

New South Wales Public Libraries

Analysis of Public Library Funding for Collections

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1.0 Background

Public libraries in New South Wales operate in accordance with the Library Act of 1939 and the Library Regulation of 2005. Under this legislation, State and local government authorities work collaboratively to enable public libraries in NSW to meet the evolving needs and demands of the community. Integral to the delivery of library services are access to the most recent materials (age of the collection) and the availability of materials in relation to population growth (size of the collection).

Analysis of shelf life and stock replacement are fundamental in order to gain insight into the ageing of library stock. The length of time stock is useful and viable defines “shelf life”. Shelf life is determined by numerous factors such as the physical condition of the book, the length of time since it was last borrowed and the currency of the material’s contents. Stock replacement is thus essential in order to ensure that the library materials are up-to-date. The Library Council of NSW standards¹ recommends that there be 0.23 additions per capita annually if the population is under 100,000 and 0.18 additions per capita annually if the population is 100,000 or over.

The age of a collection is a key consideration when determining the adequacy of public library funding levels. The Library Council of NSW “Age of Collection” standard states that at least 49% of the collection has been purchased in the last 5 years and 90% of the collection has been purchased in the last 10 years. However, data and analysis of the age of collection within NSW public libraries has not been included in this report as the necessary data was not available. It is anticipated that usable data on the age of collection will be available from 2008/09 onwards.

The size of a public library’s collection should respond to the changing and growing size of a community. Public libraries now cater to a wide range of users representing varied age, cultural and social backgrounds. The size of the stock is therefore vital in meeting the information needs of these groups. The Library Council of NSW standards recommend that a minimum standard of 2.2 items per capita for communities with a population under 100,000. For communities with a population of 100,000 or over, the recommended standard is 1.5 items per capita.

This report aims to determine if current New South Wales funding into public libraries meet these standards. The specific objectives are:

- to calculate funding and stock levels on a per capita basis and compare it with the standards;
- to determine the shelf life and stock replenishment in New South Wales libraries and compare it with the standards; and
- to determine if funding levels provide NSW public libraries the purchasing power to meet the demands of price increases and population growth.

2.0 Methodology

2.1 Data collection

The analysis considers funding and stock levels over a ten year period from 1997-98 to 2006-07. The following data sets were used in this analysis.

Estimated Resident Population (ERP)

The Estimated Resident Population (ERP)² data for New South Wales was obtained from the Australian Bureau of Statistics (ABS) publication Population by Age and Sex, Australian States and Territories June 2007 (cat. No. 3201.0).

Consumer Price Index (CPI)

The Consumer Price Index (CPI)³ was obtained from the ABS publication Consumer Price Index, Australia, Mar 2008 (cat. no. 6401.0). The CPI measures quarterly changes in the price of a range of goods and services which account for a high proportion of expenditure by the CPI population group (i.e. metropolitan households). This covers a variety of goods and services, arranged into eleven groups. Each group is divided into subgroups, which are further divided into expenditure classes.

For this analysis, the CPI figures were obtained from the subgroup 'Books, newspapers and magazines' for Sydney. Within this subgroup the expenditure class 'Books' may more closely resemble the public library stock. Although both subgroups are considered to be closely related to the price of public library stock, a comparison of figures shows differing results. Annual growth rates show that for Sydney the 'Books, newspapers and magazines' subgroup increased 33.8% between June 1998 and June 2007, while the 'Books' expenditure class increased by 26.4%. This means that the use of the 'Books, newspapers and magazines' subgroup may produce a slightly overstated value. As such, the expenditure class "Books" was used in this analysis.

Public Library Stock acquisition budget and Public Library Stock levels

Public library stock expenditure and stock levels as at June 30 each year from 1997-98 to 2006-07 were provided to the ABS by the State Library of NSW (SLNSW) from *Public Library Statistics*, Public Library Services.

2.2 Public library resources per capita

The first part of the analysis involved calculating the funding and stock levels on a per capita basis. This was done by dividing the public library acquisitions budget and the stock levels for each year by the corresponding ERP figure. That is:

$$\text{Funding per capita} = \frac{\text{Stock acquisitions expenditure}}{\text{ERP}}$$

$$\text{Stock per capita} = \frac{\text{Stock levels}}{\text{ERP}}$$

2.3 Additions per capita

The Library Council of NSW standard is 0.23 additions per capita annually for populations under 100,000 and 0.18 additions per capita annually for populations of 100,000 or over. The number of additions per capita in the NSW Public Library collection for each year from the base year of 1997-98 was determined. This was achieved by dividing the number of additions to the collections each year by the corresponding ERP.

