



The Evolution of the Library Subsidy

The State Library is currently researching the early years of NSW public libraries under the Act to share the stories of the network’s development. Our sources include consulting Library Board of NSW Annual Reports (the Board was a predecessor of today’s Library Council), as well as a range of archival documents.

The evolution of the State Subsidy, a key incentive for councils to adopt the Act and open a public library, is of great interest.

Although the Act was passed in 1939, the NSW Government was unable to immediately introduce subsidy payments. The onset of WWII in September 1939 almost scuttled the Bill as the Government appeared unwilling to commit to extra expenditure in light of the conflict. A compromise was reached which saw the Bill passed into law on 3 November 1939, but the payment of subsidies was delayed until a later date.

The Government subsequently introduced the first subsidy payments in 1944/45.

The original Act set out a subsidy formula which took into account the population of a municipality or shire, council’s budgeted expenditure on libraries and the unimproved capital value of municipality / shire land. Under the formula some small and relatively less well-off councils were able to receive “pound for pound” funding from the State Government, although most councils did not qualify to receive a 50:50 subsidy.

Table 1 outlines the first six councils funded under the Act (1944/45):

Table 1

Council	Council Contribution (£)	Subsidy (£)	Total Expenditure (£)
Broken Hill Municipality	1,960	1,236	3,196
Burrangong Shire	514	141	655
City of Sydney	13,886	2,093	15,979
Inverell Municipality	534	309	843
Port Stephens Shire	283	224	507
Young Municipality	214	213	427
TOTAL (£)	17,391	4,216	21,607

By the following year 1945/46 a total of 31 councils had adopted the Act and opened libraries, and were therefore eligible for subsidies (see Table 2 following). This growth in the number of libraries in just one year typifies the proliferation of NSW public libraries in the late 1940s and early 1950s as councils adopted the Act in great numbers and committed to providing libraries.



Table 2

Council	Council Contribution (£)	Subsidy (£)	Total Expenditure (£)
Albury Municipality	981	327	1,308
Bankstown Municipality	1,996	1,185	3,181
Bega Municipality	152	71	223
Broken Hill Municipality	1,405	1,242	2,647
Burrangong Shire	422	140	562
Canterbury Municipality	5,463	3,438	8,901
Casino Municipality	307	277	584
City of Sydney	6,334	2,111	8,445
Cooma Municipality	101	101	202
Forbes Municipality	271	271	542
Goulburn Municipality	862	697	1,559
Grafton Municipality	539	214	753
Greater Newcastle	9,574	3,191	12,765
Inverell Municipality	419	194	613
Jemalong Shire	336	112	448
Kempsey Municipality	402	134	536
Ku-ring-gai Municipality	2,635	878	3,513
Leeton Shire	468	446	914
Lismore Municipality	997	332	1,329
Marrickville Municipality	3,479	1,198	4,677
Mosman Municipality	1,952	650	2,602
Narrandera Municipality	213	213	426
Newtown Municipality	1,774	803	2,577
Port Stephens Shire	283	251	534
Ryde Municipality	2,361	902	3,263
Wade Shire	566	566	1,132
Windsor Municipality	259	86	345
Wingecarribee Shire	381	381	762
Wollongong Municipality	1,400	466	1,866
Yanco Shire	306	102	408



Council	Council Contribution (£)	Subsidy (£)	Total Expenditure (£)
Young Municipality	213	213	426
Total (£)	46,851	21,192	68,043

As the shaded cells in Table 2 show, Six of the 31 councils operating libraries in 1945/46 (Cooma, Forbes, Narrandera, Wade, Wingecarribee and Young) qualified for 50:50 funding. The rest were mainly receiving subsidies of around 25% of their total expenditure. The councils that received 50:50 funding were all in the country and had very low expenditure compared to larger councils.

For example in 1945/46 Young had expenditure of £213, and received a matching subsidy of £213. Ku-Ring-Gai on the other hand contributed £2,635 to its library and received a subsidy of £878 (1945/46 Annual Report).

The 50:50 possibility lasted until 1952, when the Act was amended to cap subsidies with a prescribed amount per head approach.

The Board's Annual Report of 1963/64 for example shows that 165 councils received a library subsidy on a **£ for £ basis up to a maximum of the equivalent of 3s per head of population**. In that year a total of £1,587,036 was expended on NSW public libraries, £466,692 of which was provided by the State Government. Some 60 councils did not yet operate a library.

The per capita amount grew periodically until it reached \$1.85 in 1997/98.

It is however important to note that after 1990 the per capita amount ceased to be the sole component of subsidy payments to councils. Since this time councils have received payments in excess of \$1.85 per capita due to the addition of other components to the annual payments.

The 1990 funding formula introduced base payments, extra weightings for council "disabilities" and discrete small grant payments (for collections and "special projects").

The disabilities identified were the number of children under 5, number of people over 65, number of people speaking a language other than English, council isolation and dispersed populations. These measures were derived from the NSW Local Government Grants Commission, and the formula allocated extra funds to councils that were above average in any of these factors. This ensured extra funding was provided to country councils and Western Sydney councils in particular.

The formula was modified in 2005/06 following a \$2.3M increase to the funding. The objective was to ensure that this 12% increase to the total funding was shared uniformly across all councils. This was achieved by splitting the subsidy payment into 2 parts. Part 1 is the \$1.85 per capita amount, while part 2 is the Disability and Geographic Adjustment payment or DGA. The DGA includes the previous base payments, disability



payments, small grants and each council's share of the 12% increase. This formula continues to be in place today.

A separate capital grants program was first introduced into the State Government's public library funding in 1974. This program was superseded by the Library Development Grants program in 1990/91. From 2014/15 the new \$15M Public Library Infrastructure Fund will be introduced.

In 2014/15 the Subsidies and Grants programs administered by the State Library will total \$27.5 million. Total council expenditure for 2013/14 was \$345M, a far cry from the £17,391 spent in 1944/45!

Cameron Morley
State Library of NSW
13 August 2014