations can be made.

Tangible benefits where library use represents a lower cost option than alternative services include:

- a) Borrowing rather than purchasing printed materials.
- b) Borrowing rather than purchasing or renting audio-visual materials.
- c) Accessing reference materials rather than purchasing.
- d) Accessing personal computers and the Internet rather than purchasing or visiting an Internet café.
- e) Reduced need for paid legal advice through access to LIAC.
- f) Attendance at library programs.

⁶ NSW Public Library Statistics 2004-2005, Table 4.

⁷ Estimate derived from Library User Survey (refer to Appendix 15, question 25).

⁸ NSW Public Library Statistics 2004-2005; Summary Statistics.

Less tangible benefits where library use makes a clear contribution but cannot be accurately quantified include:

- g) Contribution to language and computer literacy.
- h) Public libraries' role in complementing educational institutions.
- i) Facilitating job-search activities and career development.
- j) Attracting new businesses to the community.
- k) Increasing local property values.
- l) Contribution to community health through general information and specific programs such as *drug info @ your library*.

Readers will no doubt identify further instances where benefits accrue and it is acknowledged that the above list is not comprehensive. However, it is felt to cover the key benefits, both tangible and intangible and presents a reasonable base against which to estimate the economic benefit as shown at Table 3. For a more detailed description of how the data at Table 3 was derived, readers should refer to Appendix 16 and are advised that Appendix 24 presents a template for use by library services.

Table 3: Estimated Economic Benefit based on 2004-2005 Public Library Transactions.

Description	Transactions	Unit Cost	Benefit (\$mil.)
Books borrowed in lieu of purchase	28,030,037	\$25	\$ 700.8
Non-books borrowed:			
(a) in lieu of purchase	1,305,117	\$20	\$ 26.1
(b) in lieu of rental	5,220,470	\$4	\$ 20.9
Serials borrowed in lieu of purchase	2,261,654	\$4	\$ 9.0
Separate collections borrowed in lieu of purchase	7,799,737	\$25	\$ 195.0
Access materials in-house in lieu of purchase			\$ 199.9
Internet usage in lieu of Internet Cafes	1,997,533	\$3	\$ 6.0
Legal costs offset by LIAC enquiries	46,144	\$200	\$ 9.2
Information requests in lieu of purchase	3,495,787	\$10	\$ 35.0
Attend library programs in lieu of external programs	714,390	\$20	\$ 14.3
Total Economic Benefit			\$1,216.2

On this basis, the minimum economic benefit of NSW public libraries based on tangible benefits is approximately \$1.216 billion, which represents a benefit-cost ratio of 4.24 compared to the annual investment of \$287 million in NSW public libraries in 2004-2005.⁹ Other benefits were recognised through the research but excluded from Table 3 due to difficulties in confidently estimating transaction levels and/or unit costs. For example, accessing on-line journals in lieu of purchase and the availability of meeting rooms within public libraries. Individual library services choosing to apply the above

⁹ NSW Public Library Statistics 2004-2005, Table 1.

approach internally are encouraged to incorporate such benefits if reliable transaction and unit cost data is available.

This estimate aligns very closely to the previously estimated benefit of \$325 gleaned from library users' responses to two survey questions. Applying the library users' average benefit of \$325 across the number of statewide users of 3,807,082 would yield a statewide economic benefit of \$1.24 billion and a benefit-cost ratio of 4.31.

The consistent results arrived at by two different methodologies adds credence to the findings and suggests that the approach set out at Table 3 may be adopted to ascertain economic benefit at the local library service level. To facilitate library services' adaptation of Table 3 for internal use, readers are reminded that the information sources and assumptions are outlined at Appendix 16.

Whilst it is impractical to estimate the intangible benefits with an acceptable degree of confidence, the following observations may help to demonstrate their potential significance. (It should be noted that the following observations are intended only to demonstrate how some intangible benefits may be estimated. Given that it would take considerable research to accurately estimate such intangibles, readers are reminded that the estimates utilised in the following observations are based on the writer's best judgment from relatively limited data sources and should not be cited or otherwise promoted as definitive.)

- 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. To what extent is difficult to estimate, but one would expect expenditure on school libraries to at least quadruple in the absence of public libraries. No separate data is available on school library expenditure, but, as identified at Appendix 17, it is known that:
 - The NSW Department of Education and Training policy is to have libraries and teacher-librarians at all schools.
 - One-off grants of \$25,000 and \$40,000 respectively are provided to primary and high schools to establish library collections.
 - Assuming that collections are replaced over an average eight year cycle, the average expenditure on new materials for primary and high schools would be \$3,125 and \$5,000 respectively.
 - In 2005 there were 1,652 government primary schools and 594 high and other schools.¹⁰ There were also 912 non-government schools which are excluded for the purpose of this exercise.

¹⁰ NSW Department of Education and Training, Statistical Bulletin – Schools and Students in NSW, 2005.

Thus if it was required to spend an additional \$9,375 per primary school and \$15,000 per high school on library materials alone, annual expenditure on government school libraries would increase by \$24.4 million.

- 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. Whereas the latter may not have resulted in any economic benefit, it is inevitable that obtaining a new job or promotion would be associated with an improvement in one's financial position.

Taking the NSW average weekly earnings of \$1079.50 at May 2006¹¹ as a starting point and assuming a 10% benefit, the annual benefit would thus approximate \$5,613 per individual. Applying this individual benefit to the 8.1% of total adult library users (2,473,567) who indicated that library use helped them obtain a new job or promotion would, therefore, return a gross benefit of \$1.125 billion. Determining the proportion that can be attributed to public libraries would require further research, but 10% would seem conservative, at which level the associated economic benefit generated by public libraries would be \$112.5 million per annum. Given that the benefit represents an upward step from a previous level, the benefit would continue until the affected individuals experienced a downturn in their employment status.

- The Australian Federal Police Drug Harm Index ¹² provides a financial measure of the harm resulting from the consumption of illegal drugs. The index is used by the Australian Federal Police (AFP) to measure the value of harm avoided as a result of drug seizures and acknowledges that the index "*can be generalised to measuring the benefits of other drug interventions*".

Whilst there is no specific data on the intervention effect of programs such as *drug info @ your library*, the program certainly has the potential to contribute to reduced usage and, therefore, reduced social harm. At 2003 dollar values, the AFP Harm Index estimated that "*the harm associated with a kilogram of opioids was \$1,061,359, with cannabis \$24,685, and with stimulants \$88,357*". Accordingly, for every kilogram of opioid use avoided through information provided by public libraries, the community would benefit financially by in excess of \$1 million. Despite the lack of empirical data on the library's contribution, a positive contribution is feasible when one considers that one kilogram of opioid use is only 0.04% of the 1998 total estimated consumption.

It is impractical to attempt to estimate the benefit generated in relation to the other intangible benefits such as literacy development. Nevertheless, it has been demonstrated that public libraries generate at least \$4.24 of value for

¹¹ Year Book Australia 2007, p.180.

¹² Australian Federal Police Research Note 5: AFP Drug Harm Index, March 2004.

each dollar expended and that the amount would be significantly boosted by the inclusion of intangible benefits.

4.7 Estimated Economic Activity Generated by NSW Public Libraries:

The economic activity generated by NSW public libraries incorporates the following components:

- a) The operating and capital expenditure incurred by NSW public libraries.
- b) Travelling costs incurred by library visits.
- c) Other expenditures incurred as a consequence of library usage. In this instance, such expenditures relate to the opening of private Internet accounts and the associated information technology costs.
- d) The positive or negative impact of expenditure transferred from book and audio-visual purchases to other sectors of the economy. Although the base amount expended is unchanged, economic activity is impacted by differences in industry multipliers. (For example, whether one spends a dollar on books or on other products such as [say] food, one is still spending a dollar. However, because the multiplier effect differs from product to product, redirected spending can have an overall positive or negative economic effect.)
- e) The impact of the base level activity for items (a) to (c), which is measurable by the application of appropriate industry multipliers. (All base expenditures involve a flow of funds from purchasers to providers, who then utilise the funds to enter into subsequent purchasing cycles from other providers. This process is ongoing with the ripple effect of an expenditure measured through economic multipliers. For example, wages and salaries paid to library employees will be spent [in full or part] on a wide range of goods and services. By reinvesting part of the funds received, providers will create a ripple or multiplier effect, thus changing the impact of the base expenditure on the economy.)

As can be seen, economic activity is a composite of direct library sector costs (item a), newly generated activity (items b and c), the marginal impact of changed consumption patterns (item d) and the flow-on effect of library and related expenditure on the general economy.

It may be expected that the economic benefit of \$112.5 million attributed to the library's help in obtaining new jobs or promotions (refer to section 4.6) would generate additional economic activity. This would be so for newly created positions, but there is no causal link between public libraries and the positions in question. Although public libraries helped individuals obtain a benefit, the positions would have been created and filled in any case, thus there is no justification to translate this particular benefit into economic activity.

As with the other economic measures, it is necessary to base estimates on tangible components and whilst public libraries' role in improving literacy

standards would definitely translate to economic activity, it and other intangibles defy accurate measurement.

The estimated base level economic activity is as follows:

- a) Operating and capital expenditures¹³: = \$287.5 million
- b) Travelling costs at \$1.44 per visit (refer section 6.2)
= \$1.44 x 31,478,404¹⁴ = \$ 45.3 million
- c) Internet accounts opened & related IT expenditure
= \$390¹⁵ x 258,882¹⁶ = \$101.0 million

Base level economic activity incurred by or attributable to NSW public libraries is, therefore, \$434 million. In addition to this base level activity, an amount of \$1,151.7 million is available for expenditure by library users as a result of savings on books and other materials borrowed from public libraries (as derived from the sum of the first six items at Table 3).

Industry Multipliers:

The base level amounts identified above will stimulate economic activity among companies dealing commercially with public libraries and through the ripple effect of salaries being expended across other industry sectors. This impact can be assessed through the application of appropriate industry multipliers.

For statistical purposes the Australian economy is comprised of 106 industry sectors, for which the Australian Bureau of Statistics (ABS) periodically produces input-output multipliers. However, no multipliers are produced for the culture-related industries, which are split between the other industry sectors. This gap was addressed by the National Centre for Culture and Recreation Statistics 2001 report titled *Multipliers for Culture-Related Industries*, from which the multipliers used in this research study have been sourced.

It should be noted that it was necessary to utilise national multipliers as no equivalent NSW multipliers are available. The overall estimates may, therefore, be somewhat inaccurate in that no allowance has been made for activity generated in other Australian states. However, imported inputs are accommodated within the multipliers thereby accounting for the influence of internationally sourced materials, which, due to the international outflow of funds, typically results in a lower multiplier compared to local transactions.

The multipliers applicable to the base level activities are 1.74 for statewide operating and capital expenditures; 0.9 for travelling costs; and 1.41 for

¹³ NSW Public Library Statistics 2004-2005, Table 1.

¹⁴ NSW Public Library Statistics 2004-2005, Table 19.

¹⁵ Estimated cost of \$390 per account opened is based on two components: (a) Internet Service Provider (ISP) costs of \$240 per annum representing a standard entry level ADSL account (based on rates published on ISP websites) and (b) replacement costs of \$150 per annum for a PC and software, where it is assumed that 50% of Internet accounts opened would also require a PC purchase. (Equivalent to a \$1,200 replacement cost every 4 years for 50% of library users opening ISP accounts.)

¹⁶ Number of library users (3,807,082) as previously estimated times 6.8% of library users opening ISP accounts as per the Library User Survey findings (refer to Appendix 15, question 14).

Internet and related costs. The base level multiplier of 1.74 is the ABS multiplier for libraries and museums. The travelling cost multiplier was based on a simple average of the multipliers for petroleum products (0.71) and motor vehicles and parts (1.09), each of which are heavily reliant on imported products, hence the multiplier of less than one. For Internet accounts opened, the communications multiplier (1.41) was applied.

To determine the marginal impact of changed consumption patterns, it was necessary to develop a weighted average multiplier based on the product and service weightings used by the ABS to calculate the CPI (consumer price index). The detailed calculation is shown at Appendix 18 and returned a weighted multiplier of 1.40. Compared with the book and other publishing multiplier of 1.29, the changed consumption patterns have a marginal multiplier impact of 0.11, which, when applied to the base level activity of \$1,151.7 million results in a further \$126.7 million of economic activity attributable to NSW public libraries.

The total economic activity attributable to NSW public libraries can now be determined and is as shown at Table 4.

Table 4: Economic Activity Generated by NSW Public Libraries (\$ mil)

Description	Base level activity	Value added multiplier	Total economic activity
Public libraries operating & capital expenditure	\$287.5	1.74	\$500.3
Travelling costs incurred by library visits	\$45.3	0.90	\$ 40.8
Internet accounts opened & related IT expenditure	\$101.0	1.41	\$142.4
Impact of redistributing financial savings from borrowing library materials	\$1,151.7	0.11	\$126.7
Total			\$810.2

Key observations from Table 4 include:

- Based on 2004-2005 conditions, NSW public libraries generated \$810.2 million of economic activity.
- The estimated amount of \$810.2 million is conservative in that it represents only tangible activities that can be estimated with an acceptable level of confidence. Including estimates for intangible factors such as the impact of language and computer literacy would further increase public libraries' contribution to economic activity.
- For each dollar expended directly as operating or capital expenditure, NSW public libraries generate \$2.82 of economic activity ($\$810.2/\287.5).
- Funds saved by borrowing library materials in lieu of purchase are available for use across other economic sectors. Assuming that saved funds are expended in accordance with the CPI weightings, every \$100

saved by using public libraries will increase economic activity by \$11 (that is the marginal multiplier impact of 0.11).

- The redistributive effect of saved funds alone is equivalent to 44% of base level spending on public libraries ($[\$126.7/\$287.5] \times 100$).

As this analysis has shown, NSW public libraries have a positive effect on economic activity. Whilst beyond the scope of this research study, one would also expect public libraries to show a positive return in terms of environmental impact, thus increased use of public libraries would be beneficial from both the economic and environmental perspectives.

To complement Appendix 16, which enables library services to estimate economic benefit, Appendix 19 sets out the base information required for library services to also estimate economic value and economic activity. Readers are advised that Appendix 24 also presents a template for use by library services to calculate economic activity.

5.0 ENVIRONMENTAL CONTRIBUTIONS:

The final element of the triple bottom line approach adopted for this project was the environmental contribution made by public libraries. As was the case for the social/cultural and economic elements, library users and library managers were asked to nominate the most important environmental contributions generated from use of public libraries. The key findings from each group are summarised below in sub-sections 5.1 and 5.2.

5.1 Community Perceptions:

Table 5 summarises benefits nominated by at least 2.5% of survey participants, with further detail provided at Appendix 15, question 19.

Table 5: Most Important Environmental Benefits

Nominated Benefit	Percentage of participants
Providing a safe, quiet & friendly environment.	9.4%
Providing information to acquire a better understanding of environmental issues.	9.4%
Multiple usage of materials is more resource friendly than individual ownership.	5.8%

An interesting contrast between the library users' and managers' responses was that library users interpreted the term "environmental" more broadly to incorporate personal and public safety. This is evident from Table 5 and from the selection of survey comments provided below to more effectively communicate library users' perceptions. (The respondent's library service, gender and age group are shown in parentheses.)

*"The library is a peaceful environment like a church. It is non-judgmental, peaceful, pleasant and a pretty happy atmosphere all round."
(Waverley; female; 55-59)*

*"The library is a great, stress-free, happy, pleasant environment and it's always a pleasure to go there."
(Waverley; female; 35-39)*

*"Library is a calm environment, hassle-free and induces calm. It's peaceful and quiet and therefore benefits my frame of mind."
(Newcastle; female; 55-59)*

*"Operating in a non-discriminatory manner is the most important environmental benefit I have received through the library service."
(Canterbury; female; 50-54)*

*"Sometimes studying at home can be difficult so the library gives a peaceful and encouraging environment to study individually or with friends."
(Canterbury; female; 16-19)*

*"I come to the library in thunderstorms because I'm scared at home by myself."
(Camden; female; 35-39)*

*“Being able to understand environmental initiatives/issues presented to our community through publications and campaigns advertised in library.”
(Lane Cove; female; 30-34)*

“By borrowing books on gardening and environmental issues I have transferred that knowledge to home.” (Bathurst; female; 35-39)

“A reduction in wastepaper through using library newspapers instead of buying my own.” (Lane Cove; female; 75-79)

“Information on climatic changes that have an impact on some of our farming practices.” (Western Riverina; male; 80-84)

*“I work in environmental management. I use the library resources to assist in informed decision making of the natural and built environment in the region.”
(Western Riverina; female; 25-29)*

*“It [Wallsend Library] shows ways that green architecture can be used.”
(Newcastle; female; 65-69)*

“The development of the community and how the local council is making advancements to that effect.” (Camden; male; 40-44)

“I am able to access many books and not need to store them in my house – invaluable!” (Waverley; female; 40-44)

“Books = paper = chopping down trees. The more we share the resources the less resources we need.” (Great Lakes; details not advised)

5.2 Library Industry Perceptions:

When reviewing Library Managers' responses to how public libraries contribute to environmental wellbeing, the immediate impressions were: (a) the consistency of the responses and (b) the strength of emphasis on physical resources. The latter emphasis is interesting in that it contrasts with library users' perceptions (refer to section 5.1) where environmental wellbeing was mainly interpreted in relation to personal issues such as safety, comfort and respect. Such issues were, of course, recognised by Library Managers under social wellbeing and although a number of services repeated such contributions under environmental, it would appear that library professionals more clearly delineate between social and environmental wellbeing than do library users.

Nevertheless, the nominated contributions demonstrate that public libraries make a valuable contribution to environmental wellbeing by:

- Following a business model based on resource sharing. In other words, providing books, newspapers, magazines and audio-visual materials for multiple use through borrowing. Whether such use involves a novel borrowed (say) 40 times over an eight year period or a newspaper read by

(say) 20 people in one day, the practice of borrowing is less demanding on scarce physical resources than if individuals purchased their own copies.

- Holding sub-collections of environmental titles across a range of print, audio-visual and on-line formats. It was advised that in some instances, environmental organisations have contributed to such collections through selection advice and/or physically donating materials.
- Raising awareness of the environment and promoting environmentally friendly practices through:
 - a) Displays and exhibitions to promote the activities of council, regional, state or national authorities.
 - b) Seminars and information sessions often linked to displays and exhibitions.
 - c) The availability of promotional literature (brochures etc) and relevant reports such as local Environmental Impact Statements.

Special emphasis is likely to be placed on awareness programs at specific times such as Water Week, Bushfire Awareness Week, World Environment Day and National Recycling Week etc.

- Encouraging recycling at the local level by serving as collection points for the recycling of products such as ink cartridges, mobile telephones and phone directories.
- Being seen to visibly practice recycling within the library by, for example:
 - a) Recycling paper and other items in general operations and in children's craft activities.
 - b) Adopting "no plastic bags" policies.
 - c) Promoting and selling re-usable library bags. Indeed, public libraries were promoting such use before the more recent promotion of such bags by the retail sector.

An extreme example of recycling is the Forster Library's conversion of a retired fishing boat into the centrepiece of the children's area, which also could be seen as having heritage and local history value.

- Serving as high visibility demonstration projects for a range of environmentally efficient practices. For example:
 - a) Eurobodalla's use of two libraries to showcase new recycling bins and rainwater tanks.
 - b) Hornsby Library's installation of Greenhouse – friendly powered air-conditioning.
 - c) Water recycling at the Kiama Library.
 - d) Solar power at the Forestville and Waverley libraries.
 - e) Landscaping around the Dee Why Library designed for a scarce water environment.