$$\frac{\text{No. of additions}}{\text{ERP}} = \text{Additions per capita}$$

2.4 Current expenditure based on 1997-98 expenditure

By using the level of funding available in 1997-98, it is possible to calculate the funding levels that would be needed to maintain the dollars spent per capita which existed in 1997-98. The 1997-98 public library stock budget was used as a base and then population growth factors were applied to estimate the funding that would have been required each year to maintain the same level of funding that was received in 1997-98. This was done by first applying the CPI growth rate to the funding per capita in 1997-98, as shown below using 2006-07 as an example:

1997-98 funding per capita = \$3.11

1997-98 CPI index number = 161.2

2006-07 CPI index number = 215.7

$$\begin{aligned} \text{1997-98 funding per capita increased by CPI} &= \$3.11 \times \left\{ \frac{215.7}{161.2} \right\} \\ &= \$4.16 \end{aligned}$$

This figure was then multiplied by the corresponding ERP figure to estimate the level of funding that would have been received had population growth and price increases been taken into account. This was compared with the funding allocation actually received.

2.5 Average book price

Data regarding the average price paid per book in each year was provided to the ABS by the State Library of NSW. This was then compared to the average book price reported in the ABS publication Book Publishers, Australia 2003-04 (cat. no. 1363.0)⁴. This publication was only comparable to the State Library of NSW data provided in the 1999-2000 to 2002-2003 financial years due to the limited number of times the ABS study has been conducted. Also, due to the different method of categorising books by the ABS and the State Library of NSW, only the average book price of total books was compared.

2.6 Ageing of the NSW Public Library collection

When stock is new it is considered to have a value of 100%. Once it reaches ‘its useful life’ span it has an effective value of 0%. The asset accounting manual⁵ sets the indicative (useful) life for all books at five years. If a book has a ‘useful life’ of five years, after two and a half years it has an effective value of 50%. Library material includes book, periodical, newspaper and any other printed matter and also includes map, music, manuscript, picture, photographic plate and film and any other matter or thing on or by which words, sounds or images are recorded or reproduced⁶.

The Library Council of NSW standard for “age of collection” states that at least 49% of the collection has been purchased in the last five years and 90% of the collection has been purchased in the last ten years. Data is not currently available for analysis; however, from 2006-07 onwards, it will be collected. This will allow future analysis of the ageing of the NSW Public Library collection.

2.7 Replacement rate of the NSW Public Library collection

The rate of stock replacement was determined by dividing the number of additions in the financial year by stock levels as at 30 June each year. Using stock levels at the end of the 12 month period discounts the effect of any deselections during that period. This calculation was done for each year’s data from 1997-98 to 2006-07.

Please note: An appropriate standard is not currently available for this item and hence no comparison was able to be made.

