



THE LIBRARY DIVIDEND

SUMMARY REPORT

A guide to the socio-economic value of Queensland's public libraries
September 2012

Case Study Workgroup

State Library of Queensland wishes to acknowledge the generous contributions to this study made by the public library services from the following seven Local Governments:

- Brisbane City Council
- Fraser Coast Regional Council
- Goondiwindi Regional Council
- Mackay Regional Council
- Mount Isa City Council
- Paroo Shire Council
- Sunshine Coast Regional Council



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This document has been prepared in good faith on the basis of information collected specifically for this research study and as available in 2011 during the period the research was undertaken.

This Summary Report is available on the State Library of Queensland website: www.slq.qld.gov.au

For more information contact:

State Library of Queensland
P: 07 3842 9056
E: pls@slq.qld.gov.au
W: www.slq.qld.gov.au

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PREFACE

The Library Board of Queensland commissioned this study in 2011 to demonstrate the value of public libraries in our state. The fact that almost five out of every 10 Queenslanders are members of a public library speaks volumes about their value to individuals, families and communities.

We undertook this research to provide hard evidence, not only of the value of public libraries to communities, but also of their contribution to statewide priorities including regional development, education, the arts, health and well-being and the economic activity induced in the regional economy by public library operations. This report gives library managers the solid facts with which to advocate for their service, particularly during funding rounds, when there are competing calls on the public purse.

It has taken nearly a year for researchers, economists, library specialists and writers to gather the evidence, carry out the analysis, and produce both this report and the detailed research document underlying it.

This thorough and definitive explanation of the library dividend will position Queensland's public libraries for future growth, while ensuring they remain at the very heart of our urban, regional and remote communities.

Professor Emeritus Roland Sussex OAM
Chair
Library Board of Queensland

Public libraries have been recognised as a valued civic asset for more than 100 years. They are so much part of our local communities that we need to reflect on their value in a changing landscape of digital services. While buildings are often the most visible face of libraries, it is important to remember the other ways in which services are delivered, including online and through mobile units.

The State Library of Queensland plays a vital role in partnering with the state's public libraries and Indigenous Knowledge Centres, and we are pleased to have directed this project on behalf of the libraries of Queensland.

This report adds to the body of research, both national and international, which has, over decades, consistently quantified the value of libraries to their communities. The findings confirm the value of public libraries in terms of investment and perceived value to individuals in communities. The variety of methods used to quantify this value supports the continued investment in local public library services in Queensland.

Janette Wright
Chief Executive Officer and State Librarian
State Library of Queensland



THE LIBRARY DIVIDEND

INTRODUCTION

A rigorous independent assessment by a leading firm of economists, shows that for every \$100 invested by local government and state government, Queensland public libraries deliver \$230 dollars-worth of value to their communities.

The company commissioned to produce this report was SGS Economics & Planning. SGS has established a reputation as one of Australia's foremost independent firms engaged in urban economics, strategy and policy planning. Its clients include government agencies, universities, NGOs and private corporations in the Middle East, Asia and Australasia. In 2010, it carried out a similar, highly-regarded study into the socio-economic value of public libraries for the State Library of Victoria and Public Libraries Victoria Network.

The fact that libraries make a net contribution will come as no surprise to local residents. Close to 50 per cent of all Queenslanders are public library members, many more use their libraries and even those who are not library users value what libraries offer, including their contribution to:

- Literacy and numeracy
- Digital literacy
- Child, youth and adult education
- Self-directed learning
- Fun, recreation and entertainment.

This report quantifies a level of economic return which, in the commercial world, would certainly have investors interested to buy shares and benefit from this outstanding dividend. For communities, the public library service is a solid asset, which has made a sustained and significant contribution over the long term.



THE BOTTOM LINE

This in-depth research project has confirmed what we already knew — that Queenslanders hold their public libraries in high regard — and it has given us hard evidence of their tangible value.