- ▀ Less visible but equally relevant projects at a number of libraries to commission energy audits and/or monitor energy usage in order to operate in a more energy efficient manner.
- ▀ Incorporating ESD (environmental sustainable design) principles into new library buildings. Examples of new or planned libraries where ESD has been applied are Blacktown, Inverell, Kogarah, Lane Cove, Swansea and Wallsend.
- ▀ Promoting recycling during children's activities to build awareness and develop good habits and practices during their formative years. A specific initiative of note was Central West's partnership with Netwaste (the regional environmental agency) to develop and offer programs especially geared to children and young adults.
- ▀ Locating libraries close to public transport and other community services to encourage people to walk, cycle or use public transport.

As identified as the start of this section, a minority of Library Managers also interpreted environmental wellbeing to embrace libraries' positive contribution to easing social isolation and providing safe, welcoming public spaces. These have been adequately discussed at section 3.2 and require no further discussion.

Having now considered wellbeing from the four perspectives of social, cultural, economic and environmental, it is interesting to note the diverse ways libraries contribute to their communities. It is also interesting to note how prominently library collections feature within each of the four perspectives, which reinforces the need to maintain a clear focus on the core business.

6.0 LIBRARY SURVEYS:

The most relevant insights into how public libraries contribute to sustaining their communities are those sourced directly from library users. To this end, surveys (refer to Appendices 4 and 7) were developed for distribution to 2,000 users attending the ten case study library services and a further 2,000 mailed to a random selection of individuals within the case study catchment areas.

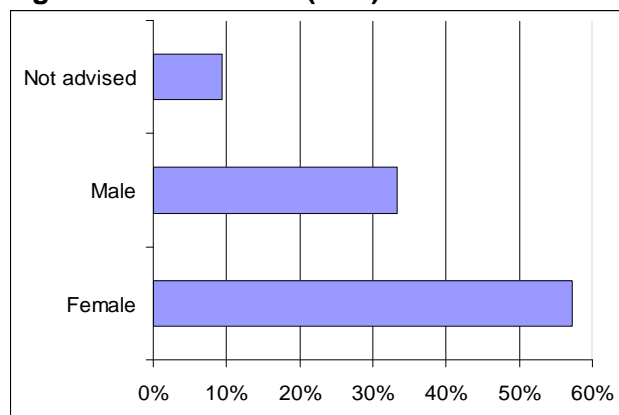
The surveys sought information into how public libraries are accessed; the services utilised; personal and perceived community outcomes from such use; and economic value questions to gauge the financial benefits accruing to users and their willingness to pay in the hypothetical event that library services were not government funded.

This section discusses the key findings from the 1,989 usable responses, with further statistical detail provided at Appendix 15. To facilitate readers' reference to Appendix 15, the title line for each figure and table within this section is appended with the survey question number relevant to the data being discussed.

6.1 Profile of Library Users:

It should be noted that the survey was targeted at library users aged from sixteen years, thus by excluding children younger than sixteen years the following profiles will differ to the actual statewide profile.

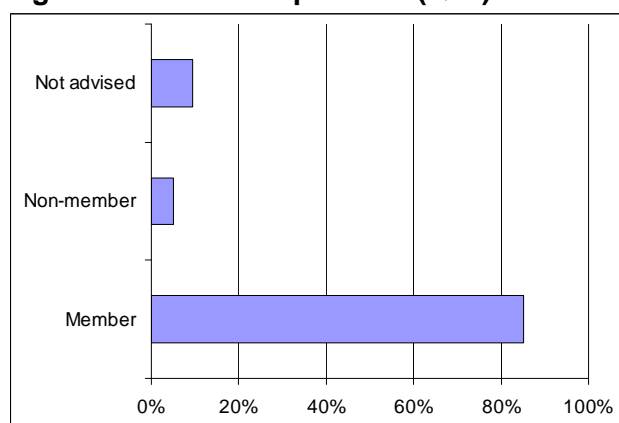
Figure 1: Gender Mix (Q24)



As is typical of public library use, the gender mix was weighted towards females at 57.3% of total responses, with males comprising one-third of the total. The female mix was slightly higher among country services (59.1%), which is consistent with the relative inaccessibility of country libraries for those in full-time employment. Among the case

study services, only Newcastle's 49/43 mix approached a balanced position.

Figure 2: Membership Status (Q25)

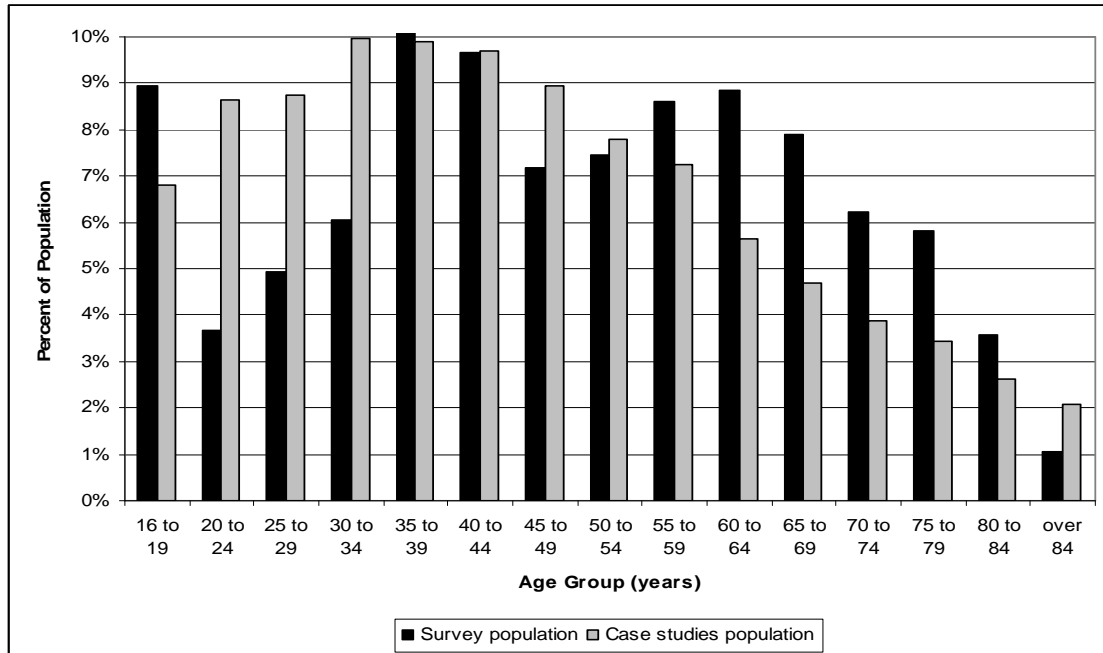


Survey respondents were predominantly library members (85.2%) with non-member usage accounting for approximately one in eighteen visitors.

Whilst this may appear insignificant at face value, it nevertheless indicates that public libraries do not function

as “members only” domains and it is suggested that the non-member usage rate of 5.2% would probably exceed that of other member based institutions. One should also bear in mind that non-membership precedes membership, thus the member/non-member ratio could be interpreted as an indicator of public libraries’ success in attracting interested parties to become members.

Figure 3: Library Users by Age Group (Q26)

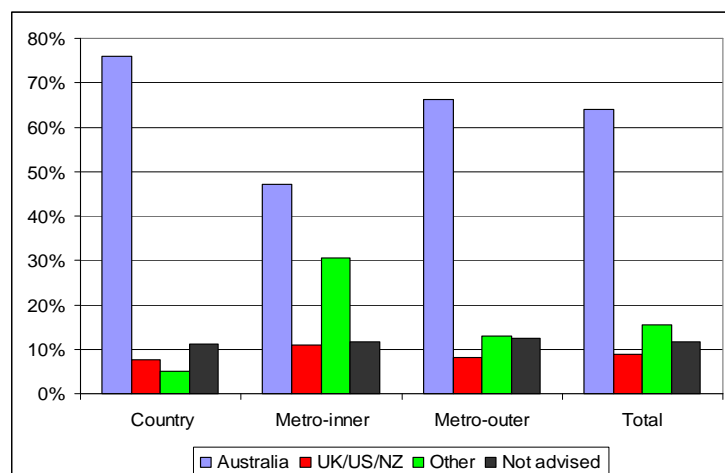


(Case studies population derived from NSW SLA Population Projections, 2004 Release.)

Figure 3 compares the survey population with the projected 2006 populations for the ten case study library services. As can be seen the profiles align reasonably across the age groups from 35 to 59 years and diverge for the younger and older age groups. For the age groups from 20 to 34 years, usage lags the general population, with the opposite applying for those aged 16 to 19 years and the older age groups from 60 to 84 years. Such bias is consistent with library opening hours and users’ opportunity to visit, each of which are skewed favourably towards the sixty and over demographic.

Figure 4: Library Users by Country of Birth (Q27)

Australia is naturally the dominant country of birth accounting for 64% of survey respondents as shown at Figure 4. The second and third ranked countries were the United Kingdom and China, which lagged considerably at 6.1% and 2.1% respectively.



However, when viewed

by general location, the need for public libraries to align their service mix to local demographics becomes apparent. Within country services, the profile is more homogenous with only 5% of users born in a non-English speaking country. By contrast, more than one in three users of inner-metropolitan services was born in a non-English speaking country, thereby creating the need for inner-metropolitan public libraries to design their collections and programs accordingly. Outer-metropolitan services align quite closely with the general profile, although individual services such as Liverpool align more closely to the metropolitan-inner profile.

Figure 5: Library Users by Language Spoken at Home (Q29)

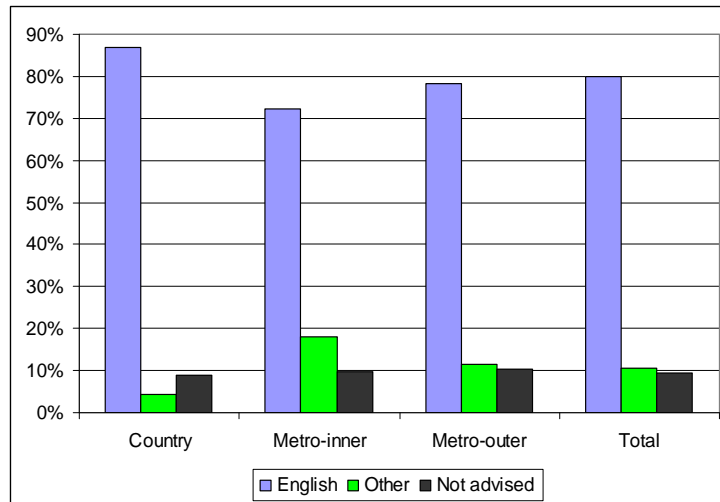


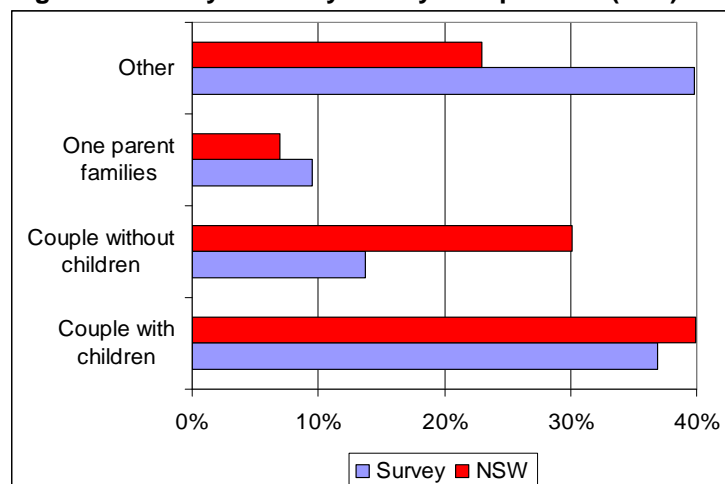
Figure 5 provides an alternate perspective on the need for public libraries to cater for CALD (culturally and linguistically diverse) library users. Given that the measure is language based, it is a more relevant indicator than the preceding country of birth measure and demonstrates that meeting CALD users'

needs is a dynamic process. Over time, the demand for any given foreign language collection will peak and then fall as a natural consequence of the assimilation process as subsequent generations display a preference for English language materials.

On this measure, country services appear even more homogenous and the impact on metropolitan services appears lessened. However, impact is a function of local conditions, as can be appreciated from the position of two case study services, Canterbury and Liverpool, where languages other than English are spoken by 39% and 27% of respondents respectively. Clearly, the demands on these (and similar) services to sustain demographically diverse communities will be above industry norms.

Figure 6: Library Users by Family Composition (Q30)

Figure 6 compares the family composition of the survey respondents with the 2006 NSW living arrangements projected by the ABS *Household and Family Projections 2001 to 2036*. It should be noted that the ABS data has been amended to exclude children under

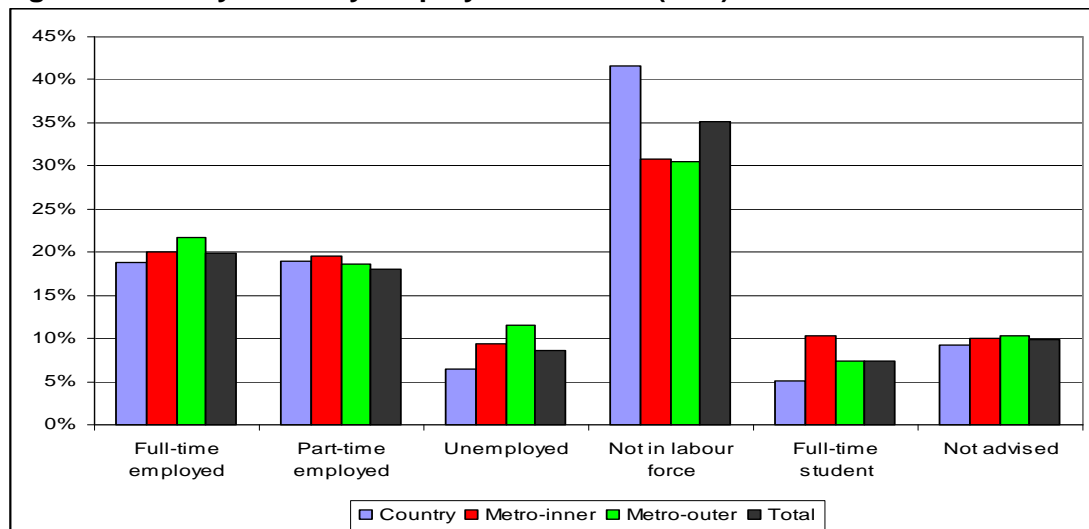


16 years of age in order to be compatible with the survey data.

The survey found that the usage rate closely matches the general community profile among couples with children. On the other hand, public library usage among couples without children was slightly less than half of that group's statewide position. Usage among one parent families was encouragingly ahead of their relative statewide position, thus indicating that family composition is not adversely impacting on children's access to public libraries. However, the survey ratio of 2.5:1 for single mother/single father library users compared to the general population ratio of 5:1 suggests that single fathers are more likely to be library users than single mothers.

In order to match the ABS classifications it was necessary to consolidate and report single persons and grandparent families as "other", which, as can be seen from Figure 6, is the dominant user group. (Single persons and grandparent families comprised 22.6% and 17.2% of respondents respectively.)

Figure 7: Library Users by Employment Status (Q31)

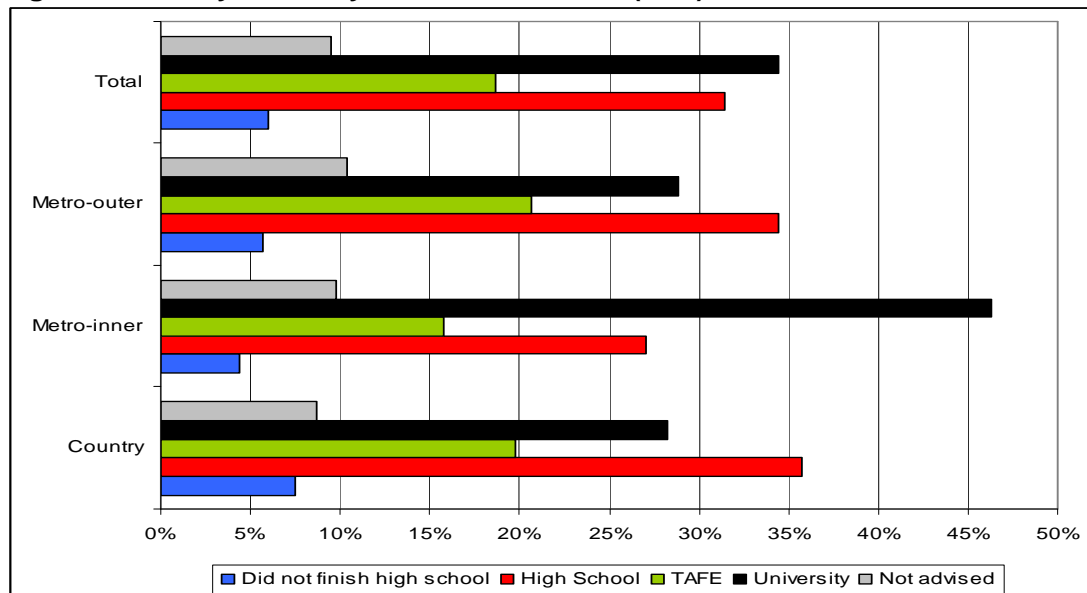


Persons not in the labour force were found to be the dominant group, particularly within country library services where the cumulative impact of population drift may explain the rating being almost twelve percentage points higher than for metropolitan services. Whilst the survey did not capture further detail regarding employment, one could reasonably assume retirees and persons performing home duties to be the key sub-groups – an assumption supported by 68% being aged sixty or over.

Other areas of interest revealed by the survey data is the apparent influence of location on usage by unemployed persons and full-time students. Albeit speculative, one may question whether the comparatively low country usage within these groups reflects the relative ease of access. For example, distance and the lack of public transport may present greater barriers to use by country unemployed. Similarly, there is considerable anecdotal evidence that the distances travelled to school by many country students makes after-school library use less convenient than for their city counterparts.

As can be seen from Figure 7, usage by full- and part-time employed persons is relatively consistent by location. Nevertheless, if library usage is assessed against the broad classifications of employed or not employed, it is clear from the survey data that employed persons comprise the minority of adult library users.

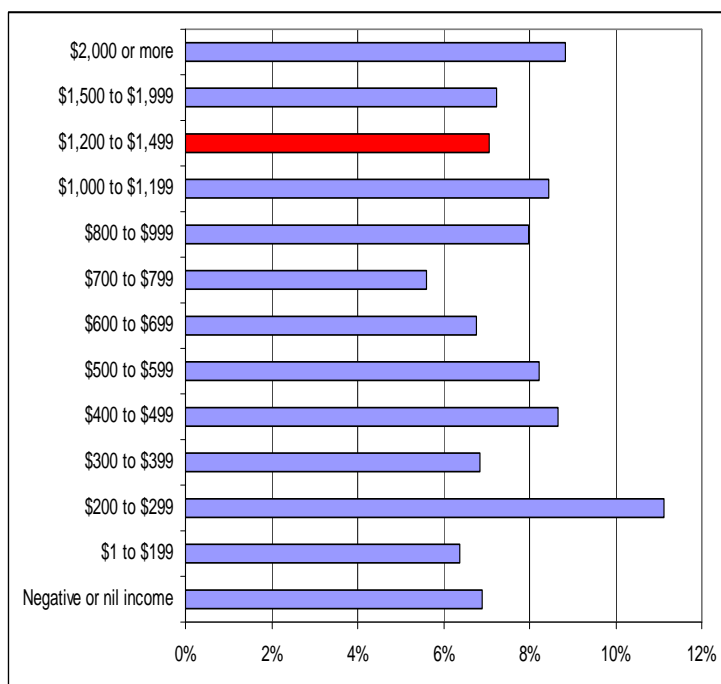
Figure 8: Library Users by Educational Level (Q32)



The survey findings suggest that educational level is an important characteristic in defining library users. As can be seen from Figure 8, university educated users are the dominant group, particularly within inner-metropolitan services. It should, however, be noted that this finding may be skewed by ratings greater than 50% at two of the three surveyed inner-metropolitan services.