3.0 Analysis and Results

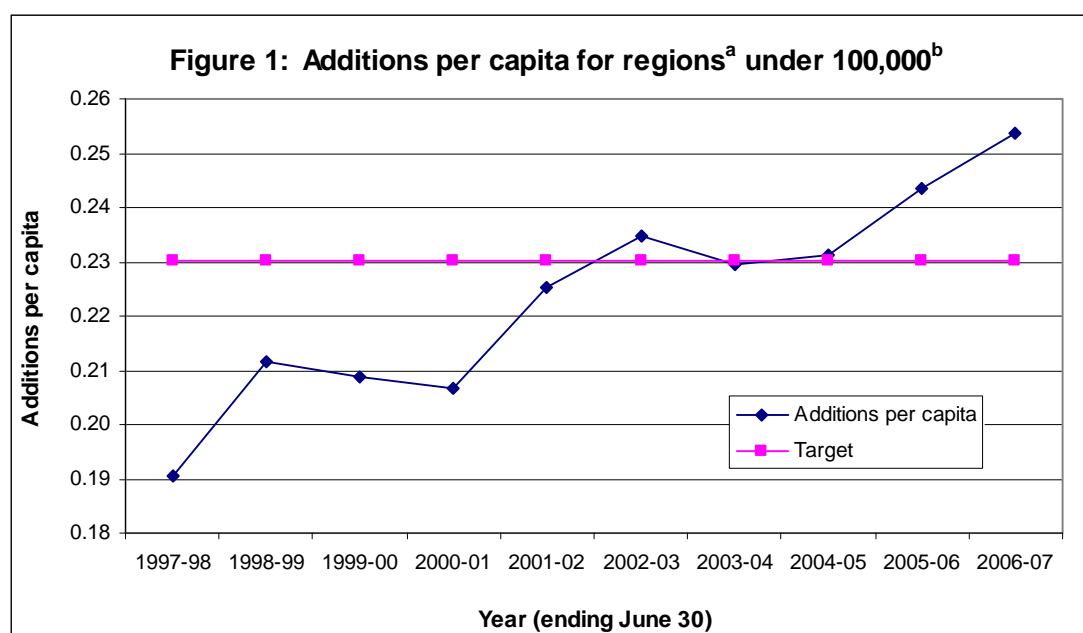
3.1 Public library resources per capita

Table 1. Public library resources per capita

Year	Expenditure (\$'000)	Number of items ('000)	NSW ERP ('000)	Expenditure per capita	Stock per capita
1997-98	\$ 19,684.24	12,443.16	6,339.07	\$ 3.11	1.96
1998-99	\$ 20,233.85	12,332.16	6,411.37	\$ 3.16	1.92
1999-00	\$ 21,214.73	12,435.21	6,486.21	\$ 3.27	1.92
2000-01	\$ 21,561.71	12,612.01	6,575.22	\$ 3.28	1.92
2001-02	\$ 22,600.21	12,522.03	6,629.83	\$ 3.41	1.89
2002-03	\$ 24,165.38	12,574.02	6,674.37	\$ 3.62	1.88
2003-04	\$ 27,454.92	12,091.93	6,710.49	\$ 4.09	1.80
2004-05	\$ 27,168.47	12,273.10	6,758.27	\$ 4.02	1.82
2005-06	\$ 29,246.15	12,334.07	6,817.18	\$ 4.29	1.81
2006-07	\$ 29,149.32	12,522.09	6,889.07	\$ 4.23	1.82

The expenditure on NSW public libraries increased almost 50% from nearly \$19.7m in 1997-98 to just over \$29.1m in 2006-07 with the estimated resident population increasing by 8.7% over the same period. This resulted in the per capita expenditure on NSW public libraries increasing 36% over the ten year period. The stock per capita levels, however, gradually decreased over the same period. Stock per capita levels in 2006-07 were 7.1% lower than the levels reported in 1997-98. Over this ten year period, the NSW stock per capita levels have been higher than the standard of 1.5 items per capita recommended for communities with a population of 100,000 or over, but below the recommended 2.2 items per capita for communities with a population under 100,000.

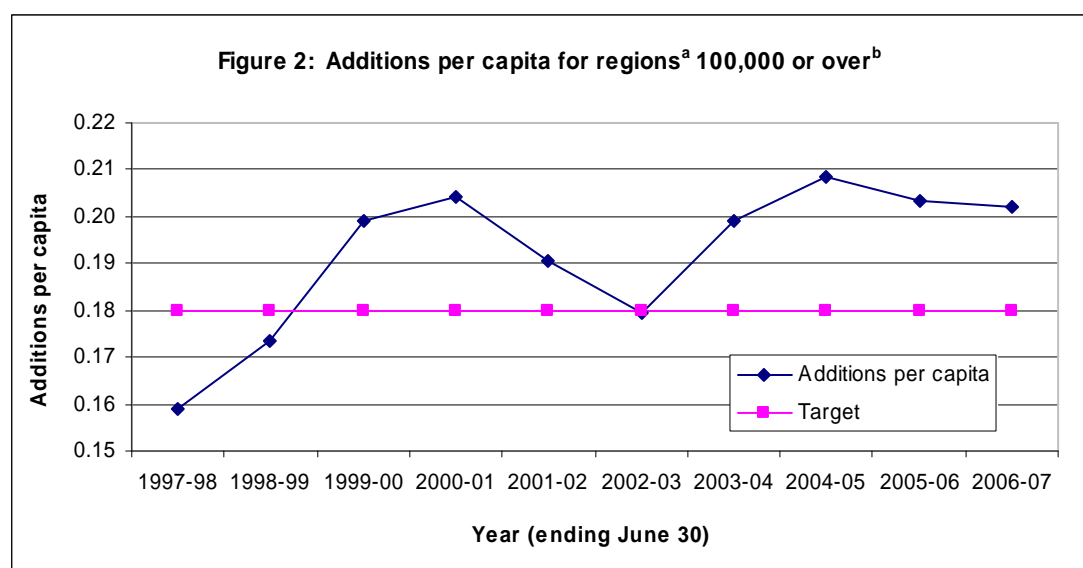
3.2 Additions per capita.



^a A region represents the area served by the library service and in most cases equates to a Local Government Area

^b Includes donations

Since 2002-03, the average stock additions for regions with a population under 100,000 met or exceeded the recommended minimum standard of 0.23 additions per capita. However, prior to 2002-03, the average stock additions failed to meet this target.