The research has quantified the library dividend as 2.3 dollars-worth of value for every dollar invested by state and local government. This means that the state and local government investment of \$207 million in Queensland public libraries in 2010–2011 resulted in nearly half a billion dollars-worth of value.

\$207m x 2.3 = \$476.1m value
\$476.1m – \$207m = \$269.1m dividend

While the economists considered 2.3 to be 'a sound and conservative estimate of annual benefit', they also said that it could be as high as 4.1.

\$207m x 4.1 = \$849m value
\$849 – \$207m = \$642m dividend

The economists also looked at how public libraries stimulate regional economies and estimated that Queensland public libraries were responsible for:

- 3,135 full-time equivalent jobs in the state.
- \$614m in income.
- \$295m in Queensland value added (or Gross State Product).

REGIONAL COMPARISONS

Seven case studies of library services in areas with very different demographic profiles were investigated by the research. The results demonstrate the diversity across the state and the challenges for councils, especially those serving smaller, more remote communities, where the cost of delivery is often higher.

	Government investment	Benefit cost ratio (average)	Benefit cost ratio (high)
Queensland	\$207m	2.3	4.1
Brisbane Libraries	\$49.6m	2.8	5.1
Sunshine Coast Libraries	\$14.7m	2.1	3.4
Mackay Libraries	\$3.7m	3.1	5.4
Fraser Coast Libraries	\$2.7m	3.1	5.7
Mount Isa Libraries	\$0.7m	4.4	9.3
Goondiwindi Libraries	\$0.3m	2.2	4.6
Paroo Libraries	\$0.2m	1.5	2.8

“WE MOVED FROM OVERSEAS WITH VERY LITTLE AND THE LIBRARY WAS FANTASTIC, BOTH FOR RESOURCES AND HELPING US INTEGRATE INTO THE COMMUNITY.”



A STRONG BODY OF EVIDENCE

This report presents a strong body of evidence of the value and contribution of public libraries.



METHODOLOGY

SGS economists based their methodology on internationally recognised best practice.

First, they carried out a **cost benefit assessment**, which considers the economic, social and environmental costs and benefits associated with public library services, enabling an estimate of the dividend of public libraries. The benefits included:

- Literacy initiatives, encouraging people of all ages, from babies through to adults, to discover the joy of reading, both for recreation and as an essential life skill.
- Improved education, career development and health and well-being outcomes for Queenslanders.
- Services and programs such as storytimes for preschoolers, book groups for keen readers and computer classes for seniors.
- Sense of place and local amenity, with the library forming a focal point for the city, town and community.
- Social interaction, with libraries as community meeting places, whether that means a planned event or a casual encounter between neighbours.
- Environmental savings — book borrowing is one of the original examples of recycling.



"I LOVE THE MIX OF PEOPLE IT ATTRACTS; ALL AGES FROM ALL WALKS OF LIFE; I LOVE THAT IT PROMOTES COMMUNITY."

They used three ways of assessing the benefits of library services, based on surveys of nearly 5,000 library users of seven chosen case study public library services across the state, and a survey of more than 1,100 Queenslanders who are not currently library users. These three ways included:

1. Asking library users to estimate how much they would have to pay if they had to buy the services they currently receive free of charge at their library.

Library users estimated that they would have to spend an average of \$394 a year if they bought their library services — books, CDs, classes, internet access, programs, events and so on — from a private business.

2. Asking library users how much time, cost and effort it takes for them to travel to and from their library.

On average, library users valued the time, cost and effort incurred in getting to the library and spending time there at \$1.24 per trip. This low valuation is based on the library being one of a number of activities per trip; with other activities of library visitors being shopping or attending an appointment elsewhere.

3. Asking library users and non-users how much they would be willing to pay to keep public library services available in their communities.

Library users said they were willing to pay an average of \$52 a year to keep receiving their library service. Most people said it was worth more, but this was all they could afford to pay.

Even non-library users were willing to pay an average of \$32 a year to make sure the community still had access to their local library. Again, most people said it was worth more, but this was all they could afford.