High school graduates were the dominant groups within country and outer-metropolitan services where the educational level profiles showed a similar mix of educational attainment. Nevertheless, the different profiles confirm that for public libraries to sustain their communities, it is imperative that they understand their users' characteristics and customise services and programs accordingly.

Figure 9: Library Users by Weekly Household Income (Q33)



The survey offered participants a “prefer not to answer” option, which was (at 28.6%) the dominant response. A further 5.9% of respondents did not respond to this question.

Accordingly, Figure 9 reflects the weekly household income profile for the 65.5% of respondents who provided information.

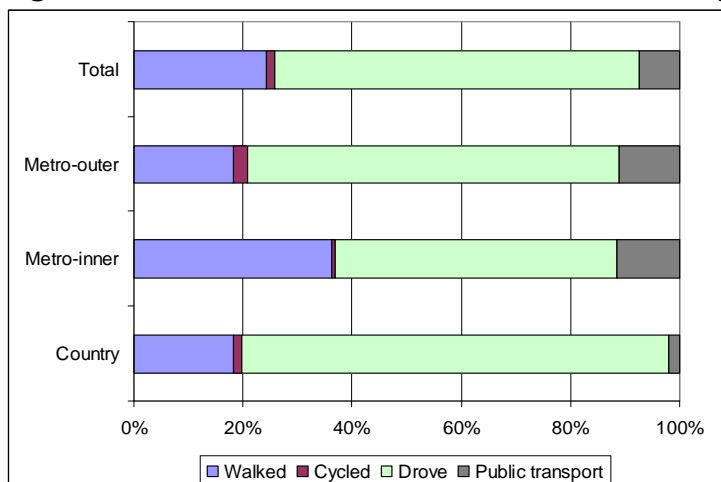
The \$1,200 to \$1,499 per week bar is highlighted at Figure 9 to

denote that the mid-point roughly equates to the average weekly income for NSW households (\$1,309) as at August 2006.¹⁷ Based on this data, it is apparent that approximately 77% of library users are from households with below average weekly income. Given that the ability of individuals to procure consumer goods (including books and audio-visual materials) is primarily a function of disposable income; the profile shown at Figure 9 reinforces the valuable equity of access role performed by public libraries.

6.2 How Public Libraries are Accessed:

The survey posed a series of questions to ascertain the travelling modes and time associated with library visits, as well as library users’ pre- and post-visit locations. This section summarises and comments on the key findings.

Figure 10: Travel Mode To & From Public Libraries (Q2 & Q6)



There was no significant differences in travel patterns to and from public libraries, thus Figure 10 represents a composite view of respondents’ inward and outward travel.

Driving is clearly the preferred mode of travel, although the findings do suggest that travel

¹⁷ Derived from average household income of \$1,212 per week in 2003-2004 (ABS 3206.0 Household & Family Projections) escalated by 8% (equivalent to \$97) for the increase in average weekly earnings from February 2004 to August 2006 (ABS 6302.0 Average Weekly Earnings Australia).

patterns are influenced by location. For example, the incidence of walking to inner-metropolitan libraries is consistent with higher population densities and branch libraries that are more likely to be within walking distance. Similarly, public transport networks are more extensive in the inner-metropolitan areas, as is reflected in the survey data. By contrast, the more limited public transport facilities in country areas limits it as a viable mode of travel.

Travel preferences naturally reflected local conditions and varied considerably across the case study services. For example, 42% of Canterbury respondents walked; 81% drove at Central West; 18% used public transport at Waverley; and cycling had very little popularity, peaking at 3.7% at Newcastle.

At face value, the act of travelling to and from public libraries does not sustain communities per se and is, in any case, outside public libraries' sphere of influence. Nevertheless, the data does suggest secondary benefits in that walking is a valuable form of exercise, thereby contributing to the health of the 24% of respondents adopting this mode of travel. Similarly, the use of public transport by 7.4% of respondents is more environmentally friendly than driving.

This theme of indirect benefits can be linked to the widespread practice of library users combining their library visits with other activities such as shopping, attending work or school or pursuing other interests and activities. This is summarised at Table 6, which shows the pre-and post-visit locations of survey respondents.

Table 6: Pre-visit and Post-Visit Locations (Q3 & Q5)

Pre-visit location	Post-visit destination						Survey total
	Going home	Going Shopping	At work	At school or college	Doing other things	Not advised	
Home	27.1%	16.6%	1.8%	1.0%	9.6%	0.1%	56.2%
Shopping	9.7%	1.8%	0.4%	0.1%	1.8%	0.1%	13.8%
Work	5.2%	0.6%	3.4%	0.1%	1.1%	-%	10.3%
School / college	3.2%	1.1%	0.3%	0.7%	0.5%	-%	5.7%
Doing other things	6.9%	1.9%	0.5%	0.4%	3.7%	-%	13.4%
Not advised	0.1%	0.2%	-%	-%	-%	0.4%	0.7%
Survey total	52.1%	22.1%	6.3%	2.2%	16.7%	0.6%	100%

Key insights into library users' travel patterns include:

- Home is the dominant base and destination with 56.2% of visits starting from home and 52.1% ending at home. In approximately one in four instances, library users leave from and return directly home following their visit.
- The corollary to the above finding is, of course, that in approximately three in four instances library visits are combined with another activity. This

suggests that the location and opening hours of public libraries are adequately structured to offer library users the convenience and cost efficiency of being able to combine activities.

- Shopping is the second ranked base and destination. As can be seen, there is a preference to shop after visiting the library (22.1%) than prior to visiting (13.8%). The proportion who visited the library between shopping activities was relatively small at 1.8%.
- The reverse situation applies to work where more library users (10.3%) visit on the way from work (10.3%) than on the way to work (6.3%). It is also notable that (in relative terms) a significant number of those nominating work appear to be lunch-break visitors as indicated by the 3.4% who nominated work as their pre- and post-visit locations.
- Similarly, the library is a more popular after school location (5.7%) than a before school location (2.2%). This was particularly so among inner-metropolitan services where the proximity of public libraries to schools is more convenient than for outer-metropolitan and country services.
- A closer examination of the after school usage revealed two interesting findings. Firstly, only 45 of the 113 respondents were aged 16 to 19 years, which suggests that public libraries are also seen as a key resource by adults undertaking higher studies. Secondly, the 45 users aged 16 to 19 years represent a significant proportion (28%) of the 161 from this age group included in the survey, which suggests that visiting the public library is a prominent after school activity.

By enabling library users to combine their visits with other activities, public libraries are indirectly benefiting their communities. Such benefits may include cost and environmental savings from not making multiple trips; a more efficient use of library users' time by eliminating multiple trips; and adding interest to activities that may otherwise be considered routine through the inclusion of a library interlude.

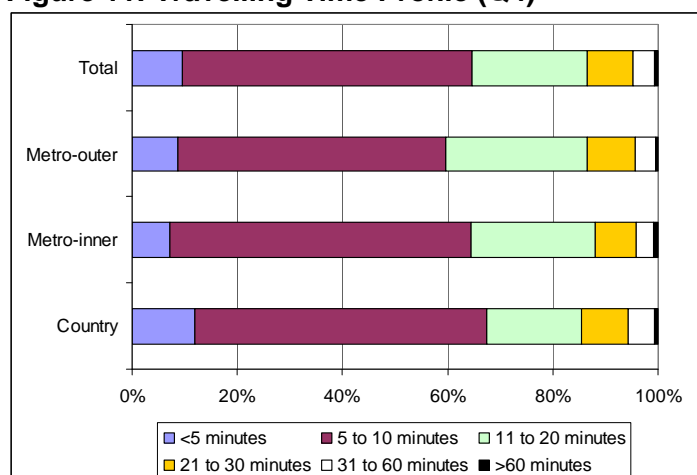
The average travelling times to and from the library are 13.2 and 13.5 minutes respectively, with location having a minimal influence as shown by Table 7.

Table 7: Average Travelling Time (Q4)

Library Service Location	Travelling time (minutes)	
	Time to	Time from
Country	12.4	13.7
Metropolitan-inner	14.1	13.0
Metropolitan-outer	13.2	13.7
Survey average	13.2	13.5

Further insight is provided by Figure 11, which shows the distribution of trip times by library location. (Given the similarity in travelling times, Figure 11 represents a composite of the inward and outward trips.)

Figure 11: Travelling Time Profile (Q4)



Despite the differences in travelling mode (refer to Figure 10), the impact on average time is insignificant. A significant finding revealed by Figure 11 is that 87% and 95% of trips are completed within twenty and thirty minutes respectively.

This is consistent with the findings from similar

research undertaken by J.L. Management Services over a number of years.¹⁸ Regardless of travelling mode, it is generally found that library users are willing to travel up to twenty minutes each way and that serious resistance is not encountered until travelling time exceeds thirty minutes. The data from this project further confirms these observations and suggests that library locations should be within twenty minutes travelling time of (say) 90% of their catchment population.

As was discussed in relation to other accessibility elements, the acceptable travelling time is a function of users' convenience, as is the case for suppliers of other consumer goods such as supermarkets. It would appear that the case study libraries have generally complied with users' expectations in this regard, thereby positioning their libraries to contribute to their communities' sustainability.

Based on the travel patterns outlined above, the average out-of-pocket costs incurred to visit public libraries was estimated at \$1.44 per visit. The composition of this estimate by travel mode and library location is summarised in Table 8.

Table 8: Average Cost per Library Visit (Q8)

Travel Mode	Average Cost per Visit			Average
	Country	Metro-inner	Metro-outer	
Walk	\$-	\$-	\$-	\$-
Cycle	\$-	\$-	\$-	\$-
Drive	\$2.12	\$1.48	\$1.62	\$1.83
Public transport	\$2.21	\$2.38	\$3.98	\$2.99
Average	\$1.69	\$1.04	\$1.56	\$1.44

The detailed calculations supporting the above estimates are provided at Appendix 20 and the key assumptions are outlined below.

¹⁸ J.L. Management Services Pty. Ltd., *Taking Services Into the Future – A Manual for Country Library Services*, Department for Victorian Communities, August 2003, page 173.

- Walking and cycling have been treated as nil cost activities, although it is acknowledged that an argument could be made to include associated costs such as refreshments en-route and bicycle maintenance costs. These were, however, considered to be negligible and, in any case, subject to many variables.
- Driving costs are derived from estimates of travelling time provided by the survey respondents and converted to a financial value by applying assumptions for average speed, running costs and parking expenses. It should be noted that:
 - a) Costs include those associated with driving to the library from any location plus the costs of driving directly from the library to home. Costs associated with driving from the library to other locations are not directly associated with the library visit and were excluded from further consideration.
 - b) It was assumed (based on unpublished data held by the consultant) that a passenger would be carried on 30% of visits, thus costs were based on an average of 1.3 persons per vehicle.
- Public transport costs were based on the average costs reported by survey respondents. A number of respondents commented that no cost was reported as they were holders of, for example, weekly travel passes and the marginal cost of library visits was zero. Respondents were correct in making such assumptions, thus it was decided to accept the averages from the survey and acknowledge that they are likely to err on the conservative side.

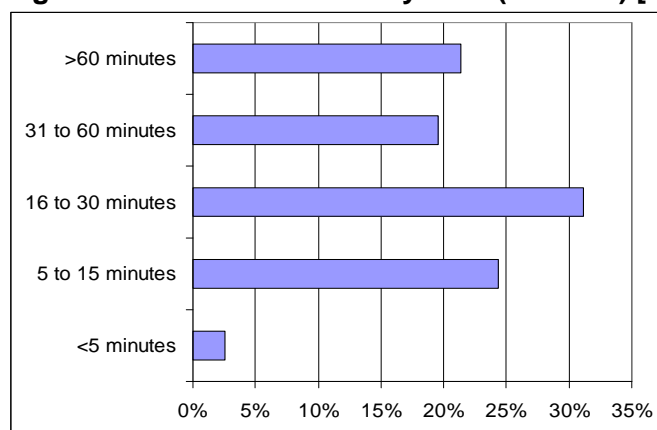
The average cost of \$1.44 per visit does, therefore, represent a direct cash expense incurred by library users in visiting public libraries. Furthermore, the expenditures incurred represent economic activity that is directly attributable to library visits, the statewide impact of which was discussed at section 4.7.

6.3 How & Why Public Libraries Are Used:

Generalising how and why public libraries are used is fraught with risk given that each individual library user is unique, as is their motivation for and usage of public libraries. Nevertheless, key patterns identified through the survey included that library users visit for an average of approximately 35 minutes; make little use of remote on-line access; view the library more as a cost-saver than a time-saver; and are attracted predominantly by the fixed collections, the availability of professional support and the friendly atmosphere.

The remainder of this section discusses the above elements in more detail.

Figure 12: Duration of Library Visit (minutes) [Q9]



The average duration of a library visit was found to be 35 minutes, which represents the weighted average of the profile shown at Figure 12.

Whilst the most popular duration (31%) was for 16 to 30 minutes, visits exceeding 30 minutes were more popular than visits less than 16 minutes, thus resulting in

greater than 70% of visits being for 16 minutes or more. This suggests that visits are predominantly unrushed and that users feel comfortable spending time in public libraries.

The average duration of 35 minutes was relatively consistent across the ten case study services with three exceptions, each of which is consistent with local conditions and/or demographics. For example:

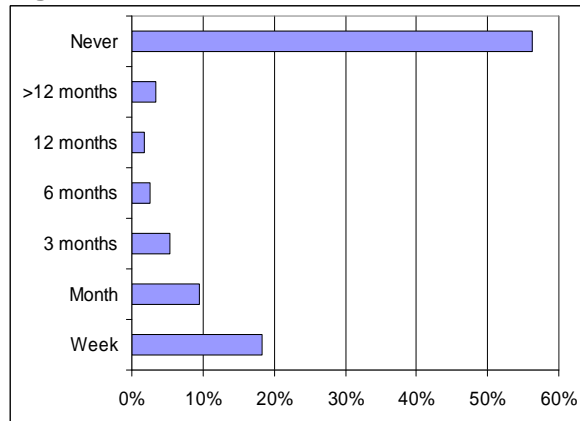
- Lane Cove returned the shortest average visit of 26 minutes, with almost 40% of visits being less than 16 minutes and only 9% longer than 60 minutes. These characteristics are consistent with the space constraints of the current libraries and tend to support the decision to build a larger library to more effectively meet users' needs.
- Great Lakes' average visit of 29 minutes is consistent with the area's status as NSW's most aged municipality and the relatively lower use of libraries as study facilities.
- At the other extreme, Liverpool's average visit of 47 minutes is consistent with their success in developing programs and facilities to make the library an attractive place for the area's youth.

Whilst the average visiting time of 35 minutes may be regarded as a generic baseline, the above examples clearly show that it is subject to local conditions. However, when considered from the perspective of sustaining communities, it may be argued that public libraries contribute to community

wellbeing by providing an environment capable of accommodating highly variable usage patterns where time is, of course, a defining characteristic.

Internet technology has been a component of the public library service mix since the mid-nineties and just as the technology has become widely adopted within the general community, so too has it become integral to modern public library services. As well as providing in-library access to the Internet, public libraries are making an increasingly broader range of services available through remote on-line access.

Figure 13: Time Since Last Remote On-line Access (Q11)



Remote on-line access occurs when library services are accessed through the Internet from locations physically outside a library service's branch network, or within library branches via privately owned devices connected to non-library wireless networks. The services able to be accessed will vary between library services, but may include loan reservations and on-line databases.

It was found that approximately 28% of respondents reported using the service within the past week or month and that the service is less frequently used within country services, which may be attributable to factors such as slower connectivity and lower Internet installation rates in country areas.

A further finding was that 56% of respondents reported never having used the service and once again, non-use was higher in the country (62%) than within metropolitan services (52%). Only one service (Lane Cove) was below 50% on this measure and only marginally at 48.2%. Whilst such findings may raise concern, they also highlight that on-line services may benefit from stronger promotion. Nevertheless, it would appear from the 2005 OCLC report *Perceptions of Libraries and Information Resources* that low awareness of and usage of libraries' on-line services is a global phenomenon.

Figure 14: Library Services Used During Most Recent Visit (Q12)

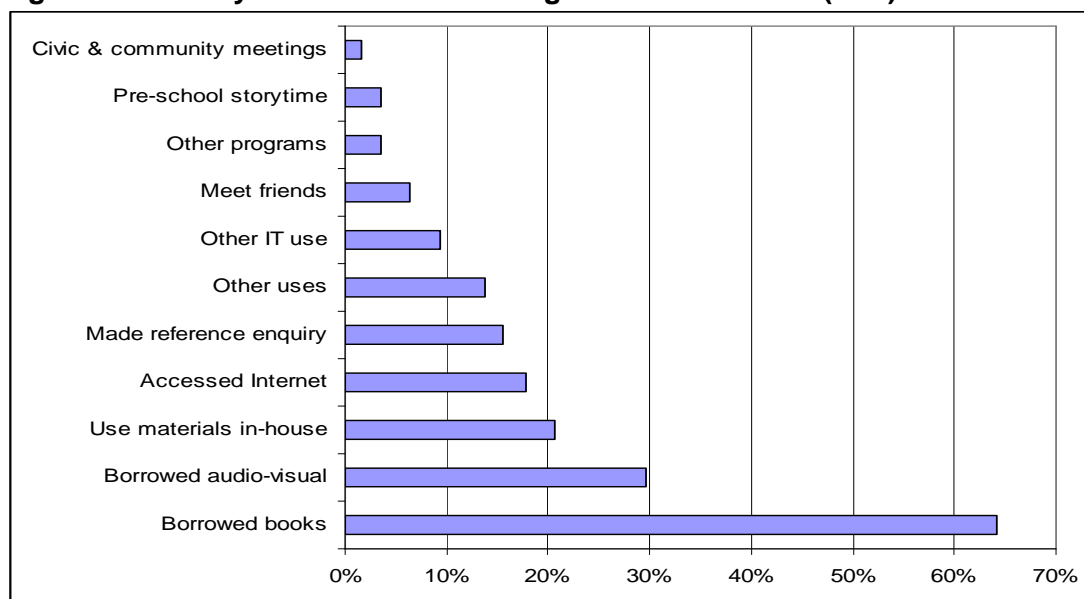


Figure 14 confirms that the traditional core services are still the mainstay that attracts users to public libraries. Key findings from the survey include:

- Print collections are the primary drawcard with almost two-thirds of survey respondents reporting that they borrowed books during their visit.
- Audio-visual materials (CDs, DVDs, videos, talking books, computer games etc) were borrowed by 30% of respondents and confirm that public libraries address users' needs across a range of multimedia formats.
- In-house materials use by 21% of respondents is a significant finding in that it provides a (previously unavailable) measure of in-house use. This will naturally incorporate the use of (not for loan) reference materials, but the magnitude of the reported use suggests that the lending collections are extensively used.
- Internet use is strong at 18% and serves the dual purpose of contributing to bridging the digital divide and being available as a general information source.
- The number of respondents reporting reference enquiries (15.5%) suggests that demand remains high for professional reference support and is consistent with the finding that 61.4% of respondents use libraries because professional staff support is available.
- Within "other" the main reported uses were to study, to use the photocopiers and to return materials.
- Approximately one in sixteen respondents nominated that they met friends at the library.

Services used were generally consistent, with only minor location based differences. For example, audio-visual materials were most popular among

the outer-metropolitan services and inner-metropolitan users reported lower demand for the Internet and for reference enquiries.

The ways that library users structure their visits is, by definition, individual and highly variable. This was confirmed by the survey findings where 200 separate usage profiles were identified, details of which are provided at Appendix 21. Profiles ranged from single purpose visits through to one respondent nominating nine of the eleven surveyed uses. Most visits involved users utilising between one and three services, with the cumulative percentage of single, dual and triple purpose visits being 47%, 78% and 92% respectively. Table 9 profiles the top ten usage patterns.