^a A region represents the area served by the library service and in most cases equates to a Local Government Area

^b Includes donations

For regions with a population of 100,000 or greater, the recommended minimum standard of 0.18 additions per capita has been met or exceeded for all years since 1999-2000.

3.3 Current expenditure based on 1997-98 expenditure

Table 2. Projected and actual funding from 1997-98 (\$'000)

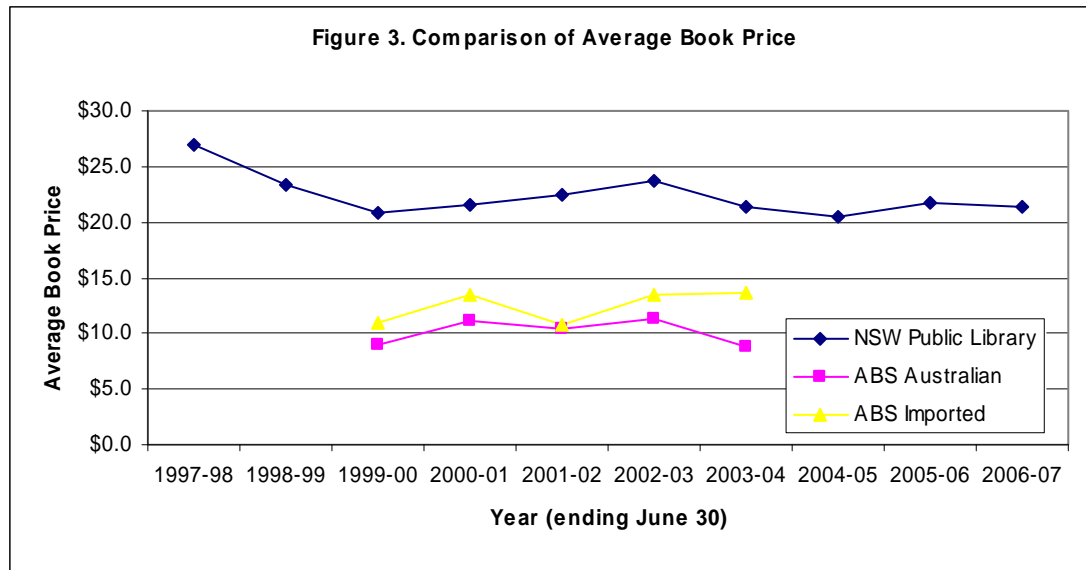
Year	Actual Expenditure	ERP projections (a)	ERP and ABS CPI (b)
1997-98	\$ 19,684.2	-	-
1998-99	\$ 20,233.9	\$ 19,908.7	\$ 20,565.7
1999-00	\$ 21,214.7	\$ 20,141.2	\$ 20,805.8
2000-01	\$ 21,561.7	\$ 20,417.5	\$ 23,786.4
2001-02	\$ 22,600.2	\$ 20,587.1	\$ 24,498.7
2002-03	\$ 24,165.4	\$ 20,725.4	\$ 24,974.1
2003-04	\$ 27,454.9	\$ 20,837.6	\$ 25,671.9
2004-05	\$ 27,168.5	\$ 20,983.0	\$ 26,400.3
2005-06	\$ 29,246.1	\$ 21,168.9	\$ 26,228.2
2006-07	\$ 29,149.3	\$ 21,392.2	\$ 27,039.6

(a) Based on 1997-98 average expenditure per person of \$3.11 multiplied by ERP

(b) Based on ABS CPI and ERP figures using 1997-98 as the base year

The actual expenditure figures exceeded the needs of population growth for all years within the ten year period 1997-98 to 2006-07. When the ABS CPI figures were factored in, the annual public libraries expenditure fell short four times within the ten year period. Actual expenditure fell short of the projected funding based on ERP and CPI in 1998-99 and from 2000-01 through to 2002-03. Over the last four years, the funding received by public libraries in NSW was greater than the projected funding level.

3.4 Average book price



ABS data was taken from ABS publication *Book Publishers, Australia 2003-04 catalogue no. 1363.0*. The data on the average selling price per book were only available from 1999-00 through to 2003-04⁴.

The average book price paid by the NSW public libraries was higher for every year analysed when compared to prices published by the ABS. However, two important factors need to be considered when analysing this data:

- The ABS prices were obtained from book sales direct to the consumers as well as from “retailers and other book distributors” for on-selling to individuals and organisations; and
- The NSW public library average book price was calculated based on annual total expenditure. This amount, however, is based on prices for all formats including books, DVDs, CD-ROMs, spoken word, etc.