SGS also carried out an **economic impact assessment**, which identified how public libraries stimulate regional economies through:

- Expenditure on buildings, materials and resources.
- Employment of staff and the resulting tax that is returned to the civic coffers.
- Spending that is triggered by their use of public library services.

Seven library services across Queensland were chosen to be case studies. Each represented a different demographic profile.

- Brisbane — Metropolitan
- Sunshine Coast — High growth
- Fraser Coast — Disadvantaged
- Mackay — Regional centre with a stable population
- Goondiwindi — Small rural community
- Paroo — Less than 5,000 population
- Mount Isa — Resource segment.

NATIONAL AND INTERNATIONAL CONTEXT

The findings of this study were consistent with valuations of other libraries carried out in Australia and around the world. In the US, a cost benefit ratio of 3:1 is common¹. In Victoria, in 2011, the *Dollars, Sense and Public Libraries*² report showed a return of \$3.56 for every \$1 invested. A 2008 report showed the rate of return on investment in NSW public libraries to be between \$2.82 and \$4.24 per dollar spent.³

The outcome for Queensland public libraries has been found to be, at a conservative estimate, \$2.30 for every \$1 invested, with an upper reach of \$4.10 for every \$1 invested. A number of factors account for the differences between the rates of return on investment in the Victorian and NSW reports and that of Queensland, primarily population size and density, and land mass.

"THE LIBRARY IS AN AMAZING PLACE TO GO, STAFF ARE ALWAYS FRIENDLY, AND THE ATMOSPHERE MAKES ME FEEL AT HOME. I CAN READ A BOOK AND BEFORE I KNOW IT TWO HOURS HAVE PASSED. I LIKE LIBRARIES."

1 <http://www.ila.org/advocacy/pdf/WorthTheirWeight.pdf> (accessed May 2012)

2 <http://www.slv.vic.gov.au/public-libraries> (accessed May 2012)

3 http://www.sl.nsw.gov.au/services/public-libraries/publications/docs/enriching_communities.pdf (accessed May 2012)

QUEENSLANDERS VALUE PUBLIC LIBRARIES

Nearly 6,000 Queenslanders were surveyed for this study and their feedback provides a compelling case for why public libraries are so important in their communities.

HOW PEOPLE USED THEIR LIBRARIES

Most library users visited regularly, with a third visiting every week and 85 per cent using the library at least once a month.

Library users valued the range of materials to support meaningful pastimes, hobbies and interests. They also benefited from lifelong learning, with libraries providing quiet study areas, reference books, online databases, meeting spaces for groups such as U3A, classes for adults and expertise in the form of library and information professionals on the staff.

People described how they used libraries to find information that they couldn't find elsewhere; to complete tasks; to achieve life goals, and to increase their sense of belonging.

From a community perspective, users felt libraries were safe and pleasant places to visit, that they supported lifelong learning, provided internet access for everyone and encouraged responsible social behaviour (figure 1).

The survey group of non-users saw the library as:

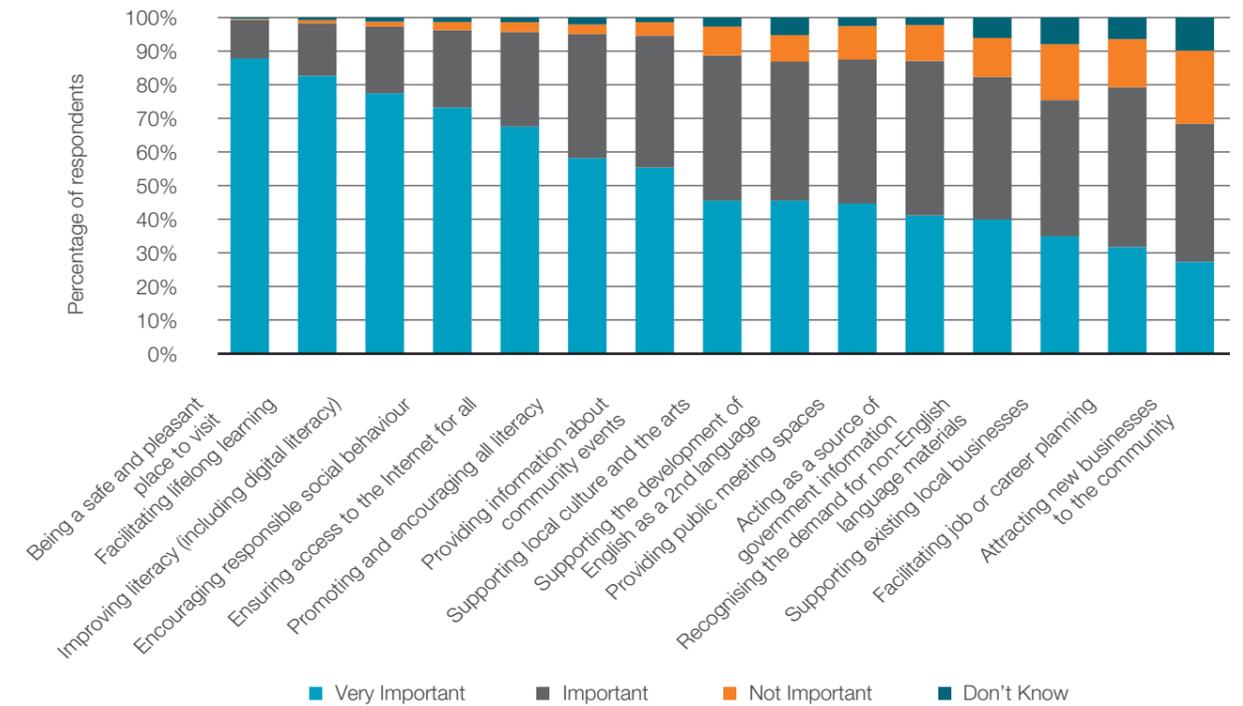
- Supporting children's education and early development.
- Helping people obtain information they couldn't find elsewhere.
- Contributing to enjoyable and meaningful pastimes, hobbies and interests.
- Supporting educational courses and lifelong learning.
- Fostering a sense of community belonging.

Non-users clearly identified the role of public libraries in community culture (figure 2).

"GOOD FOR NEW PARENTS WHO ARE AWAY FROM FAMILY, YOU MIX WITH OTHER FAMILIES AND BECOME FRIENDS FROM SOCIALISING, KNOWLEDGE AND READING SKILLS."