Table 9: Services Used Matrix – Top 10 Usage Patterns (Q12)

Services used During Library Visit						Percent of Visits	
Borrow books	Borrow AV	Access Internet	Reference enquiries	Use materials	Other	Pattern	Cumulative
X						23.9%	23.9%
X	X					11.1%	34.9%
					X	6.1%	41.0%
				X		5.0%	46.1%
	X					4.4%	50.5%
		X				4.1%	54.6%
X				X		3.3%	57.9%
X			X			3.0%	60.8%
X		X				1.8%	62.6%
X					X	1.7%	64.3%

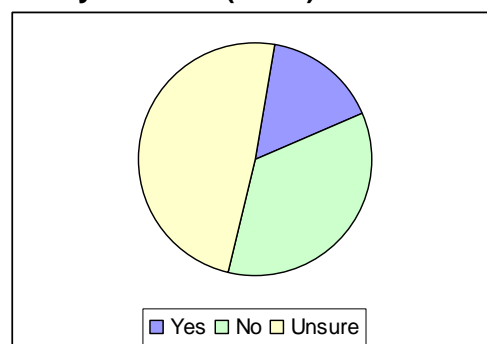
The above summary and the full matrix at Appendix 21 yield a valuable insight into the way public libraries are used and, therefore, how they sustain their communities. For example:

- Almost a quarter of all visits are for the sole purpose of borrowing books, which, together with almost two-thirds of respondents using this service, highlights the need to ensure that library collections are viable.
- Over a third of all visits are just to borrow books and audio-visual materials, thus reinforcing that core lending activities remain the cornerstone of public library services.
- Five of the top six patterns constitute single purpose visits, which strongly suggest that visits are motivated by specific objectives. By extension, assisting library users to achieve their objectives can be seen as directly sustaining those users and, therefore, the broader community.
- The use of materials in-house and other uses may be viewed together in that “other” was predominantly related to study visits. Each activity involves the use of the library space and confirms that libraries are seen as free, neutral, safe and well-resourced public spaces.

- ▀ The fact that sole purpose visits to borrow audio-visual materials is only 4.4% is revealing in that it means the balance of audio-visual borrowing (25.3%) is done in conjunction with other purposes. Whilst not definitive proof, the data suggests that audio-visual collections are not merely functioning to attract specific groups to public libraries.
- ▀ Apart from being the single most popular reason for visiting libraries, borrowing books would also appear to anchor other usage patterns as indicated by its inclusion in five of the other top ten patterns.
- ▀ Internet usage as a sole purpose visit accounts for 4.1% of visits, thus suggesting that accessing the Internet is integrated with other reasons for visiting.

It is commonplace (and rightly so) to characterise today's public libraries as *being more than places with books* and such a characterisation is not refuted by this report. Nevertheless, the findings and insights into how libraries are used demonstrate that books and other collections continue to be of vital importance.

Figure 15: Did using the library save you time? (Q13a)



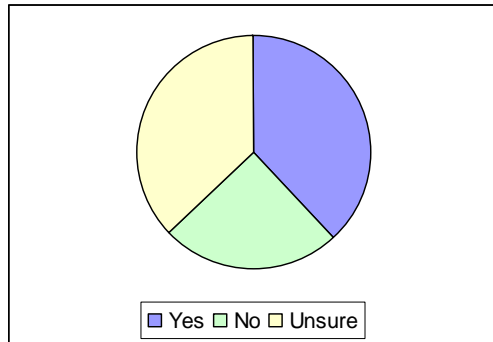
It is reasonable to propose that public libraries constitute a network capable of providing information or recreational materials more quickly in many instances than alternate sources. For example, students wishing to access resources after-hours; people who wish to access on-line journals as opposed to buying the print version or visiting a university library; and people who live in areas where there are no bookshops. In each of these examples, one would expect public libraries to offer a time-saving opportunity.

However, as indicated by Figure 15, it is evident that there is, at best, limited recognition that public libraries save time. Only 16% of library users reported a time saving, whereas more than double (35%) reported no time saving and 49% were unsure. Accordingly, one must conclude that saving time is not a major motivator. Furthermore, the findings may also indicate that library users do not place a high value on their time in the economic sense.

Among those respondents who reported a time saving, approximately 54% provided estimates of the time saved, with the average reported saving being 95 minutes.

The findings with respect to library use generating cost savings were more positive (refer Figure 16), where 38% reported a cost saving as opposed to 25% not identifying any saving and the remaining 37% being unsure.

Figure 16: Did using the library save you money? (Q13b)



This particular finding is quite revealing because at face value it would appear that respondents have tended to under-value their use of public libraries.

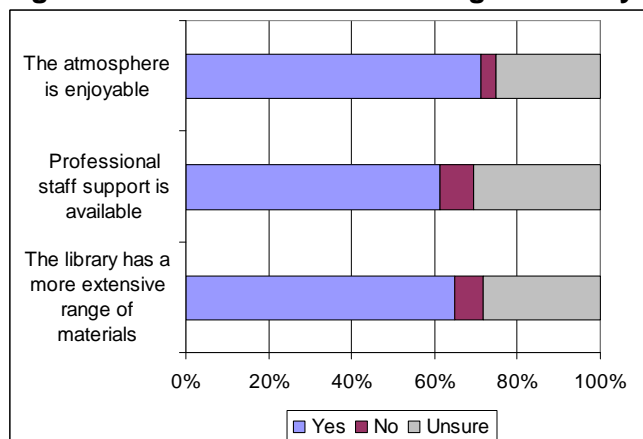
One may logically argue that each and every item borrowed or used translates to a cost-benefit for the user. However, respondents were asked if using the library saved them money, not whether

they obtained a cost-benefit. When viewed from the perspective of saving money, the reported findings are more credible. For example, included within the “no” responses would be the following scenarios:

- a) Those who would not otherwise buy the services or materials; for example, a person casually visiting the library and browsing through magazines to pass the time. Although the person may have benefited in a variety of ways, they have not necessarily saved money.
- b) Those who already own or have alternate access to the services and/or materials used. Such persons would enjoy the convenience and probably save time, but again they have not saved money.

On balance, it is probably best to regard this finding as generally indicative that public library use equates to cost savings for users, which, based on the reported estimates, averages \$42 per visit (refer to Appendix 15, question 13b[i]).

Figure 17: Other reasons for using the library (Q13c-e)



The survey tested a number of other possible reasons for using the library and, as shown by Figure 17, the responses were generally positive with each returning a “yes” response between 61% and 71% and minimal “no” responses.

The strongest overall response was the level of support for libraries having an enjoyable atmosphere, which rated 71% overall and adds credence to the view that libraries are seen as a place and a destination in their own right. Notwithstanding the strength of support across all age groups, it does appear to trend downwards by age, changing from 79% among those aged 16 to 24 years, to 73% among the 25 to 59 years group and returning 66% among those aged 60 years and over.

The recognition of public libraries' extensive range of materials is consistent with the importance assigned to the collection at Figure 14. Indeed, the strength of these responses highlights the maintenance of extensive collections as a fundamental way public libraries sustain their communities.

Similarly, the availability of professional staff support was highly rated, particularly among the 20 to 24 years and 85 and over age groups where the respective "yes" responses were 70% and 84%. However, it was also noted that less importance was placed on professional staff by university educated respondents where the "yes" response rate was 56%.

In summary, the findings outlined within this section highlight a number of ways that public libraries contribute to sustaining their communities. For example, public libraries:

- Are flexible and impose no time limits, apart from opening and closing hours, on how individuals choose to structure their visits. One may make fleeting visits or stay all day with the only expectation being that one will respect the rights of other users to quiet enjoyment of the space.
- Are progressively moving outside their physical spaces to offer members 24/7 access to a range of services through remote on-line access, thus adding further convenience and reducing the elapsed time between the demand for information and its supply.
- Have remained true to their core business in order to address the strong demand for access to extensive multimedia collections whilst accommodating new technologies such as the Internet and meeting niche demands through customised programs.
- Offer a time- and cost-effective means to access a wide range of informational and recreational services.
- Offer services not available elsewhere. For example, although one could purchase through commercial channels virtually any title held in a public library, the need for commercial booksellers etc to prioritise current and fast moving goods limits their ability to compete with the ease of access offered by public libraries.
- Offer the convenience and privacy of self-service concurrent with the availability of professional staff to assist users at any time.
- Provide a genuine public space and a welcoming atmosphere, thus creating the potential for individuals and the general community to mould the library environment in accordance with the history, values and characteristics of the local area.

Each of the above are supply-side characteristics which, individually and collectively, create the potential for library users to benefit from public libraries and by so doing, create a cumulative benefit at the community level. Communities are, by definition, collectives. Thus by structuring library

services to accommodate the diverse needs and interests of individuals, libraries build and sustain their respective communities.

6.4 Outcomes from Using Public Libraries:

The previous section discussed why people use public libraries and profiled the services used and time spent at the library etc. However, to ascertain how public libraries sustain their communities it is necessary to delve more deeply into the outcomes achieved through the use of public libraries.

All actions serve a purpose and whilst individuals may describe the purpose of a library visit to be, for example, to borrow a book, that is only the visible and easily measured component of their action. It does not tell why a particular book is borrowed. Unless one is motivated by the process of borrowing, retaining items for a period of time and returning them to the library, the act of borrowing is simply a means to an end. The means to achieving an outcome by which individuals are sustained and it is those outcomes that are addressed within this section.

Before discussing the survey findings, it is worthwhile to remember that the outcomes focused approach is a long-established and integral component of good business management. For example, the growth in mobile telephone ownership is not because people need mobile phones, but because the phones enable them to communicate conveniently with others. The phone is the means and enhanced communication is the outcome. It is critical that public libraries adopt a similar approach and it is hoped that the insights from this research will encourage them to do so. For example, reference to Table 10 will show that public libraries enhance users' enjoyment from hobbies and facilitate their pursuit of (informal) lifelong learning. Rather than accept such outcomes as a consequence from the use of services provided, it would seem appropriate to target the outcomes as objectives and structure library services accordingly.

The user surveys nominated twenty outcomes and asked respondents to reflect on their usage of the library and tick all that had applied to them. The ranked responses are summarised in the following table, with more detail provided at Appendix 15, question 14.

Table 10: Outcomes from Library Use (% of respondents) [Q14]

Outcome	Country	Metro- inner	Metro- outer	Average
Generally enhanced my quality of life	67.7%	65.0%	58.3%	64.5%
Enhanced my enjoyment from hobbies	51.4%	45.2%	44.2%	47.8%
Helped me obtain information not available elsewhere	49.7%	41.3%	44.2%	45.6%
Facilitated my pursuit of (informal) lifelong learning	43.2%	43.1%	37.8%	41.9%
Supported my children's education	29.0%	34.7%	33.3%	32.0%
Helped me accomplish tasks &/or achieve goals	31.5%	29.4%	31.7%	30.9%
Fostered my sense of community or belonging	25.6%	29.7%	22.7%	26.2%
Exposed me to a wider range of cultural activities	23.5%	28.5%	20.4%	24.4%
Supported my children's early (0 to 5 years) development	21.7%	27.9%	24.1%	24.4%
Supported my involvement in educational courses	22.5%	25.0%	23.1%	23.5%
Supported my involvement in community activities	22.8%	21.7%	19.8%	21.7%
Enabled me to gain or improve my computer skills	16.4%	13.3%	19.8%	16.2%
Made me more productive in my job	14.1%	13.9%	13.9%	14.0%
Clarified my understanding of critical health information	13.3%	11.6%	14.1%	12.9%
Assisted me to develop English language skills	6.1%	13.4%	7.6%	8.9%
Helped me obtain a new job or promotion	7.8%	8.1%	8.6%	8.1%
Encouraged me to get my own Internet account	8.2%	3.8%	8.6%	6.8%
Clarified my understanding of critical legal information	5.6%	4.8%	5.3%	5.3%
Helped me improve or start a business	4.4%	5.3%	5.9%	5.1%
Helped me develop improved financial management skills	5.0%	3.9%	6.1%	4.9%

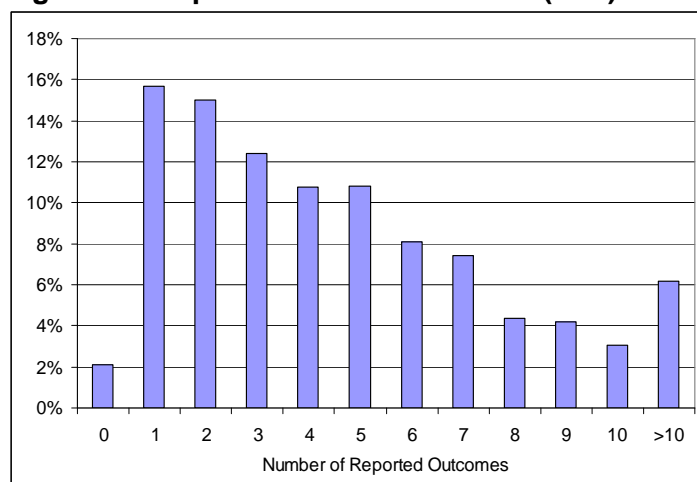
Key observations from the survey responses include:

- The top outcome (re quality of life) was common across all ten case study library services. Such unanimity should not be underestimated, particularly given the central importance of the outcome to sustaining individuals and communities.
- Albeit with slightly different rankings, the top four outcomes were common across nine of the ten case study services and differed by only one outcome at the tenth service.
- The consistency of response is further reinforced by the similarities across country and metropolitan services. Whilst some differences are naturally evident, they are relatively minor and consistent with known circumstances. For example, country services lag in relation to supporting children's education and early development, which is consistent with their less convenient access.
- The top four findings in particular demonstrate the value of public libraries in being able to contribute in diverse ways. Consider:

- a) The top outcome of *generally enhancing quality of life* highlights libraries' contribution to personal and social wellbeing. Furthermore, the outcome is achieved through public libraries' providing relevant and high-standard services across-the-board rather than relying on any specific service component.
 - b) *Enhancing users' enjoyment from hobbies* establishes that public libraries play a valuable role in contributing to recreational activities – in their own right a source of personal and social wellbeing.
 - c) Recognition that libraries are a source of *information not available elsewhere* establishes the strength of their position within the information landscape. This position is unique given that it is freely available to all and may even be described as dominant.
 - d) The fourth ranked outcome of *facilitating the pursuit of (informal) lifelong learning* highlights the community's depth of interest in lifelong learning and the critical role played by public libraries in enabling users to pursue such interests. It is difficult to imagine that any other institution could contribute as widely to informal lifelong learning.
- Libraries support of educational activities was acknowledged in relation to children's education (32%), children's early development (24.4%), users' educational programs (23.5%) and more directly in relation to acquiring or improving computer skills (16.2%).
 - Libraries link people to their communities either by fostering within people a sense of community or belonging (26.2%) as a by-product of spending time in libraries, or more directly supporting involvement in community activities (21.7%). The Western Riverina Library Managers described this aptly through their observation that *a library card is seen as a symbol of belonging*. One could also include exposure to a wider range of cultural activities (24.4%) within this category.
 - Libraries help people to pursue specific outcomes such as accomplishing tasks and/or achieving goals (30.9%), becoming more productive in their jobs (14%) or starting or improving a business (5.1%).
 - The ability of public libraries to provide information and/or training in areas where barriers may otherwise exist is evident through their provision of:
 - a) Base level information on critical health and legal topics across the statewide network.
 - b) Materials and courses to develop English language skills.
 - c) Internet training to minimise the impact of the digital divide.

Outcomes are not mutually exclusive and as shown at Figure 18, approximately 82% of respondents reported multiple outcomes from their usage of public library services. Although single outcomes were marginally the most frequently reported, it is notable that approximately 57% of respondents associated their library usage with two to six outcomes

Figure 18: Reported Outcomes Profile (Q14)



One would anticipate that the importance assigned to outcomes would reflect library users' priorities at a given point in time and that expected outcomes will vary in accordance with circumstances.

Nevertheless, it is apparent that public libraries are seen as capable of meeting multiple and changing

needs, thus further reinforcing their contribution to the wellbeing of their individual users and general communities.

By posing the same question regarding outcomes to library users and Library Managers, it was possible to test perceptions on either side of the supply and demand equation. The findings are shown at Table 11 in terms of the ranked positions from the User and Industry Surveys.

Table 11: Outcomes – Relative Ranked Positions by Library Users & Managers

Outcome	Library Users	Library Managers
Generally enhanced my quality of life	1	2
Enhanced my enjoyment from hobbies	2	9
Helped me obtain information not available elsewhere	3	5
Facilitated my pursuit of (informal) lifelong learning	4	3
Supported my children's education	5	4
Helped me accomplish tasks &/or achieve goals	6	12
Fostered my sense of community or belonging	7	6
Exposed me to a wider range of cultural activities	8	7
Supported my children's early (0 to 5 years) development	8	1
Supported my involvement in educational courses	10	11
Supported my involvement in community activities	11	8
Enabled me to gain or improve my computer skills	12	10
Made me more productive in my job	13	20
Clarified my understanding of critical health information	14	15
Assisted me to develop English language skills	15	13
Helped me obtain a new job or promotion	16	17
Encouraged me to get my own Internet account	17	14
Clarified my understanding of critical legal information	18	16
Helped me improve or start a business	19	19
Helped me develop improved financial management skills	20	18

In general terms the perceptions of library users and Library Managers align closely and confirm that the needs of users are accurately recognised.

Nevertheless, the four highlighted outcomes show significant divergence and it would be appropriate for Library Managers to review how their services address these areas. Based on the findings shown above, it is apparent that:

1. Library users assign considerably higher importance to recreational use of libraries than do Library Managers. The differential raises the question of whether Library Managers assign insufficient importance to recreational uses of their libraries or whether they have under-estimated the outcome value. The question cannot be definitely answered through this research, but is considered more likely to involve the latter. There is a tendency reflected in literature on public libraries to place more emphasis on the informational role than on recreation and it is possible that a similar emphasis is reflected here.
2. Similarly, library users assign greater importance to libraries assisting them to accomplish tasks and/or achieve goals. In many respects, this differential is of more concern in that it suggests Library Managers have under-estimated a key reason why libraries are used.
3. The different ranking in relation to children's early development is quite problematic. On the one hand it could be interpreted as a further indicator of Library Manager's emphasising the informational/educational role of public libraries. On the other hand, it may simply reflect the mix of User Survey participants. A further possibility is that Library Managers may have tended to assign disproportionate importance to library programs – a characteristic that was evident during the case study interviews.
4. Finally, it would be easy to dismiss the differential in relation to *making people more productive in their jobs* given the relative rankings of 13 and 20. However, the fact that an outcome nominated by 14% of library users was ranked last by Library Managers indicates that this aspect of library use is inadequately recognised and should be reconsidered in light of these findings.

Overall, the degree of compatibility is high and should engender confidence in the public library sector. Nevertheless, the four outcomes discussed above demonstrates the scope for public libraries to adopt more of an “outcomes focus” when developing services and programs. The importance assigned to each outcome will naturally be subject to individual differences between library users. This was confirmed by testing the sensitivity to respondents' characteristics, a summation of which is provided at Table 12 for outcomes where key characteristics were identifiable. It should be noted that:

- The writer has applied best judgment when interpreting the sensitivity to key user variables rather than relying on statistical criteria.
- Sensitivity to household income is excluded due to the high proportion of non-responses.

