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PUBLIC LIBRARIES SOUTH AUSTRALIA EXECUTIVE

South Australian Public Library Network Levies 2011-2012

Proposal

To provide the PLSA membership with information regarding proposed levies for 2011-12. It is proposed that this report is distributed to all Library Managers prior to the March 2011 PLSA quarterly meeting for consultation, discussion and endorsement in March 2011.

Background

The South Australian public library network is built on a collaborative effective foundation of consortium purchasing. Each year at its March quarterly meeting, the PLSA membership votes on the percentage of Materials grant funds which will be used to provide state-wide collections through a range of levies. These recommendations regarding the levies are then provided to the Libraries Board for consideration.

In 2010-11 levies funded from each Council's materials grant funds provided the following:

- Community Languages 4.5%
- Online resources 2.35%
- Print Disability 1.64%

Discussion

Levy Calculation

Levies are calculated as a percentage of the total materials budget. As the State Government grants are increased by CPI each year this means that the funds available through the levies also increase by CPI.

Figures used in this report are approximate because the CPI figure that will apply to the 2011-12 budget is yet to be declared.

Community Languages – 4.5% represented \$320,000 in 2010-11

In 2007 the PLSA Executive reviewed the expenditure of network funds for the purchase of Community Languages materials and resources. Currently the levy is set at 4.5% of the annual materials grant and will increase by 0.3% each year, to meet the growing needs of Culturally and Linguistically Diverse (CALD) communities to eventually be 6% of the total materials budget by 2015-16.

This figure of 6% is based on the 2006 ABS survey information which shows that 12% of South Australians speak a language other than English as their “first” or primary language. On the basis that approximately 50% of the community are library borrowers, the PLSA Executive agreed to gradually raise this levy to be 6% of the materials funds.

The Community Languages levy is split into 2 components.

- All libraries in the network are levied a flat 2.93% per year.
- The second portion of the levy (1.87%) is calculated using 2006 ABS Census data which identifies Culturally and Linguistically Diverse (CALD) members within a council area.

In 2006 there were 193,000 community members from a Non English Speaking Background (NESB) in SA, with some council having greater concentrations of NESB residents than others. Therefore councils with larger CALD/NESB populations pay a higher percentage of the 1.87% portion of the levy.

It is this portion of the levy which is growing by 0.3% each year to reflect growing community needs

In 2011-12 the Community Languages levy will increase to 4.8% which will be \$342,000.

Expenditure is composed of:

- Mylanguage website - \$14,980 (ex GST) – a national website to support library access for people speaking and reading languages other than English.
See <http://www.mylanguage.gov.au/>
- Language materials and resources - \$327,020

As endorsed by the Libraries Board, PLS has entered into a panel contract with 5 suppliers for the supply of 22 community languages. In 2010-11 customer selection was implemented in 9 languages. It is the intent of the Community Languages Steering Committee to increase customer selection to 11 languages in 2011-12.

Online Resources - 2.35% represented \$167,000 in 2010-11

On behalf of the South Australian public library network, PLS currently subscribes to 4 Online Resources, funded by a levy: These are:

- Cengage Health and Wellness (health resource)
- Ancestry(genealogical resource)
- Encyclopaedia Britannica Online Library Edition
- Press Display (online newspapers from around the world)

The following two online resources are paid for by PLS from its operating budget:

- Nielsen Bookdata online
- Libraries Australia subscription

In 2010 PLS convened the *Online Resource Assessment Project Team* comprising of network staff, which completed a thorough review of the network online resources requirements. The Online Resources report located at <http://www.libraries.sa.gov.au/site/page.cfm?u=161> was presented to the PLSA Executive in February 2011. It recommends the purchase of the following online resources for a period of 1 year with an annual renewal up to a maximum of 2 years:

Ancestry Library Edition	US\$ 53,188	A\$53,731
Press Display (55 Concurrent licences)	US\$60,000	A\$59,335

World Book Web, + Public
Libraries Discover

A\$49,000

Total

A\$162,000

Due to sustained favourable exchange rates over several years, there is currently \$ 53,000 in unexpended funds from the 2010-11 levy. It is proposed that this levy be reduced from 2.35% to 2.0% in 2011-12 to utilise some of the carry forward funds, while still carrying a buffer to manage exchange rate uncertainty. A levy of 2% or \$142,000 is considered to adequately fund the above subscriptions in 2011-12. This is based on the assumption that the new MOA provides for unspent funds to be carried forward.

As the area of online resources continues to change rapidly the PLSA Executive will work with PLS to keep this area under constant review, considering value for money, changes in freely available resources on the internet and accessibility for all library users as key determinants to the amount of funds allocated to this resource area.

Print Disability - 1.64% represented \$117,000 in 2010-11

The South Australian public library network allocated a levy of 1.64% in 2010-2011 which equated to approximately \$117,000 for the purchase of Print Disability materials and the accompanying catalogue records and end processing.

The Print Disability collection was established for the predominant use of people with a print disability, and titles were purchased with restricted access for use by customers unable to utilise print resources. Over time audio books have become popular with the general community.

A review of the Print Disability collection was undertaken by The Digital Audio Content working party in 2010. The Digital Content Report is located on the intranet at <http://www.libraries.sa.gov.au/site/page.cfm?u=289> and recommends that future purchases for the Print Disability collection be solely commercial products with no copyright restrictions. This can be seen as the first step to transitioning a specialised collection into a mainstream library resource.