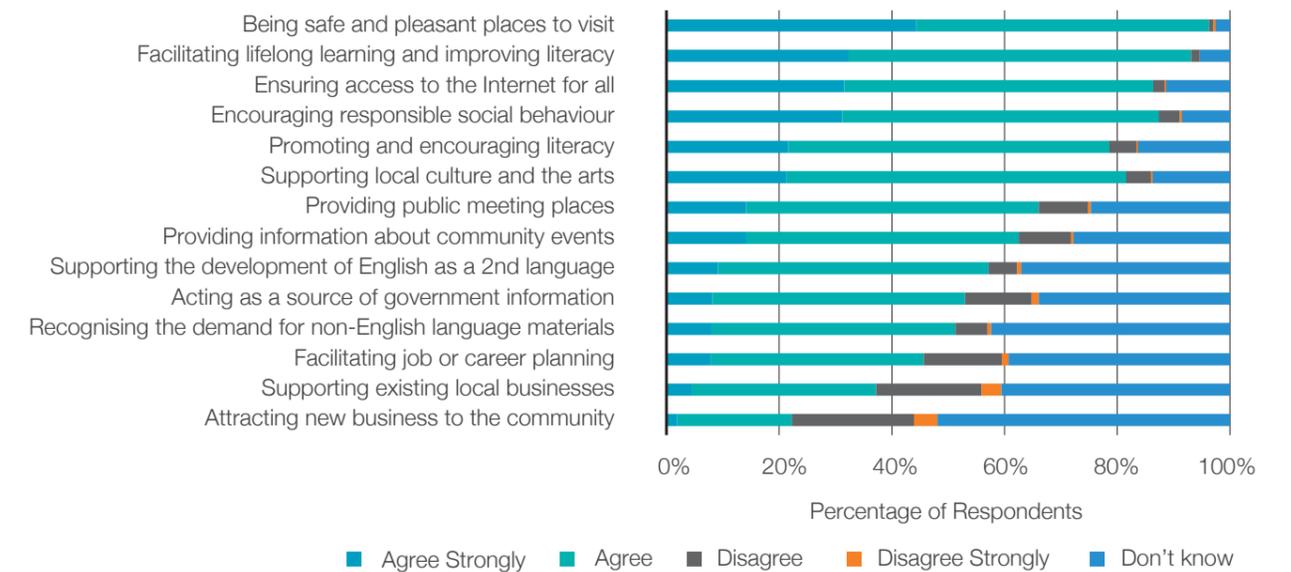


Figure 1: Users' perceived community contribution of public libraries



Source: SGS Economics survey of Queensland library users 2011

Figure 2: Non-users' perceived community contribution of public libraries



Source: SGS Economics survey of Queensland library non-users 2011

OPPORTUNITIES AND CHALLENGES

The case studies highlighted a number of opportunities and challenges facing Queensland's public libraries.



LIBRARIES PROMOTE EQUITY OF ACCESS

Opportunity: Queensland's public libraries are overcoming the tyranny of distance to provide a service that stretches across the state, and with the advent of the National Broadband Network, access to libraries will become achievable even for those in the remotest parts. A library card gives people the opportunity to use libraries 24/7, carrying out research via electronic databases, downloading ebooks, searching the catalogue and requesting books.

Challenge: According to the Australian Bureau of Statistics figures⁴, at June 2011, 92 per cent of Queensland had a population density of less than one person per square kilometre. By comparison with Queensland's average of 2.6 people per square kilometre, New South Wales had 9 people per square kilometre and Victoria had 25.

FOR EVERY \$100 INVESTED IN PUBLIC LIBRARIES, COMMUNITIES GAIN \$230 WORTH OF BENEFIT

Opportunity: This report is solid evidence that investment in public libraries provides significant benefits for our communities. There is an opportunity to boost library funding to increase the benefits for Queenslanders.

Public library expenditure per capita 2010/11

SA	\$56.27
WA	\$43.57
NSW	\$43.56
QLD	\$41.39
NT	\$39.67
TAS	\$39.45
VIC	\$37.14
ACT	\$35.64

Source: Australian public library statistics (2010–2011)⁵

Challenge: Maintaining service levels in a growing state with competing funding priorities. For less than \$42 per person each year (the price of two new books), Queenslanders borrow books, ebooks, CDs and DVDs; read newspapers and magazines; find information; attend programs, events or activities; access the internet; seek the assistance of library and information professionals; use the study, meeting and lounge areas and search electronic resources.

⁴ <http://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/3218.0Main%20Features12010-11?opendocument&tabname=Summary&prodno=3218.0&issue=2010-11&num=&view=> (accessed May 2012)

⁵ <http://www.nsla.org.au/publication/australian-public-libraries-statistical-report-2010-2011>