Table 12: Sensitivity of Outcomes (Q14) to User Characteristics (Q25, 29, 30-33)

Outcome	Key characteristics:
Helped me obtain a new job or promotion	<ul style="list-style-type: none"> • Aged 20 to 44 years. • Full-time employed or unemployed. • Single parent families. • TAFE educated. • LOTE spoken at home.
Made me more productive in my job	<ul style="list-style-type: none"> • Aged 20 to 49 years. • Full- or part-time employed. • TAFE or university educated.
Supported my involvement in community activities	<ul style="list-style-type: none"> • Aged 55 to 59 years.
Helped me improve or start a business	<ul style="list-style-type: none"> • Aged 25 to 49 years. • Single father families. • LOTE spoken at home.
Enabled me to gain or improve my computer skills	<ul style="list-style-type: none"> • Aged 20 to 29 & 45 to 59 years. • Unemployed. • Single / couples without children.
Encouraged me to get my own Internet account	<ul style="list-style-type: none"> • Aged 16 to 44 years. • Unemployed. • LOTE spoken at home.
Supported my involvement in educational courses	<ul style="list-style-type: none"> • Aged 16 to 24 years. • Full-time students. • Single mother families. • University educated. • LOTE spoken at home.
Supported my children's early (0 to 5 years) development	<ul style="list-style-type: none"> • Aged 30 to 49 years. • Part-time employed. • Couples with kids / single mother families. • TAFE or university educated.
Facilitated my pursuit of (informal) lifelong learning	<ul style="list-style-type: none"> • Aged 40 to 64 years. • Single father families. • University educated.
Assisted me to develop English language skills	<ul style="list-style-type: none"> • Aged 16 to 44 years. • Unemployed / full-time students. • Did not finish high school. • LOTE spoken at home.
Clarified my understanding of critical legal information	<ul style="list-style-type: none"> • Single father families.
Clarified my understanding of critical health information	<ul style="list-style-type: none"> • Single father families.
Helped me accomplish tasks &/or achieve goals	<ul style="list-style-type: none"> • Aged 16 to 54 years. • Full-time students.
Helped me develop improved financial management skills	<ul style="list-style-type: none"> • Single father families. • LOTE spoken at home.
Helped me obtain information not available elsewhere	<ul style="list-style-type: none"> • Single father families.
Generally enhanced my quality of life	<ul style="list-style-type: none"> • Aged 50 years and above. • Not in the labour force. • Couples without children / grandparent families. • University educated.

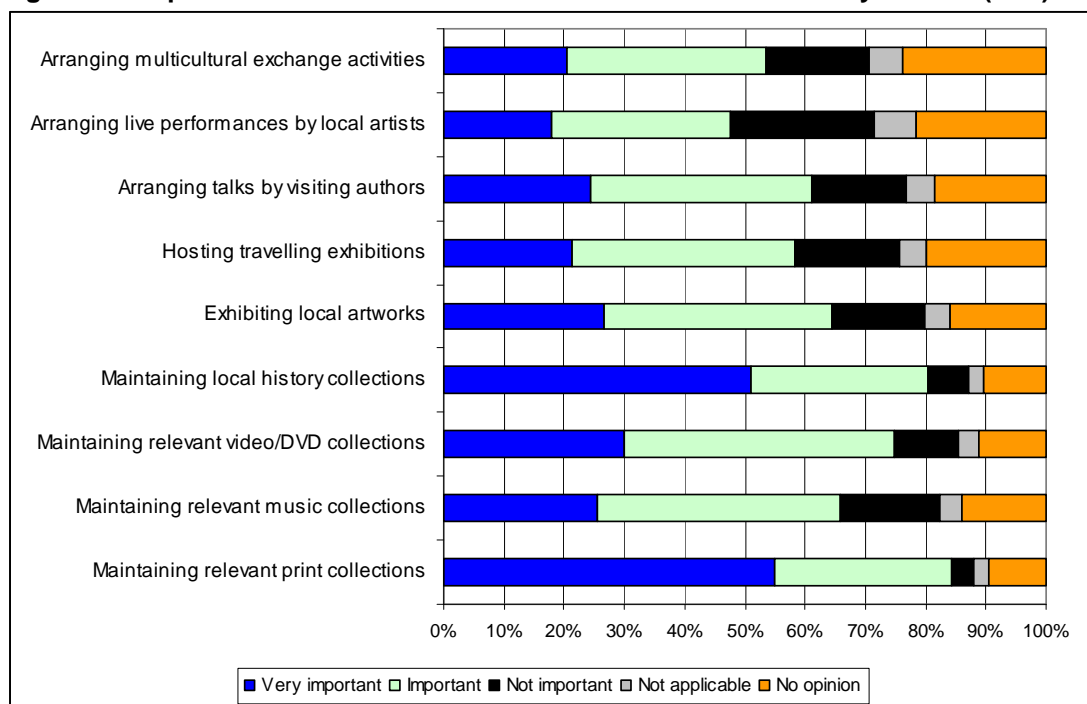
6.5 Public Libraries and Cultural Development:

Ascertaining where public libraries fit within the cultural landscape is clouded by a number of factors such as the flexibility surrounding the term “culture” and the ever-broadening scope of public libraries. Whereas in the past public libraries would have been automatically perceived as cultural institutions, there is currently some debate whether they are primarily cultural or social – or both.

Notwithstanding the outcome of this debate, it cannot be denied that public libraries contribute to cultural development. Their collections house materials that span the cultural landscape and enable library users to pursue a wide range of cultural interests, whether broadly or narrowly defined and ranging from classic to pop culture. Further contributions are made through a range of programs and exhibitions, often involving and/or provided in conjunction with local cultural organisations.

To test library users’ perceptions of how public libraries contribute to cultural development, the survey sought responses to the perceived importance of a number of nominated services/activities. The findings are summarised at Figure 19.

Figure 19: Importance of Public Libraries Contribution to Community Culture (Q15)



Although each of the nominated services can be seen to contribute to cultural development from an academic perspective, library users’ perceptions of their importance varied considerably. The high level of importance assigned to maintaining relevant print collections further establishes their critical role and suggests that printed works continue to be generally perceived as having cultural significance (regardless of literary merit).

Of almost equivalent significance was the perceived link between local history collections and cultural development. This suggests that the role played by

New South Wales' public libraries to maintain the links between past and present at the local level is highly valued and, as well as keeping regional culture alive, the collections sustain communities by facilitating the development of local values and identities. It was, however, interesting that inner-metropolitan respondents assigned relatively less importance, which may reflect the higher proportion of rental properties and hence a more transient population.

There was less, but still significant, importance assigned to the audio-visual collections. Whilst more detailed research would be required to fully understand the responses, they seem consistent with relatively new technologies such as DVDs being more readily associated with popular entertainment than with culture. On the other hand, the findings are sufficiently strong to suggest that users have recognised the importance of sustaining predominantly oral cultures through relevant audio-visual collections.

It would appear that the importance assigned to exhibiting local artworks was influenced by local conditions, as services where art is prominently featured (for example Great Lakes, Newcastle and Waverley) tended to rate more highly. At the other extreme, Lane Cove had the lowest "very important" and highest "not important" ratings despite Council's considerable collection being managed by the Lane Cove Library. However, space constraints render it impractical to display the collection within the library, hence its low rating. Nevertheless, with almost two-thirds of all respondents rating the display of local art works as at least important, public libraries would seem to have an appreciative audience for the ongoing display of local art.

Hosting travelling exhibitions was assigned slightly lower importance than exhibiting local art, due mainly to a higher incidence of "no opinion" responses. Whilst the findings may reflect a preference for local art, this is considered unlikely and once again local conditions would appear to have influenced responses. For example, Lane Cove's current inability to host exhibitions was reflected in correspondingly low importance ratings, whereas services such as Central West and Newcastle which strongly feature travelling exhibitions reflected library users' appreciation of their contribution to cultural development.

Talks by visiting authors is a logical approach to enhancing the cultural value of the print collections – as is confirmed by 61% of respondents rating such talks as at least important. Whilst this is considerably less than the importance assigned to print collections, there would seem to be a number of contributing factors such as:

- a) Not all readers are interested in meeting authors. The same situation applies to book launches by commercial bookshops and one must accept that for some (most) people, the reading experience is simply enough.
- b) Access to talks is limited and thus more difficult to attend.

- c) Support is influenced by a service's demographic profile. For example, Canterbury's lower importance rating was found to be attributable to the service's higher population of non-English speaking residents for whom many visiting authors are less relevant.
- d) Local conditions appear to influence the responses. For example, Central West's and Waverley's active and strongly promoted writing programs translate into higher interest in and importance assigned to talks by visiting authors.

Live performances by local musicians, dancers and actors was the only activity to earn an importance rating of less than 50%, as well as returning the highest "not important" rating of 23.6%. The survey data suggests that there is stronger opposition to public libraries being a venue for the performing arts than for the visual arts. This was found even for programs such as Camden's lunchtime music concerts and events presented at Waverley's theatre, where, despite high importance ratings, each service also had high "not important" ratings.

Although multicultural exchange activities appear to be lowly rated, one must recognise that the activity is directly impacted by demographic profiles. This was clearly evident from the high importance ratings at Canterbury and Liverpool, each of which assigns a strong emphasis to accommodating the needs of and celebrating the cultural diversity within their communities. Given the importance of demographic profiles, the high "no opinion" rating of 24% was to be expected.

Although the degree of importance varies between activities, the overall findings indicate that public libraries are making a positive contribution to cultural development within their communities. The strength of contribution is tiered with the core collection areas being the most clearly linked to cultural development, followed by solid recognition of the role played by exhibiting visual arts and finally, more qualified support for activities involving performing arts and multicultural activities.

In conclusion, although the question was not directly posed through the surveys, it would be reasonable to conclude from the findings that library users view public libraries as cultural institutions.

6.6 Contributing to the Community:

Survey participants were asked to consider twenty-one statements (hypotheses if you like) of how public libraries may contribute positively to the community and register their opinion on a scale ranging from "strongly agree" to "strongly disagree". The hypotheses presented in the surveys reflected the Project Team's perception of how public libraries contribute, as well as drawing on findings from other studies to test their relevance to New South Wales.

Assessing how public libraries, or any other organisation or institution contributes to the community necessitates an assessment of perceptions,

feelings and experiences. Oftentimes such perceptions, feelings and experiences are expressed in anecdotal terms and whilst anecdotes yield valuable insights and understanding, they lack the weight of empirical data.

By structuring the survey question to solicit participants' opinions in the form of agreeing or disagreeing with a series of nominated hypotheses, it was possible to capture anecdotal type information as empirical data and be able to measure as well as identify how public libraries contribute to their communities.

The findings were impressive and generally consistent across the ten case study library services and firmly established that public libraries are indeed contributing to the community in a variety of ways. Perhaps the most striking finding was the low incidence of disagreement with the hypotheses where ten of the twenty-one attracted ratings of one percent or less. In fact, the strongest disagreement registered was 8.1% and only three hypotheses registered above 5%. The detailed findings are shown at Appendix 15, question 16.

Each hypothesis will be discussed later in this section, but the following summation readily communicates the ways public libraries contribute to the community.

The combined ratings for "strongly agree" and "agree" exceeded 80% in relation to libraries making a positive contribution by:

- *Being a safe and pleasant place to visit (98.3%).*
- Supporting educational facilities (95.3%).
- *Facilitating lifelong learning (93.4%).*
- Encouraging responsible social behaviour (88.7%).
- *Improving the overall quality of life (85.2%).*
- *Ensuring access to the Internet for all (85.9%).*
- Promoting and encouraging (language and computer) literacy (85.9%)
- *Operating in a non-discriminatory manner (83%).*
- Providing information about community events (85.1%).

The italicised hypotheses were the top five perceived contributions nominated by Library Managers, thus confirming the strong alignment of views between the service providers and recipients. It is also notable that the underlying themes of the top tier contributions relate to safety, harmony, equity and education.

Second tier contributions with a combined rating within the 60% to 80% range were:

- Supporting local culture and the arts (78%).
- Supporting the development of English as a second language (71.6%).
- Providing important infrastructure to develop Australia as a knowledge economy (74%).
- Recognising the demand for non-English materials (68.1%).
- Providing public meeting spaces (72.1%).

- ▶ Providing access to Statewide legal and health information programs (75.9%).
- ▶ Acting as a source of government information (64.7%).
- ▶ Providing and/or supporting outreach programs (62.2%).
- ▶ Facilitating job or career planning (60.9%).

It should be noted that the “neutral” responses for the above hypotheses ranged from 21% to 37%, thus adding further weight to their significance as contributors to community wellbeing. Readers are also advised that the contributions are ranked according to “strongly agree” responses.

Only three hypotheses attracted combined ratings below 50%. These were:

- ▶ Acting as a provider of other government services [for example, RTA and ATO] (48.8%).
- ▶ Attracting new businesses to the community (39%).
- ▶ Increasing local property values (38.8%).

The latter two hypotheses were similarly rated by Library Managers. However, although their contribution is less significant, they are nevertheless seen as contributing by a significant minority of survey respondents.

In overall terms it is evident from the above summation that public libraries are seen as making a positive contribution to the community in many ways.

The balance of this section provides a brief comment and observations on each of the individual contributions. (Please note that the order of discussion is as per the position on the surveys to facilitate reference to Appendix 15, question 16.)

Public libraries contribute by being a safe and pleasant place to visit.

This has been claimed at the industry level for some time and has been widely promoted as a benefit since the publication of the report “*A safe place to go*” in June 2000. However, to be recognised as contributing in this manner by 98.3% of respondents is of the utmost significance and arguably positions public libraries as one of the safest community spaces.

That safety is a fundamental human need further enhances the value of this contribution and in an environment where many activities and locations are viewed with suspicion; safe places are of undeniable community value. Public libraries present communities with genuine public spaces rather than spaces that are simply open to the public and, by creating a safe and pleasant environment, have clearly met the community’s need for such spaces.

Public libraries contribute by encouraging responsible social behaviour.

It may be said that the only condition imposed on library use is that users behave in a socially responsible manner – a condition clearly met judging from libraries being seen as safe and pleasant places. Whether such behaviour carries over into general community behaviour is beyond the scope of this project to identify, but it is reasonable to expect that behaviour is influenced by

environment, hence the recognition by 88.7% of respondents that libraries contribute positively in this way.

Public libraries contribute by supporting educational facilities.

As identified earlier, library users' rated the support of educational facilities as the second most important way public libraries contribute to the community. However, this contrasts with the three personal outcomes related to education (refer to Table 11) which were rated fifth, eighth and tenth and suggests that the public library's role is perceived differently depending on whether it is viewed from a personal or community perspective.

It is inappropriate to challenge a position held by 95.3% of respondents and the contrasting responses would appear to have three likely explanations, namely:

1. When viewed from the community perspective, education is seen as an essential building block.
2. The community views education holistically and recognises that educational facilities alone cannot meet community expectations.
3. One would expect respondents to have taken a longer-term view when considering the contribution at the community level.

There is no question that education is key to sustaining community development, thus by supporting educational facilities through access to collections, study spaces and other programs, public libraries are contributing to sustaining their communities.

Public libraries contribute by facilitating lifelong learning.

Much is said about lifelong learning and the importance of people embracing the concept in order to move forward and grow personally and as a nation. It is, therefore, significant that respondents ranked lifelong learning fourth in terms of personal outcomes from library usage and third in terms of how libraries contribute to the community.

This could be interpreted to indicate that the concept of lifelong learning has indeed been embraced and that the community has identified public libraries as the ideal support vehicle. Such a relationship is, of course, perfectly suited to the characteristics of lifelong learning and public libraries. Lifelong learning is, by definition, diverse and subject to the influence of changes in personal circumstances and/or external factors such as new technologies impacting on work practices. Similarly, public libraries are set-up to address and accommodate the diverse needs of their users. Furthermore, informality is central to each. Lifelong learning requires the acquisition of knowledge (not necessarily formal qualifications) and the open environment of public libraries is quintessentially informal.

Public libraries contribute by providing information about community events.

Events play a role in sustaining communities by bringing people together and creating opportunities to develop networks and relationships which, in turn, build social capital. In some instances public libraries are directly involved in

organising and/or hosting events, but are more typically involved as a hub for obtaining information about what is happening within their communities.

This is achieved in a variety of ways such as community noticeboards; distributing pamphlets; word of mouth discussions between users and/or staff; through library websites or promoted to attendees of library programs.

This is an interesting contribution in that the library's professional role is relatively passive and the contribution occurs mainly as a consequence of the library's presence. In other words, libraries do not actively push community information on library visitors, but serve as a venue for its dissemination via the methods outlined in the preceding paragraph. Indeed, recognition by 85.2% of respondents confirms public libraries as a key, low-cost communications channel on community events, without which the task of promoting events would be more complex and/or costly.

Public libraries contribute by providing important infrastructure to develop Australia as a knowledge economy.

It was found that 74% of survey respondents perceive public libraries to already contribute in this way, with only 1.2% disagreeing with the hypothesis. Support was strongest among those aged 25 to 54 years; those in current employment; and those with university educations. In other words, those invested in careers and with an interest in career longevity.

Public libraries contribute by acting as a source of government information.

Given that governments are increasingly distributing information through on-line channels, public libraries are a default source of government information. Naturally, on-line information is complemented to varying degrees by the provision of hard-copy reports, information documents and forms etc.

The question for public libraries is how much assistance they should or can afford to give to users lacking the skills to access the information. A number of Library Managers relayed stories of staff assisting users to download forms for government programs; else those users would have been disadvantaged by delays waiting for forms to be delivered by mail. An example of such assistance is Griffith Library's role in formally assisting new settlers to download and complete the documentation required by government departments.

Clearly the role is valuable and contributes to sustaining those in the community without private Internet access. Nevertheless, where lack of access is associated with lack of skills, providing assistance is akin to higher level governments effectively shifting costs to the local government sector¹⁹.

¹⁹ Berryman, J, *Egovernment: Issues and Implications for Public Libraries*, State Library of New South Wales, p22, Sydney, March 2004.

Public libraries contribute by acting as a provider of other government services (for example, RTA & ATO).

This was seen as one of the lesser contributions made by public libraries, with only 18.9% strongly agreeing and a further 29.9% agreeing. Whilst the combined result of almost 49% is significant, an almost equivalent sized group (45.1%) are indifferent as indicated by their neutral response.

Nevertheless, the opportunity for licence applicants to practice for RTA tests is of value and is effectively a nil cost service to libraries given that no additional costs are incurred to make the tests available. Similarly, organising ATO information sessions within the library creates an opportunity for interested community members to avoid or reduce the costs of obtaining equivalent information through commercial channels.

Public libraries contribute by supporting local culture and the arts.

Recognition by 78% of respondents that public libraries support local culture and the arts is consistent with the findings at section 6.5.

Public libraries contribute by providing and/or supporting outreach programs.

Despite the extensive physical network of public libraries, outreach services such as mobile libraries, home library services and innovative approaches such as mobile Storytime are used to offer library services to those disadvantaged by (say) distance or infirmity. In many instances, outreach programs are much more than merely making materials available. This is particularly so for home library services where the visits are highly valued social contacts for housebound users with limited social networks.

The survey responses suggest that although outreach services are used by a minority of the community, their value and contribution is recognised by 62% of respondents as opposed to only 1.5% registering disagreement. A further 36% were neutral and it is likely that many community members would be unaware of the outreach programs provided through their libraries. Nevertheless, whether such services are used or not, the recognition level is an indicator that respondents were influenced by a sense of community.

Public libraries contribute by providing public meeting spaces.

Like other aspects of public library services, their contribution as public meeting spaces is multi dimensional. For example:

- The general space is conducive to informal everyday meetings of the type that occur in a variety of places and it is a healthy aspect of modern libraries that such interaction is encouraged rather than frowned upon.
- Formal/informal interaction around attendance at library programs. This may include parents and carers meeting on a regular basis when their children attend Storytime, or people meeting to pursue common interests through book clubs etc.
- Parents and children utilising the library as a safe after-school meeting place.
- Students gathering to study together at the library.
- Use of library meeting rooms for a wide range of purposes.

Libraries have been described as the modern equivalent to the medieval Village Green and metaphorical accuracy aside; it is evident from the survey findings that their role as a meeting space is seen as contributing positively to community wellbeing.