PLS undertook some internal reforms to the purchasing and cataloguing of the Print Disability collection. This has led to a reduction in PD cataloguing costs where the same items are being purchased by both the PD collection and the network from the general monthly selection list

There are significant changes in technology options in the Print Disability field, which will impact on the future of this collection and the future of the levy. These changes are reflected in a range of different product offerings and pricing models which allow digital download of books to MP3 players and a variety of other devices. Moving to digital delivery of the Print Disability Collection will give customers more choice of materials and reduce the manual tasks of managing, maintaining and circulating physical items which are prone to loss and damage.

This proposed reduction in the levy from 1.64% to 1.23% will decrease funds available for the PD collection by \$29,000.

Digital Content- New Levy 2011-12

In March 2010 a Digital Audio Content Working Party was established to provide information and guidance to the PLSA Executive on the following:

- The needs of print disability customers;

- An assessment on the current Print Disability audio book collection and allocation of levy funds in meeting the needs of print disability customers; and
- The capacity of digital audio content to meet the needs of print disability customers and main stream public library users.

The research undertaken provides strong evidence that there is a role for digital audio content to meet the needs of print disability customers and mainstream library customers. This is reflected in the fact that several public libraries have planned implementation of audio digital delivery for their mainstream customers. However the research indicates that there will be some print disability customers who will be unable or unwilling to utilise downloadable technology. PLS considers a planned reduction in the Print Disability levy, and hence a downscaling of this collection, will provide funds to transition to a digital collection, while preserving the existing physical collection for some time. The provision of public library services to print disability customers is also complimented by specialist services such as Royal Society for the Blind and Vision Australia.

The current Print Disability collection composed predominantly of CD audio books is still relevant and is meeting the needs of most library customers. However libraries cannot afford to be complacent given CD formats will have a limited life similar to cassettes and will eventually be replaced by digital content as communities become increasingly technologically literate and change the way they access reading and listening materials.

The challenge for the network is to maintain the current Print Disability Collection while also establishing a digital collection to meet emerging and future customer demands.

- Demand for CD audio books by the general community is evident and libraries expend \$250, 000 of their own materials funding towards this collection in addition to the levy of \$117,000 raised by the PD levy
- There is significant interest within the South Australian Public Library Network in downloadable audio books
- Libraries are currently using both CDs and MP3 formats as audio books

As part of the research a Request for Information (RFI) was sent to six vendors.

Vendors were required to supply information on service delivery models and indicative pricing for the supply of digital audio content for the SA Public Library Network. Vendor information indicates there are a number of options available to Libraries to deliver a range of digital services including: audio books, eBooks, music and movies online to library customers.

Financial estimates supplied by vendors indicate that a significant initial investment would be required to establish a state wide digital audio collection. Initial pricing indicates that most libraries would find the costs of individual subscriptions to digital audio products prohibitive.

Whilst the main focus of the Digital Audio Content Working Party was delivering digital audio services to print disability customers, this new environment and online platform presents an opportunity for the network to establish the infrastructure required to provide a range of services in a digital environment.

It is therefore proposed that a new Digital Content levy be initiated in 2011-12 dedicated in the first instance to providing digital audio items. This levy could then be used as the platform to provide other digital content such as eBooks for the network in the future. If

endorsed by the network, PLS will negotiate with successful vendor(s), an initial 2 year contract with the option of an additional year. This will give the network the opportunity, to provide training for staff and customers, develop a customer base and allows for a transition phase for current PD customers to the new technology. It will also enable a thorough evaluation of the resource.

Establishing a shared state-wide Digital resource from one or more vendors would be a collaborative and cost saving way to embrace this new technology in a consortia manner. A staged reduction in the current Print Disability levy would reduce the impact of the new levy and acknowledge the changes from physical to digital delivery in a gradual and acceptable manner.

If the Digital Content Levy is endorsed a Working Party chaired by a PLSA Executive member, project managed by PLS and with representation from the network will be established to develop a RFP and implement a Digital Content solution for the network. The Working Party would have delegated responsibility to select a supplier(s) on behalf of the network using the appropriate State Government procurement processes.

The Working Party will include representatives from the network who will be selected via an expression of interest process. In establishing the Working Party a broad mix of skills, knowledge and experience will be sought to ensure the group has the capacity to evaluate suppliers across the areas of collection content; customer needs and service delivery; ICT capability; print disability access; and links with strategic directions. PLS staff on the working party will provide project management and procurement skills and knowledge.

Conclusion

The following table demonstrates the levy recommendations:

Levies	2010-2011 %	2010-2011 \$	2011-2012 %	2011-2012 \$	\$ changes in funding
Community Languages	4.5	320,000	4.8	342,000	+22,000
Online Resources	2.35	167,000	2.00	142,000	-25,000
Print Disability Collection	1.64	117,000	1.23	88,000	-29,000
Digital Content	0	0	3.0	214,000	+214,000
Total Levy	8.49	604,000	11.03	786,000	+182,000

A separate spread sheet is attached to illustrate the levies by library services.

Recommendation

On the basis of the information provided above, the PLSA Executive recommends the following levies for 2011-12:

1. As per PLSA recommendation in 2007 the Community Language levy to increase from 4.5% to 4.8%
2. Online Resources levy to decrease from 2.35% to 2.0%
3. Print Disability Collection levy to decrease from 1.64% to 1.23%
4. Digital Content levy of 3.0%

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