MANY QUEENSLANDERS ONLY HAVE ACCESS TO THE INTERNET THROUGH PUBLIC LIBRARIES

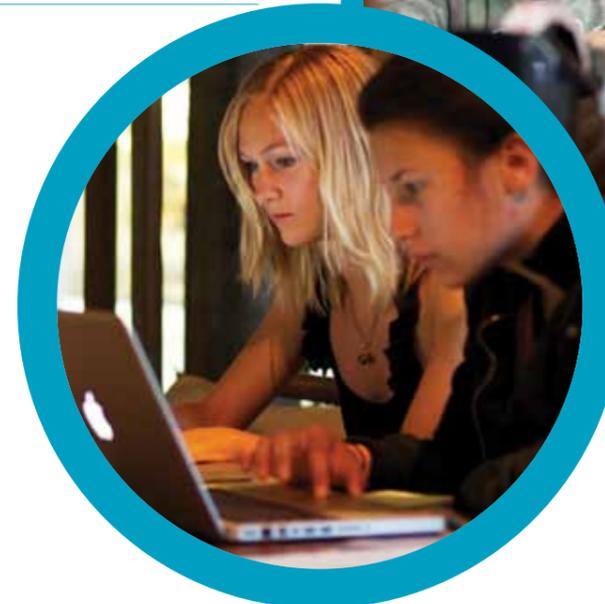
Opportunity: Public libraries bridge the digital divide. For those who use computers at work or at home, it may seem natural for everyone to be equally well placed. In some communities in Queensland, though, 40 per cent of the population would not have access to computers and the internet if it weren't for their public library.

Challenge: The pace of change means that IT is a high cost item on the library budget. Staff training is needed to keep up with the changes to software and the arrival of new media platforms — especially social media. There is the issue of speed (library computers are sometimes slow, due to the limitations of bandwidth) and the introduction of wifi as a standard service. Technology opens up enormous opportunities for increasing people's access to leisure, learning and cultural resources, but it does so at a cost which is difficult to maintain.

LIBRARIES SUPPORT LITERACY AND LEARNING

Opportunity: According to the Adult Literacy and Life Skills survey (2006)⁶, some 46 per cent of adult Australians struggle with basic literacy. *Libraries for Literacy*⁷ is a framework developed by the State Library of Queensland in 2011, in consultation with the state's public libraries, which describes how libraries will contribute to improved literacy levels for all age groups.

"LIBRARIES HAVE BEEN AN IMPORTANT PART OF BOTH MY EDUCATION AND MY LIFE."



MORE THAN 20 MILLION LIBRARY VISITS AND 630,000 PARTICIPANTS IN 30,000 PROGRAMS ANNUALLY, AND DEMAND IS STILL GROWING

Opportunity: While books and reading will always be a core library service, more and more programs and events are taking place in libraries and library users are urging longer opening hours so that people who work office hours are able to participate in these community activities.

Challenge: Library users' expectations have increased. There is now a greater demand for a broader range of services and yet there is little or no extra budget to pay for the staff and resources to deliver these services. This growing demand also puts pressure on the many Queensland public library services that have less available floor space per head of population than is specified in the State Library's guidelines.



"THE LIBRARY IS A PLACE WHERE ALL PEOPLE CAN GO AND HAVE ACCESS TO RESOURCES AND BE TREATED THE SAME."

A POSITIVE FUTURE FOR QUEENSLAND PUBLIC LIBRARIES

Public libraries are facing an exciting period of transition, brought about by new technologies, demographic shifts, and different ways of living and working.

New and extended uses will result in changes to the way libraries operate. For example, they will need to be open at different times for visitors, provide 24/7 online access to electronic resources and integrate ebooks into their collections. Staff will require a range of skills in addition to their traditional library training.

Library teams in Queensland are ready to meet the challenge.

The Library Dividend is an important piece of evidence about the value of Queensland public library services. It enables public library managers to move forward with confidence in the face of the challenges and opportunities that lie ahead, not least the need to increase library budgets to accommodate the growing demands on staff, space, resources and collections.

"LIBRARIES ARE AN ASSET TO ANY TOWN, THEY ARE AS NECESSARY AS A GROCERY SHOP."

In summary:

- Public libraries return between \$230 and \$410 for every \$100 invested.
- They are highly valued by library users.
- They are also valued by non-library users.
- Close to half of all Queenslanders are library members.

Public libraries are a vital community asset and provide an exceptional return on investment for state and local government.

"I JUST OBSERVE BECAUSE I LIVE IN A SMALL COMMUNITY HOW VERY MANY PEOPLE USE IT. I BELIEVE IT FILLS A HUGE GAP SOCIALLY WHERE PEOPLE ARE LONELY."