Public libraries contribute by providing access to statewide legal and health information programs.

Despite only 5.3% of respondents nominating such programs as an important personal outcome from their library use, two-thirds regarded the programs as beneficial to the community. Somewhat paradoxically, the responses are understandable and may be likened to services such as insurance.

The need for insurance is widely recognised and accepted on the basis that it is there when needed. It provides peace of mind and its underlying value rises when there is a need to claim. Similarly, legal and health information is typically accessed on an “as required” basis and knowing that it is available is akin to the peace of mind offered through insurance cover. It is, therefore, highly likely that the personal outcome responses reflect recent use of the programs and the community related response reflects the view that the community is sustained by having legal and health information programs at its disposal when needed.

Public libraries contribute by facilitating job or career planning.

Once again the surveys differentiated between community contribution (60.9%) and the two job/career related personal outcomes (14% & 8.1%) and once again the responses are understandable.

One must also recognise that for those seeking to utilise the library to facilitate job or career planning, that such use would be (for most people) an infrequent activity. In this context, the personal outcome responses can be understood. However, when viewed in terms of contributing to the community, it is natural to base responses on potential, hence the considerably higher recognition. The data spread supports this observation with 26.7% strongly agreeing, 34.2% agreeing, 36.9% neutral and only 2.2% citing their disagreement, with the strongest support naturally among those aged 20 to 49 years.

Whilst public libraries’ contribution to job or career planning is valid and valued, the data poses the question of whether the potential is being realised in practical terms and perhaps this is an area worthy of further promotion.

Public libraries contribute by operating in a non-discriminatory manner.

With 83% of respondents agreeing that libraries operate in a non-discriminatory manner, this may be regarded as a defining characteristic of how libraries operate and contribute. Furthermore, when viewed in conjunction with libraries being seen as a safe place and their encouragement of responsible social behaviour, it forms a suite of contributions to community identity, pride and harmony.

Inherent in this view of public libraries is a high standard of customer service as anything other would have surely reflected in the survey responses. What is non-discrimination? Rather than list a number of key examples, perhaps it is best to repeat an earlier observation that the only condition imposed on library use is that users behave in a socially responsible manner.

A good example is Liverpool Library's successful youth space (the.space) and their adoption of a "no rules" approach to usage of the space. The example aptly demonstrates that the public library approach of imposing minimal conditions is appreciated and seen as respectful and, by reciprocating in kind, library users contribute positively to the community.

Public libraries contribute by promoting and encouraging (language and computer) literacy.

Promoting and contributing to individual's and community literacy standards is a role traditionally associated with public libraries, a role effectively endorsed through the survey's finding of 85.9% agreement that libraries contribute in this way.

How have respondents come to this view? Ten target areas were nominated in the International Adult Literacy Survey²⁰ as means to improve literacy. These were:

1. Promoting cultures of life-long and life-wide learning.
2. Promoting early childhood education and care programs.
3. Promoting measures to improve the quality of education.
4. Promoting measures to reduce inequality in the outcomes of schooling.
5. Promoting access to adult education for all citizens.
6. Promoting literacy-rich environments at work.
7. Promoting workplace literacy programs.
8. Promoting literacy-rich environments at home.
9. Promoting literacy-rich environments in the community.
10. Promoting access to information and communication technologies.

It is the writer's view that respondents' intuitively recognised the role of public libraries in this respect and that their responses may have been based on some or all the target areas identified above.

Public libraries contribute by recognising the demand for non-English language materials.

CALD communities naturally exert a demand for materials in a range of languages and similarly expect that public library collections will accommodate such demand. The success of public libraries in meeting this expectation was confirmed by 82.9% of respondents from non-English speaking households recognising that public libraries' contribution in this way.

Although the equivalent level of support from English speaking respondents was lower at 65.7%, it was nevertheless significant, as was the low incidence

²⁰ Tuijnman, A, *International Adult Literacy Survey – Benchmarking Adult Literacy in America: an International Comparative Study*, Institute of International Education, Stockholm University, Chapter 2, Sweden, September 2000.

of disagreement (2.2%). These latter statistics denote the willingness of the general community to support the right of access for non-English speaking members to foreign language materials. As well as being a positive indicator of community tolerance and multiculturalism, it denotes a willingness to sacrifice given that, in most library services, there is no additional budget for non-English materials. (There is, of course, the facility for services to make bulk loans from the State Library of New South Wales LOTE collection.)

Finally, it should be acknowledged that public libraries commitment to making non-English language materials available is consistent with their practice of operating in a non-discriminatory manner.

Public libraries contribute by supporting the development of English as a second language.

Following on from the preceding discussion, public libraries' welcoming environment and non-discriminatory approach perfectly position them to assist non-English speakers to acquire English language skills. By so doing they assist their users to assimilate into the general community and enhance their employment and education prospects.

(It would appear that the words "*as a second language*" caused some offence to a small but noticeable number of respondents. Their objection was in positioning English as a second language. On reflection the objection has some merit, as the words "*language skills*" could have been substituted without changing the meaning of the question. Whilst no offence was intended when drafting the survey, it raises the question of whether it is appropriate for the public library sector to continue applying this terminology.)

Public libraries contribute by ensuring access to the Internet for all.

According to the National Office for the Information Economy (NOIE) Information Economy Index 2003, 54% of Australian households had Internet subscriptions. Although the penetration rate would have since risen, there will remain a substantial number of households without Internet connections. In some instances this will reflect a conscious decision and in others will be due to economic and other circumstances. The writer is unaware at what point market saturation will occur, but it is safe to assume that the (so called) digital divide remains in place.

As early adopters of Internet technology, public libraries were cognisant of their role to alleviate the impact of the digital divide and have progressively integrated Internet technologies into their service mix. A measure of this strategy's success is that 18% of respondents reported using the Internet during library visits (refer to Figure 14).

A further measure of the strategy's ongoing relevance is that 85.9% of respondents recognised the strategy's contribution to the community, with less than one percent expressing disagreement. In some respects one could argue that the strength of support for public libraries ensuring equity of access to the Internet mirrors their early role in making print materials available to a wider audience. Given the enduring value of public libraries' early role,

perhaps the ubiquity of the Internet will result in their current role being of equivalent value and endurance.

Public libraries contribute by increasing local property values.

Of the nominated contributions, increasing property values was the least supported. Nevertheless, almost 39% of respondents agreed and a number of Library Managers provided anecdotal evidence of fielding enquiries regarding library locations and services from prospective residents. However, on balance, the survey data suggests that libraries' contribution to increased property values is questionable.

Public libraries contribute by attracting new businesses to the community.

The response was almost identical to that related to property values and it is difficult to claim that public libraries alone attract new businesses to an area. On the other hand, one cannot absolutely refute the claim. For example, if a café opens nearby to take advantage of a library's visitation, it is perfectly reasonable to claim a link between the library and the café's location. A more typical scenario is that libraries as part of broader development projects may be seen as attracting new businesses to an area. However, if such development is planned, is it really reasonable to attribute the growth to the library?

On balance, the survey response of 54.3% neutral is probably apt. There will be specific instances where libraries will contribute by attracting new businesses, but one cannot reasonably claim such contributions as the norm.

Public libraries contribute by improving the overall quality of life.

Rational human behaviour involves doing things that improve our quality of life; however that may be defined at the individual level. Thus when 85% of respondents agree that public libraries improve their overall quality of life and less than one percent disagree, it is a vote of confidence in the value of public libraries to the community.

Contributions of this nature are a consequence of doing things effectively and efficiently. Effectively in the sense of doing the right things: efficiently in the sense of doing them well. Furthermore, it is a measure of the overall service provision rather than any single service or program.

One may even view the question as short-circuiting the broader questions underlying this research: that is, do libraries sustain and contribute to community wellbeing? By improving the overall quality of life, public libraries inevitably sustain and contribute to community wellbeing.

6.7 Economic Benefit of Public Libraries to Library Users:

It is virtually taken for granted that public libraries yield an economic benefit to individual users and the broader community. Accurately determining the benefit is more problematic.

One must also accept that soliciting economic information from library users will be met with some degree of suspicion. This research study was no exception, with a number of respondents registering their disapproval and incorrectly interpreting the questions as a prelude to introducing a user-pays approach to funding public libraries. Such views were anticipated, hence the following assurance as an introduction to the survey questions on economic value: *“It is, however, stressed that they are **NOT** an indication that funding to public libraries will cease or that additional fees will be introduced.”* The assurance is repeated here that the research is not aimed at introducing a user-pays approach, which is in any case prohibited by the Library Act 1939 requirement that public library services in NSW should be provided free of charge.

Two economic questions were posed, the findings from which are provided at Appendix 15, questions 20 and 21. The first asked users to estimate what it would have cost to source the library services used over the past twelve months from other providers, thus providing a measure of the financial benefit from using public libraries. The second question was posed as a hypothetical to ascertain how much users would be willing to pay (WTP) to maintain the community’s access to current services if the public library was not funded by government. The resultant willingness to pay is, in effect, a measure of economic value.

For each question, library users were given the option to nominate a specific value or select from a list of nominated values. Most elected to choose from the nominated values, with only 3.7% and 3.1% respectively providing independent estimates for the two questions. For each question a further 5.6% did not answer, which means that 94.4% responded to the questions. Given the sensitivity of library users to questions of this type, the response is considered excellent and suggests that the questions were generally perceived as genuine efforts to gauge the economic value generated by public libraries.

Overall, the survey found that it would cost library users an average of \$325 per annum to alternately source the services provided by public libraries and that the average willingness to pay was \$58.20 per annum. (It should be noted that the calculation of these averages assumed nil values for those respondents who did not answer the questions. Excluding nil responses would increase the values to \$345 and \$62 respectively.)

The estimated \$325 per annum gains further credibility when compared to the estimated saving per visit of \$42 (refer to section 6.3). Consider the following calculations based on the State Library of New South Wales’ *Public Library Statistics 2004-2005*:

Library members	3,243,634
Library visits	31,478,404
Members as a percentage of library users ²¹	85.2%
Estimated library users	= Library members / 85.2%
	= 3,243,634 / 85.2%
	= 3,807,082
Estimated visits per library user per annum	= 31,478,404 / 3,807,082 = 8.27
Estimated saving per visit	= \$42
Estimated saving per annum	= \$347

The above calculation is an alternate approach to estimating the annual financial benefit to library users by basing the calculation on the product of estimated savings per visit and the average number of visits per annum.

As can be seen, the alternate estimate of \$347 per annum aligns closely to the survey finding of \$325 per annum (or \$345 if nil responses were treated less conservatively). Given the compatibility of the findings between these two approaches, it is proposed that the estimated financial benefit to library users of \$325 per annum can be confidently accepted as accurately depicting public libraries economic benefit from this perspective.

Further detail on the survey findings on financial benefit and willingness to pay are provided in the following sections 6.8 and 6.9.

²¹ As per Library User surveys.

6.8 Observations re Financial Benefit to Library Users:

Across the ten case study library services, average financial benefit ranged from \$249 per annum at Canterbury to \$397 per annum at Newcastle. It would appear that the range is mainly attributable to the relative age distributions of the surveyed populations. For example, Canterbury and Liverpool (\$269 per annum) had higher than average representation from the 16 to 19 years age group where financial benefit was lowest. By comparison, Newcastle had the second lowest representation from this age group. The service with the lowest representation of 16 to 19 years respondents was Great Lakes, where the average financial benefit of \$317 was very close to the overall average. However, offsetting the low representation of the youngest age group was a higher representation from age 55 years onwards, where financial benefit was found to be below average. The averages for the other case study services were clustered within the range of \$317 to \$350 per annum.

Other key observations are outlined below.

Figure 20: Financial Benefit Profile (Q20)

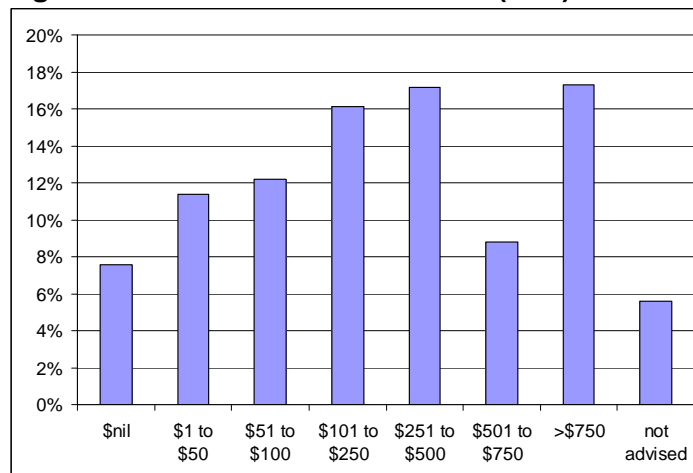
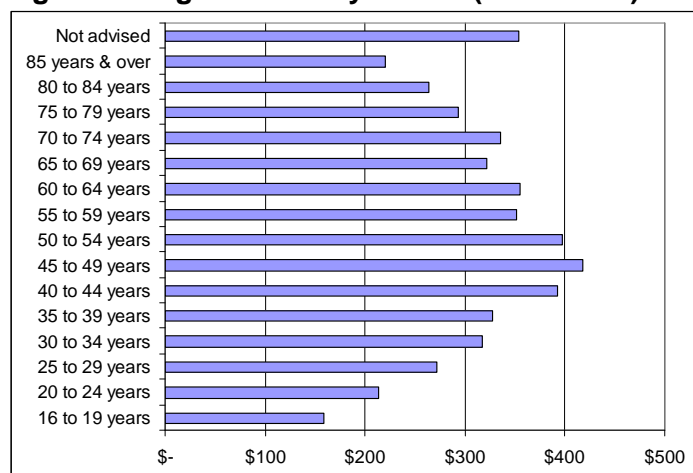


Figure 20 plots the percentage of respondents by estimated savings per annum. As can be seen, the distribution skews towards the higher estimates and there is a significant dip at \$501 to \$750 per annum. Whilst more detailed research would be required to fully explain the dip, it may reflect the crossover

between average and extensive users of public library services. (It should be noted that the 3.7% of respondents who nominated specific amounts have been excluded for ease of presentation, thus the data shown does not add to 100 %.)

Figure 21: Age Sensitivity Profile (Q20 & Q26)



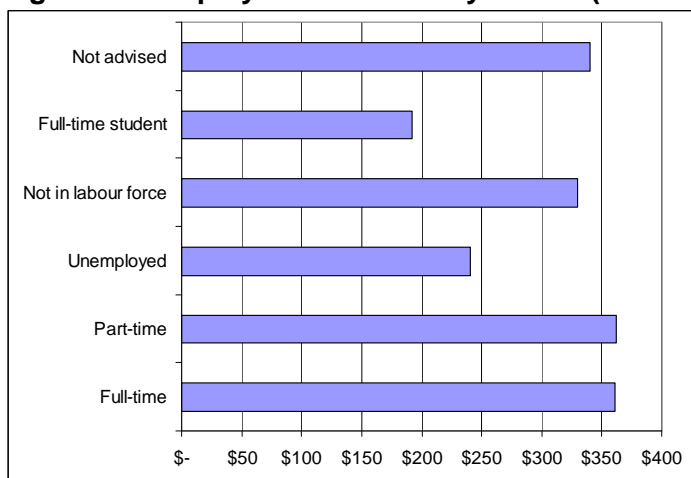
The survey found a clear sensitivity between financial benefit and library users' age as shown by Figure 21. Average financial benefit trends steadily upwards to peak at \$418 for the 45 to 49 years age group. From that peak it declines to plateau around \$320 to \$350 for users aged 55 to

74 years and then steadily declines over the older age groups.

There was little difference based on the main language spoken at home where the survey found a slightly higher average among users from non-English speaking households (\$349) compared to \$320 among users from English speaking households. Although a causal link cannot be established, it is interesting that the difference is consistent with the higher average cost of LOTE materials.

Similarly, family type would appear to have little impact on average financial benefit, with the range of estimates falling within plus or minus 10% of the \$325 average.

Figure 22: Employment Sensitivity Profile (Q20 & Q31)

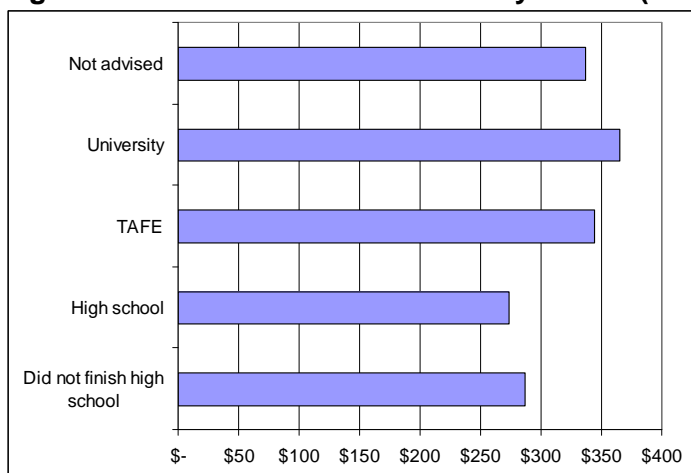


As can be seen from Figure 22, the financial benefit to full-time students and unemployed users is considerably below that of the other groups. It must, however, be recognised that full-time students' use of public libraries is complementary to other sources of information and places such as prescribed

textbooks and school or university libraries. Furthermore, their lower disposable incomes would reduce their capability to purchase as an alternative to library use.

The finding in relation to unemployed users raises concern that this group may be under-utilising public library services. Alternatively, they also have low disposable incomes and the survey finding may reflect that library use does not translate to financial benefit due to there being limited capability to purchase in any case.

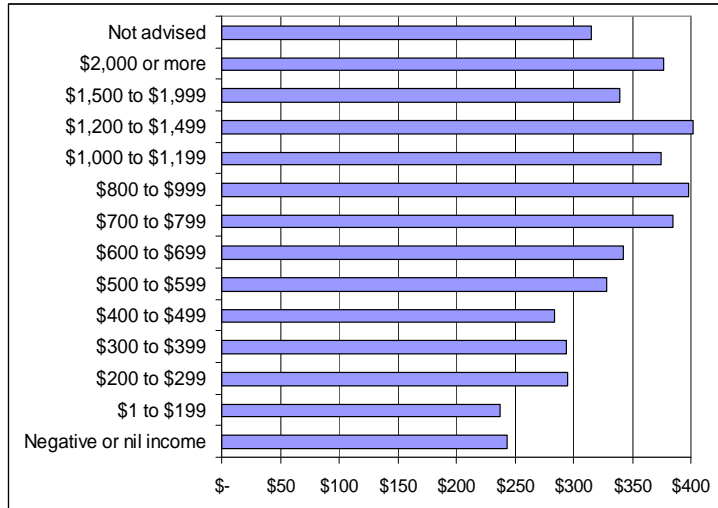
Figure 23: Education Level Sensitivity Profile (Q20 & Q32)



The sensitivity to educational level attained is generally consistent with expectations whereby the habits acquired during higher education translate into greater use of public libraries and, therefore, higher levels of financial benefit.

It is, however, encouraging that those who did and did not finish high school are reaping almost equivalent benefits, thus serving to further demonstrate the importance of public libraries as a general resource and enabler of informal lifelong learning.

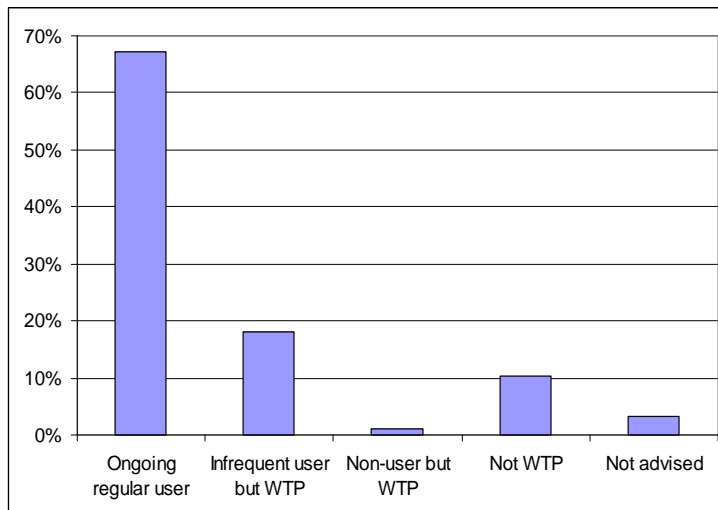
Figure 24: Income Sensitivity Profile (Q20 & Q33)



Sensitivity to average weekly household income before tax is shown at Figure 24 and can be seen to trend generally upwards in a series of steps to peak at a financial benefit around \$400 per annum for incomes in the \$800 to \$999 per week range and tending to oscillate from that point onwards. The most likely explanation for the

jagged profile from \$1,000 onwards is that the level of and value assigned to library usage is independent of income levels and reflects the impact of personal preferences.

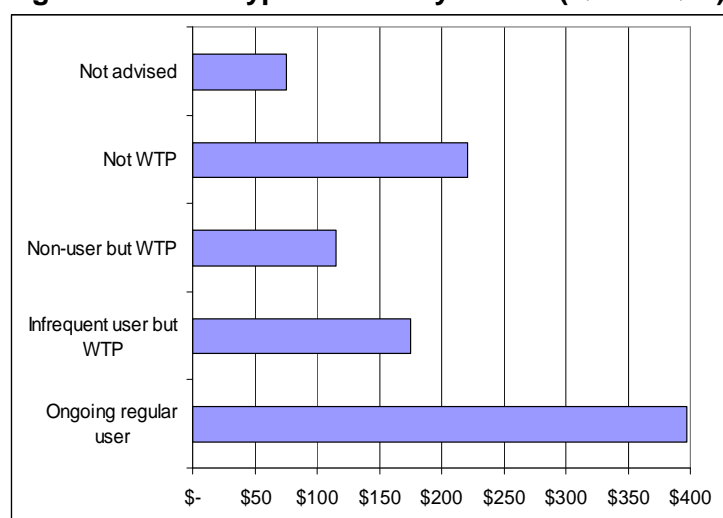
Figure 25: Types of Library Users (Q22)



In order to better understand the responses to the economic value questions, respondents were asked to select from the descriptions shown at Figure 25. As can be seen, most respondents described themselves as ongoing regular users (67.1%) and with the exception of 10.4% of respondents, all expressed a

willingness to pay in the event that governments did not fund public libraries.

Figure 26: User Type Sensitivity Profile (Q20 & Q22)



As one would expect, the financial benefit varied according to users' self-classification. Ongoing regular users averaged a financial benefit of \$397 per annum, with infrequent users naturally lower at \$175 per annum. Users not willing to pay averaged \$221 per annum, which suggests their decisions on willingness to pay are

heavily influenced by philosophic considerations rather than limited use of public libraries. Only 1% of respondents classified themselves as non-users and, by definition, non-members. One would reasonably assume that their average financial benefit of \$115 per annum reflects their exclusion from borrowing library materials, thus providing an interesting insight into the perceived value of public libraries' non-lending services.

Just as library services structure their collections and programs to match the needs of their communities, it should be evident from the preceding observations that financial benefit will vary according to community demographics.

6.9 Observations re Library Users' Willingness to Pay:

Public libraries are free – or at least the core services are free, a principle protected by the Library Act 1939 and a condition of the State Government's funding support of public libraries. Thus if free services must continue, it is reasonable to ask why it is necessary to ascertain library users' willingness to pay.

The answer has two parts. Firstly, willingness to pay is a means to ascertain the economic value of public library services by applying contingent valuation methodology (CVM). Secondly, the information obtained will assist library services to compete for funding against other government funded services.

A more detailed discussion of CVM may be found at section 4.4, but, briefly stated, it is a widely applied methodology to estimate the value of public goods to which commercial price mechanisms do not apply. In the commercial (for-profit) sector, the price consumers are willing to pay denotes a product's or service's value. Although we may not be consciously aware of it at the time, each transaction we undertake signals that we perceive value in the price asked. For those transactions where we would be willing to pay more, there may be a heightened sense of value. However, if the asking price does not fit our concept of value, a rational person will not buy. The price-

setting process is, of course, a highly complex process and not directly relevant to this project, but the purpose of this discussion is to demonstrate that asking survey participants to estimate their willingness to pay for library services is, in principle, no different to the process we undertake hundreds or thousands of times each year in the course of our daily lives.

Contingent valuation methodology must, therefore, utilise hypothetical scenarios to determine the value of public goods, hence the structuring of the survey question thus:

“Thinking from the broader community perspective, if the public library was not funded by government, how much would you be willing to pay to maintain the community’s access to the current services?”

As can be seen, the question is hypothetical and seeks responses from a community rather than an individual’s perspective, thus enabling responses to reflect both use and existence value (that is where non-users nevertheless perceive a service to be of value and are willing to pay).

The average willingness to pay (WTP) of \$58.20 per annum per user (or \$62 if nil responses are excluded) varied considerably across the ten case study services from a low of \$40 at Great Lakes to a high of \$69 at Bathurst. Despite country services returning the extreme WTP values, country services overall averaged \$54 compared to the metropolitan services average of \$61.

How does one determine the reasonableness of the average WTP of \$58.20? It is, of course, a subjective judgment and it is hoped the following observations will assist readers’ interpretation:

- The WTP of \$58.20 is naturally less than the average financial benefit of \$325 per annum. It would be irrational to be WTP an amount equivalent to the financial benefit given that the core service involves borrowing. Nevertheless, at 5.6, the ratio of financial benefit to WTP represents a premium in relation to the lifetime turnover of library materials. (At the current turnover rate of approximately 3.4 turns per annum, an item held for {say} six years would turn over more than twenty times.)
- Compared to commercial video and DVD rentals, a ratio of 5.6 is probably close to the worst case. For example, comparing the cost of a new release DVD (say \$25 to \$30) to an overnight rental charge of \$5 would return a ratio in the range of five to six. However, consumers are generally unwilling to pay such charges and if one was to factor in the discounts that typically apply, particularly within the Sydney metropolitan area, a more realistic ratio of ten to twelve would apply to commercial rentals. Thus at a ratio of 5.6, it would appear that library users assign a higher value to audio-visual loans from public libraries than the corresponding (market based) value applicable to commercial video and DVD rentals.
- The actual per capita expenditure on public libraries in 2004-2005 was \$42.73, thus the WTP of \$58.20 suggests that libraries are valued above current expenditure levels.

On the basis of the above observations, it would appear that the survey finding is reasonable in relation to willingness to pay. Other key observations regarding the survey data is shown below.

Figure 27: WTP Profile (Q21)

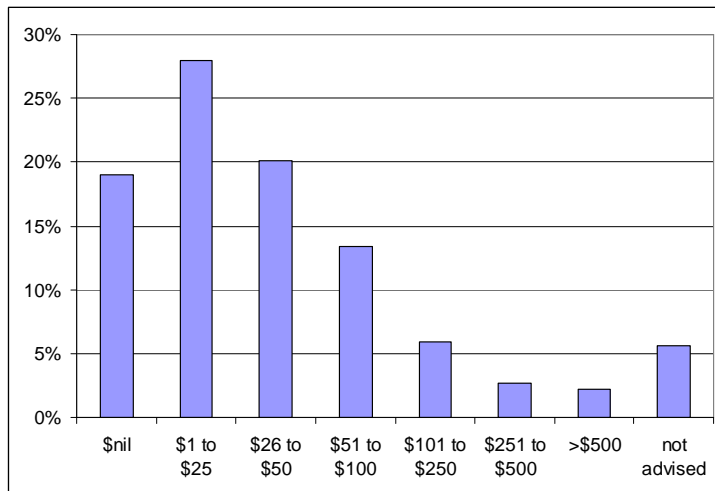


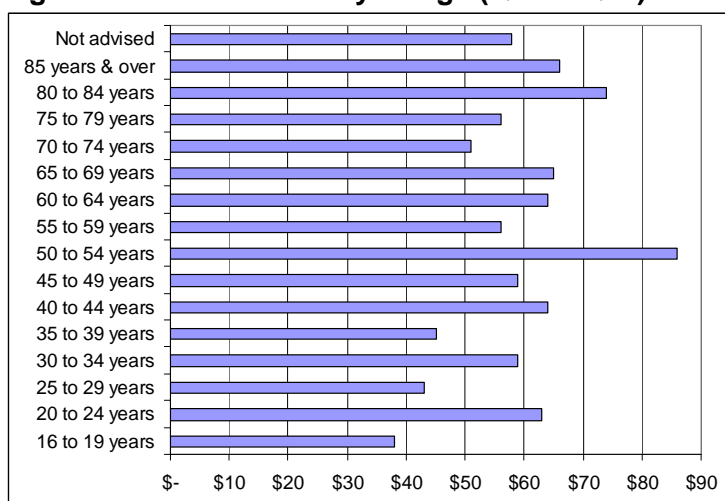
Figure 27 plots the percentage of respondents within the nominated WTP ranges. (Those respondents who provided specific value estimates [3.1%] were excluded for ease of presentation.)

As can be seen, WTP is weighted towards the lower values, with 67% of respondents within the

range of nil to \$50 per annum. It is possible that the nil responses are inflated by respondents registering their opposition to a user-pays approach. Although this is a speculative observation, the finding is disproportional to financial benefit as only 3.7% of respondents returned nil values for both financial benefit and WTP.

Despite the apparent reasonableness of the average WTP of \$58.20 per annum, one must be concerned that at least two-thirds fall below the average. The logical explanation is that the data reflects a strong expectation that public library services should be delivered at nil or minimal cost.

Figure 28: WTP Sensitivity to Age (Q21 & Q26)

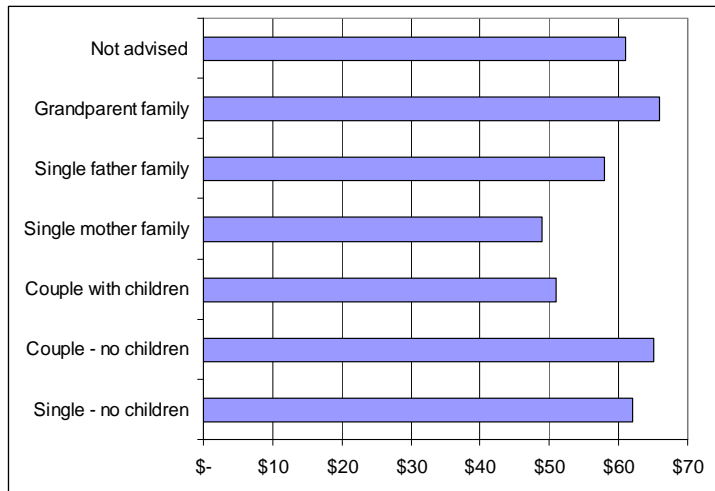


WTP was found to trend upwards with age, albeit in a non-linear manner as shown at Figure 28. The data suggests that there may be some correlation between long-term library use and WTP, although the jagged profile suggests that no clear conclusions can be drawn regarding the impact of age on WTP.

Library users from non-English speaking households returned an average WTP of \$64 or \$6 higher than those from English speaking households, which is consistent with public libraries' support for CALD communities in terms of

LOTE collections, English language development programs and operating in a non-discriminatory manner.

Figure 29: WTP Sensitivity to Family Type (Q21 & Q30)



The survey found some sensitivity to WTP based on family type, but as shown at Figure 29 the variance fell within an acceptable range of plus or minus 15% of the average WTP.

It would appear that affordability influenced responses. For example, couples with no children are WTP 22% more than

couples with children despite the latter family type standing to gain more from public libraries. However, the survey found that the average household income of couples with children was lower (\$400 versus \$625 per week), which translates to their being less able to afford a wide range of services (including libraries).

The higher WTP for single father families is interesting, although this family type accounted for only 2.4% of total responses and could be a statistical anomaly.

Figure 30: WTP Sensitivity to Employment Status (Q21 & Q31)

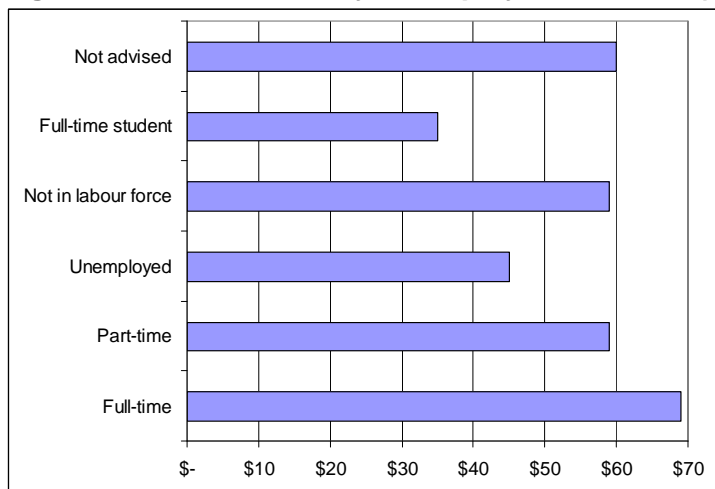
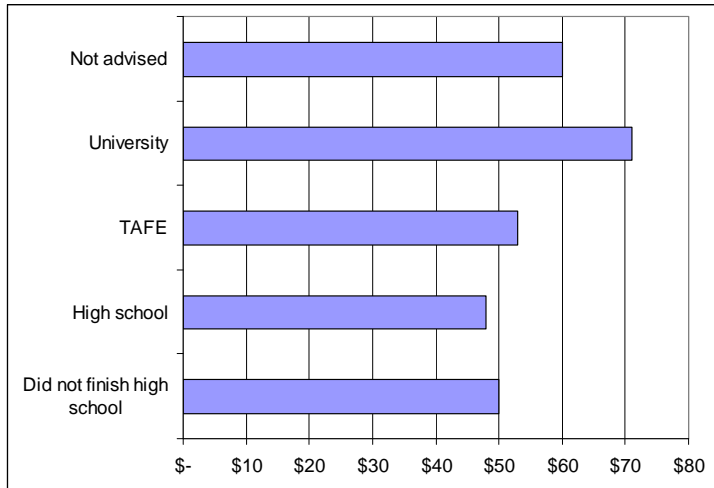


Figure 30 shows the sensitivity of WTP to employment status, which is significant with WTP ranging from a low of \$35 for full-time students to a high of \$69 for full-time employees.

Whilst the findings generally confirm the preceding discussion regarding the impact of affordability on WTP,

reference to Figure 22 will indicate a strong similarity to the corresponding financial benefit profile, which suggests that WTP is a function of the financial benefit obtained from public library usage.

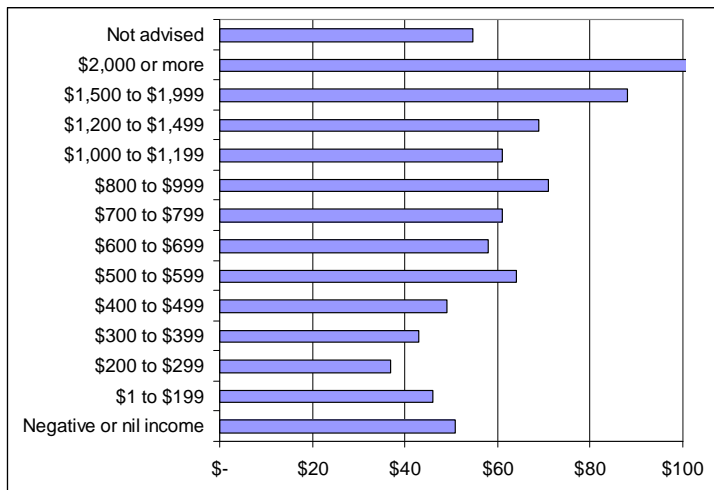
Figure 31: WTP Sensitivity to Educational Level (Q21 & Q32)



As was found in relation to employment status, the sensitivity of WTP to the educational level attained follows a similar profile to the corresponding financial benefit sensitivity (refer to Figure 23). One may, therefore, interpret this profile as further indicating that WTP is a function of the financial benefit obtained from

public library usage.

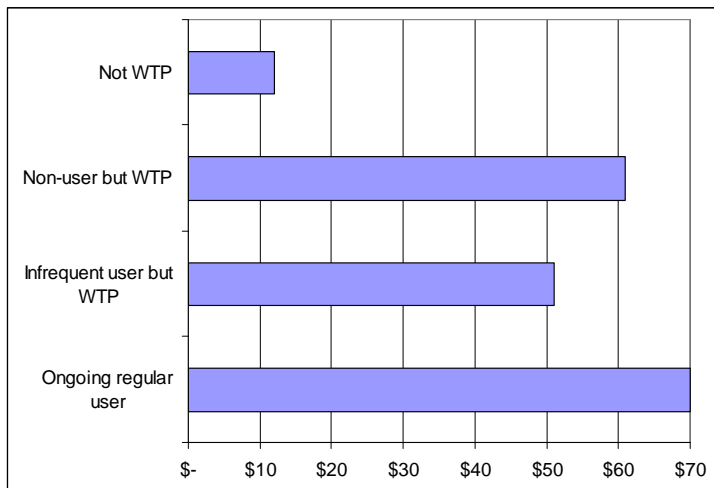
Figure 32: WTP Sensitivity to Income (Q21 & Q33)



If one ignored the WTP among the two lower income groups, Figure 32 shows a distinct upward trend as incomes increase. One may further interpret the trend as being attributable to affordability, as well as generally linked to the financial benefit profile shown at Figure 24.

It is likely that the relatively higher WTP for the two lower income groups reflects an appreciation for access to library materials and services that may otherwise be unavailable to individuals within these income levels.

Figure 33: WTP Sensitivity to Library User Type (Q21 & Q22)



The survey findings for WTP by library user type are quite revealing. As one would expect, ongoing regular users are WTP more than infrequent library users. However, despite an average financial benefit equivalent to 44% of that accruing to regular users, infrequent users are WTP 73% of regular

users' WTP. Furthermore, it is notable that non-users (albeit a small sample) are WTP an amount above the average and above infrequent users' WTP.

Each of these findings suggests that respondents have factored-in a consideration of public libraries' value to the community, which is consistent with the general acceptance by non-users of the current funding arrangements.

When considered from an overall perspective it would be prudent to cautiously interpret the findings on willingness to pay. That the average WTP of \$58.20 is above the current per capita spending of \$42.73 is a positive finding and demonstrates that public libraries are valued above the level of public funding currently provided. However, the average WTP spans a wide distribution and one must be concerned that approximately two-thirds of respondents fall below the average. Nevertheless, it is encouraging that the responses appear to have been based on both respondents' personal usage patterns and consideration of public libraries' general value to the broader community.

6.10 Mailed Survey (Non-users):

Non-users completing the Mailed Survey were required to complete only four questions; that is those pertaining to public libraries contribution to cultural development; how public libraries make a positive contribution to the community; and the economic value questions dealing with potential financial benefit and willingness to pay.

A total of 55 responses were received and are compared in this section to the equivalent findings from library users. Naturally, given the low sample size of 55, caution should be exercised when interpreting the non-users' responses.

Table 13: Comparative Rating of Contribution to Cultural Development

Public libraries contribute to community culture by:	Combined Very Important / Important	
	Non-users	Users
Maintaining relevant print collections	74.6%	84.3%
Maintaining relevant music collections	54.6%	65.7%
Maintaining relevant video/DVD collections	58.2%	74.9%
Maintaining local history collections	83.6%	80.4%
Exhibiting local artworks	63.6%	66.4%
Hosting travelling exhibitions	56.3%	58.3%
Arranging talks by visiting authors	58.2%	61.1%
Arranging live performances by local artists	54.5%	47.7%
Arranging multicultural exchange activities	52.7%	53.4%

Library non-users assigned noticeably less importance to library print and audio-visual collections, which may be interpreted as consistent with their non-user status. Nevertheless, the ratings for each collection are indicative of non-users' underlying support.

For the other nominated contributions, the difference between non-users and users was insignificant. Indeed, non-users assigned greater importance to the contributions made by local history collections and live performances by local artists. This synchronicity of views indicates that although they choose not to currently use public libraries, non-users recognise the potential for libraries to contribute positively to the community's cultural enjoyment and development.

Furthermore, if viewed optimistically, the findings suggest that marketing libraries non-collection strengths may create interest among non-users and encourage visits to exhibitions, talks and performances etc within the library. It should also be remembered that library use or non-use is a choice and that current choices are not forever. Many non-users are likely to be lapsed members who may simply need a gentle reminder of what libraries have to offer.

The second question posed to non-users sought their response to a series of hypotheses of how public libraries contribute to the general community. Their responses are compared with those of library users at Table 14 (following). (It

should be noted that the hypotheses are ranked in order of the importance assigned by library users.)

Table 14: Comparative Rating of Contribution to the General Community

Public libraries contribute to the community by:	Combined Strongly Agree / Agree	
	Non-users	Users
Being a safe and pleasant place to visit	94.6%	98.3%
Supporting educational facilities	98.1%	95.3%
Facilitating lifelong learning	94.5%	93.4%
Encouraging responsible social behaviour	89.1%	88.7%
Ensuring access to the Internet for all	80.0%	85.9%
Promoting & encouraging (language & computer) literacy	90.9%	85.9%
Improving the overall quality of life	78.2%	85.2%
Providing information about community events	76.4%	85.1%
Operating in a non-discriminatory manner	78.1%	83.0%
Supporting local culture and the arts	78.2%	78.0%
Providing access to Statewide legal and health information programs	76.4%	75.9%
Providing important infrastructure to develop Australia as a knowledge economy	78.2%	74.0%
Providing public meeting spaces	65.5%	72.1%
Supporting the development of English as a second language	76.4%	71.6%
Recognising the demand for non-English materials	63.7%	68.1%
Acting as a source of government information	67.3%	64.7%
Providing and/or supporting outreach programs	56.4%	62.2%
Facilitating job or career planning	67.3%	60.9%
Acting as a provider of other government services	47.2%	48.8%
Attracting new businesses to the community	40.0%	39.0%
Increasing local property values	40.0%	38.8%

The fact that the maximum difference is only 8.5 percentage points, with most ratings considerably closer, indicates that there are no significant differences between library users and non-users in their perceptions of how public libraries contribute to the community. As can be seen from Table 14, the ranking order is very similar to that for library users and for twelve of the twenty-one hypotheses, non-users returned higher ratings than library users. The above findings are significant in that they confirm the high regard for public libraries as being community wide and apparently independent of library membership / user status.

Finally, non-users were asked to complete the economic value questions, where it was found that:

1. The average expenditure on materials and services that could have been accessed via the public library was \$125. This is considerably less than the average financial benefit to library users of \$325, but is consistent with non-users expected lower demand for such materials.
2. Thirty-five of the fifty-five non-users indicated their willingness to pay despite not using public library services. The average WTP amount was \$19, which is naturally less than library users \$58.20. However, this is equivalent to 15.2% of their average expenditure on materials (\$125) – not dissimilar to the equivalent ratio of 17.8% for library users (WTP/financial benefit).

6.11 Examples of Libraries Sustaining Communities:

Public libraries may be homogenous in terms of their general services, yet are unique in the way services are moulded to the needs and characteristics of their respective communities. This is most evident through the diverse ways in which public libraries contribute to sustaining their communities.

To complement the numerous references to their sustenance role throughout this report, Appendix 22 provides an expanded view through four case studies chosen by the writer and Appendix 23 is a collection of extracts submitted by library managers as examples of how their libraries sustain their communities.

7.0 CONCLUDING REMARKS:

When drawing conclusions in relation to research and investigative projects, it is natural to focus on the key, most important findings. This research lends itself to such an approach and one has only to refer to the survey findings to identify the most popular public library services and the most frequently occurring ways that libraries contribute to individuals and their communities. However, rather than emphasise the statistically dominant findings, perhaps it is more important to emphasise public libraries' malleability in being able to satisfy the wide-ranging needs of a diverse community.

The primary means by which this is achieved is through library collections – still very much the mainstay and defining element of public library services. Supporting the highly visible and tangible collections was the library space and in particular, its description as a socially inclusive environment where people can pursue predominantly individual activities in a communal environment. A feeling of being safe in the library was a recurring theme, a theme that has been promoted by industry professionals for some years and popularised by the June 2000 report “*A safe place to go.*”

Feeling safe is a fundamental human need and a mandatory condition for sustaining communities. Public libraries are clearly contributing to community safety. Other ways by which libraries sustain their communities are too numerous to mention and took on many different forms incorporating, for example, career, family, financial, spiritual, parental and above all, sustaining people and communities by providing an accessible means to acquire the knowledge to cope with circumstances as they arise.

The challenge facing public libraries is to continue to sustain the community, a challenge becoming increasingly difficult in a tight and competitive funding environment. Whilst the social benefit role of public libraries has generally been accepted, their economic value has not and it was to better inform debate on this subject that this research project addressed public libraries' economic contribution.

The research looked at three measures, each of which confirmed that public libraries are economically beneficial. It must be noted, however, that the measures are partial due to the impracticality of accurately measuring the economic impact of intangibles such as the contribution made to the community's literacy standards.

Economic value was assessed by testing survey respondents' willingness to pay in the event that public libraries were not funded by government. It was found that respondents were willing to pay an average of \$58.20 per capita, which compares favourably with current per capita spending on public libraries of \$42.73. At the statewide level, it was estimated that public libraries were valued by the community at \$347 to \$392 million, significantly above current spending of \$287 million.

It was further found that public libraries generate an economic benefit equivalent to \$4.24 per dollar of public library expenditure. In the hands of

library users, this is equivalent to freeing funds for use elsewhere, which at the statewide level equates to an estimated benefit of \$1.21 billion per annum.

Whilst impressive, neither economic value nor economic benefit directly translates to real economic activity involving an exchange of goods or services. However, on this key economic measure, the research found that NSW public libraries generate \$810.2 million of economic activity annually, which is equivalent to \$2.82 of economic activity for each dollar expended on public libraries.

Further investment in public libraries will, therefore, generate economic as well as social, cultural and environmental benefit. It should also be remembered that the nominated estimates are conservative and make no allowance for the intangible contributions of public libraries.

To conclude, it is proposed that this project has demonstrated that public libraries sustain the community in many ways and contribute positively in terms of economic value, benefit and activity. Furthermore, it is proposed that the findings from this research demonstrate that NSW public libraries contribute to at least eight of the fourteen goals set out in the *State Plan: A New Direction for NSW*. These are:

- Keeping people safe.
- Building harmonious communities.
- Students fulfil their potential.
- Customer friendly services.
- Strengthening Aboriginal communities.
- Opportunity and support for the most vulnerable.
- Early intervention to tackle disadvantage.
- Improved urban environments.

When viewed in this context, a strong, healthy public library system has the potential to play an even greater and key role in pursuing a new direction for NSW.

Economic Benefit and Economic Activity: Calculation Templates and Worked Examples

The purpose of this template is to clearly show the calculations necessary for library services to evaluate their economic contribution to their communities by replicating the principles applied on a statewide basis within this report. It is advised that the template is not intended to duplicate information provided elsewhere and for an understanding of the terms used herein, readers should refer to the report, in particular Section 4 and Appendices 16 and 19.

It is further advised that the template is a guide and library services are free to utilise different sources and assumptions. This may extend to the inclusion of additional line items for intangible benefits where reliable local data is available. It logically follows that library services may also exclude line items at their discretion. Naturally, where library services modify any element of the template, they assume full responsibility for justifying the economic contributions to their stakeholders.

The templates shows:

1. A listing of the data elements required to calculate the economic measures; the data sources; and the values used in the report to derive the statewide Economic Benefit and Economic Activity.
2. Worked example using the statewide values assigned to the data elements at point 1.

Points to note in relation to the first page of the template listing the data elements are:

- The highlighted cells denote that library services must enter a value.
- References to tables used within the NSW Public Library Statistics refer to the 2004-2005 reporting period and library services are responsible for checking the numbering sequence used for later years and, if the exercise is performed retrospectively, earlier years.
- A reference to these tables does not suggest that calculation of the economic measures is dependent upon the publication of the NSW Public Library Statistics. Library services may, of course, utilise their source data in advance of publication.
- A reference to internal library statistics or estimates denotes that there is no direct equivalent in the NSW Public Library Statistics and that library services should develop their own estimates or default to those used in the report.
- A reference to selecting from nominated appendices is made where the appendices differentiate on the basis of library location. The value shown on the template is the statewide average.
- The development of economic multipliers involves complex econometric modeling and library services are cautioned against modifying the multipliers shown in the template.

Please note an electronic copy of the template to evaluate your libraries economic contribution to your community is available on the State Library of New South Wales website at www.sl.nsw.gov.au

Template for the Calculation of Economic Benefit and Economic Activity Worked Example-Using Whole of NSW Figures

Base Data Required for Calculations:		
Data Element	Data Source	Value
Number of books borrowed	NSW Public Library Statistics, Table 2a	35,037,546
Number of non-books borrowed	NSW Public Library Statistics, Table 2a	8,156,984
Serials borrowed	NSW Public Library Statistics, Table 2a	2,827,068
Separate collections borrowed	NSW Public Library Statistics, Table 2a	9,749,671
Internet bookings	NSW Public Library Statistics, Table 20	1,997,533
Information requests	NSW Public Library Statistics, Table 21	3,495,787
Number of attendees at library programs	Internal library statistics	714,390
Operating and capital expenditure	NSW Public Library Statistics, Table 1	\$287,453,923
Number of visits	NSW Public Library Statistics, Table 19	31,478,404
Number of library members	NSW Public Library Statistics, Table 4	3,243,634
Percentage of loans that are renewed and/or re-borrowed	Internal library statistics or 20%	20%
Percentage of library users reporting in-house use of materials	Internal estimates or default to report estimates	21%
Estimated mix of non-book retail sales:		
(a) Percent of items purchased	Internal estimates or default to report estimates	20%
(b) Percent of items rented	Internal estimates or default to report estimates	80%
Average travel cost per visit	Internal estimates or select from App. 20	\$1.44
Members as percentage of library users	Internal library statistics or select from App. 15, Q25	85.2%
Percentage of information requests that result in avoiding legal fees	Internal library statistics or LIAC	1.32%
For library users that opened Internet accounts as a result of using public library Internet services:		
(a) Percent of library users	Internal estimates or select from App. 15, Q14f	6.8%
(b) Percent who also purchase PCs	Internal estimates or default to report estimates	50%
(c) Estimated ISP cost per annum	Advertised ISP rates	\$ 240
(d) PC & software replacement cost	Advertised retail prices	\$ 1,200
(e) PC & software replacement cycle (years)	Internal estimates or default to report estimates	4
Number of library users	Calculated by spreadsheet	3,807,082
Equivalent Commercial Unit Costs:		
Books	Equivalent average retail price of items procured	\$ 25
Non-books (purchased)	Equivalent average retail price of items procured	\$ 20
Non-books (rented)	Advertised retail prices	\$ 4
Serials	Equivalent average retail price of items procured	\$ 4
Separate collections	Equivalent average retail price of items procured	\$ 25
Internet café usage charge	Advertised retail prices	\$ 3
Legal fees for an initial consultation	Fees quoted in legal publications	\$ 200
Information request	Staff cost for a 20 minute enquiry (refer App.16)	\$ 10
Library programs	Local commercial provider costs	\$ 20

Value Added Multipliers:		
Museums and libraries multiplier	See below	1.74
Books & other publishing multiplier	See below	1.29
Petroleum products multiplier	See below	0.71
Motor vehicles and parts multiplier	See below	1.09
Communications multiplier	See below	1.41
CPI weighted average multiplier	Refer to Appendix 18	1.40
	The source document for the multipliers shown above is the National Centre for Culture and Recreation Statistics 2001 report titled <i>Multipliers for Culture-Related Industries</i> .	

Economic Benefit Template Worked Example- Using Whole of NSW Figures

Economic Benefit Description	Transactions	Unit Cost	Benefit (\$mil)
Books borrowed in lieu of purchase	28,030,037	\$ 25.00	\$ 700.8
Non-books borrowed:			
(a) in lieu of purchase	1,305,117	\$ 20.00	\$ 26.1
(b) in lieu of rental	5,220,470	\$ 4.00	\$ 20.9
Serials borrowed in lieu of purchase	2,261,654	\$ 4.00	\$ 9.0
Separate collections borrowed in lieu of purchase	7,799,737	\$ 25.00	\$ 195.0
Access materials in-house in lieu of purchase			\$ 199.9
Internet usage in lieu of Internet Cafes	1,997,533	\$ 3.00	\$ 6.0
Legal costs offset by LIAC enquiries	46,144	\$ 200.00	\$ 9.2
Information requests in lieu of purchase	3,495,787	\$ 10.00	\$ 35.0
Attend library programs in lieu of external programs	714,390	\$ 20.00	\$ 14.3
Total Economic Benefit			\$ 1,216.1

Minor difference to report total of \$1,216.2 is attributable to rounding.

Economic Activity Template - Worked Example

Economic Activity Description	Base level activity	Value added multiplier	Total Economic Activity (\$mil)
Operating and capital expenditure	\$ 287.5	1.74	\$ 500.2
Travelling costs incurred by library visits	\$ 45.3	0.90	\$ 40.8
Internet accounts opened and related IT expenditure	\$ 101.0	1.41	\$ 142.4
Impact of redistributing financial savings from borrowing library materials	\$ 1,151.6	0.11	\$ 126.7
Total Economic Activity			\$ 810.0

Minor difference to report total of \$810.2 is attributable to rounding.

Template for Calculation of Economic Benefit and Economic Activity		
Base Data Required for Calculations:		
Data Element	Data Source	Value
Number of books borrowed	NSW Public Library Statistics, Table 2a	
Number of non-books borrowed	NSW Public Library Statistics, Table 2a	
Serials borrowed	NSW Public Library Statistics, Table 2a	
Separate collections borrowed	NSW Public Library Statistics, Table 2a	
Internet bookings	NSW Public Library Statistics, Table 20	
Information requests	NSW Public Library Statistics, Table 21	
Number of attendees at library programs	Internal library statistics	
Operating and capital expenditure	NSW Public Library Statistics, Table 1	
Number of visits	NSW Public Library Statistics, Table 19	
Number of library members	NSW Public Library Statistics, Table 4	
Percentage of loans that are renewed and/or re-borrowed	Internal library statistics or 20%	
Percentage of library users reporting in-house use of materials	Internal estimates or default to report estimates	
Estimated mix of non-book retail sales:		
(a) Percent of items purchased	Internal estimates or default to report estimates	
(b) Percent of items rented	Internal estimates or default to report estimates	
Average travel cost per visit	Internal estimates or select from App. 20	
Members as percentage of library users	Internal library statistics or select from App. 15, Q25	
Percentage of information requests that result in avoiding legal fees	Internal library statistics or LIAC	
For library users that opened Internet accounts as a result of using public library Internet services:		
(a) Percent of library users	Internal estimates or select from App. 15, Q14f	
(b) Percent who also purchase PCs	Internal estimates or default to report estimates	
(c) Estimated ISP cost per annum	Advertised ISP rates	
(d) PC & software replacement cost	Advertised retail prices	
(e) PC & software replacement cycle (years)	Internal estimates or default to report estimates	
Number of library users	Calculated by spreadsheet	
Equivalent Commercial Unit Costs:		
Books	Equivalent average retail price of items procured	
Non-books (purchased)	Equivalent average retail price of items procured	
Non-books (rented)	Advertised retail prices	
Serials	Equivalent average retail price of items procured	
Separate collections	Equivalent average retail price of items procured	
Internet café usage charge	Advertised retail prices	

Legal fees for an initial consultation	Fees quoted in legal publications	
Information request	Staff cost for a 20 minute enquiry (refer App.16)	
Library programs	Local commercial provider costs	
Value Added Multipliers:		
Museums and libraries multiplier	See below	
Books & other publishing multiplier	See below	
Petroleum products multiplier	See below	
Motor vehicles and parts multiplier	See below	
Communications multiplier	See below	
CPI weighted average multiplier	Refer to Appendix 18	
	The source document for the multipliers shown above is the National Centre for Culture and Recreation Statistics 2001 report titled <i>Multipliers for Culture-Related Industries</i> .	

Economic Benefit Template

Economic Benefit Description	Transactions	Unit Cost	Benefit (\$mil)
Books borrowed in lieu of purchase	0	\$ -	\$ -
Non-books borrowed:			
(a) in lieu of purchase	0	\$ -	\$ -
(b) in lieu of rental	0	\$ -	\$ -
Serials borrowed in lieu of purchase	0	\$ -	\$ -
Separate collections borrowed in lieu of purchase	0	\$ -	\$ -
Access materials in-house in lieu of purchase			\$ -
Internet usage in lieu of Internet Cafes	0	\$ -	\$ -
Legal costs offset by LIAC enquiries	0	\$ -	\$ -
Information requests in lieu of purchase	0	\$ -	\$ -
Attend library programs in lieu of external programs	0	\$ -	\$ -
Total Economic Benefit			\$ -

Economic Activity Template

Economic Activity Description	Base level activity	Value added multiplier	Total Economic Activity (\$mil)
Operating and capital expenditure	\$ -	0.00	\$ -
Travelling costs incurred by library visits	\$ -	0.00	\$ -
Internet accounts opened and related IT expenditure		0.00	
Impact of redistributing financial savings from borrowing library materials	\$ -	0.00	\$ -
Total Economic Activity			

Abbreviations:

ABS	Australian Bureau of Statistics
ADSL	Asymmetric Digital Subscriber Line
AFP	Australian Federal Police
ALIA	Australian Library and Information Association
ASLA	Australian Schools Libraries Association
ATO	Australian Taxation Office
AV	Audio Visual
CALD	Culturally and Linguistically Diverse
CBD	Central Business District
CD	Compact Disc
CDAT	Community Drug and Alcohol Team
CPI	Consumer Price Index
CVM	Contingent Valuation Methodology
DCAS	Drugs and Community Action Strategy
DET	Department of Education and Training
DVD	Digital Video Disc
EAPS	Ethnic Affairs Priority Statement
e.g.	For example
ESD	Environmental Sustainable Design
etc	Etcetera
FOL	Friends of the Library
HIS	Health Information Service
HSC	Higher School Certificate
IFLA	International Federation of Library Associations and Institutions
ISP	Internet Service Provider
IT	Information Technology
LIAC	Legal Information Access Centre
LOTE	Language(s) other than English
MVE	Motor Vehicle Expenses
NOAA	National Oceanic and Atmospheric Administration
NOIE	National Office for the Information Economy
NSW	New South Wales
OCLC	Online Computer Library Center
Op. cit.	In the work cited

Abbreviations (continued):

PC	Personal Computer
p	Page
pp	Pages
Pty. Ltd.	Proprietary Limited
Q	Question
RACV	Royal Automobile Club of Victoria
re	Regarding
REMI	Regional Economic Models, Inc.
ROI	Return on Investment
RTA	Roads and Traffic Authority (NSW)
TAFE	Technical and Further Education
SLA	Statistical Local Area
SLNSW	State Library of New South Wales
SME	Small to Medium Sized Enterprise
UK	United Kingdom
US	United States of America
USA	United States of America
U3A	University of the Third Age
VHS	Video Home System
Vol	Volume
WTA	Willingness to Accept
WTP	Willingness to Pay

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