

DOLLARS, SENSE AND PUBLIC LIBRARIES

The landmark study of the socio-economic value of Victorian public libraries

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economic impact of
\$722 million

\$1 = \$3.56

Markets

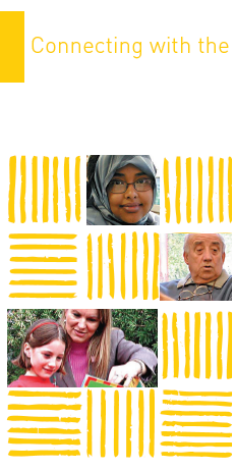
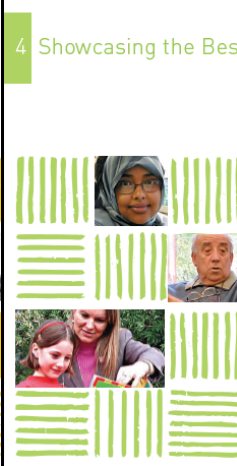
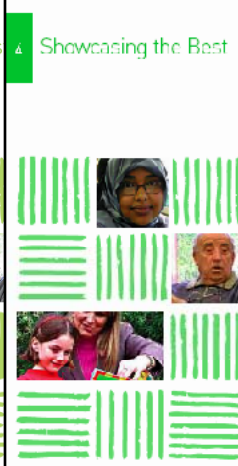
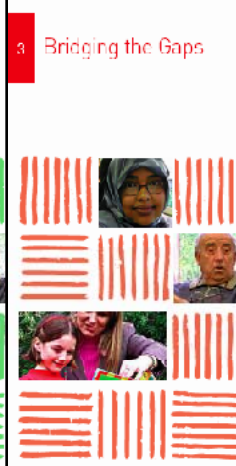


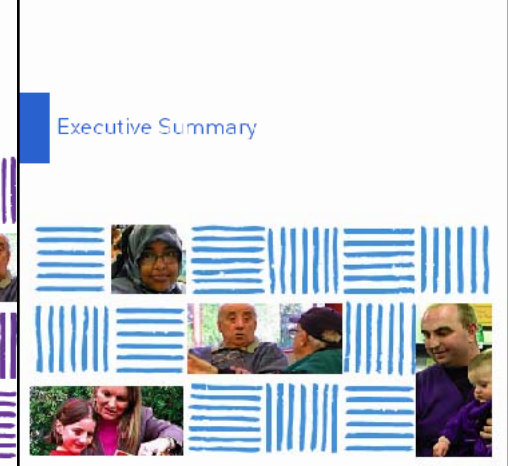
FTSE 100

Share price

11.98

11.98

Important advocacy work

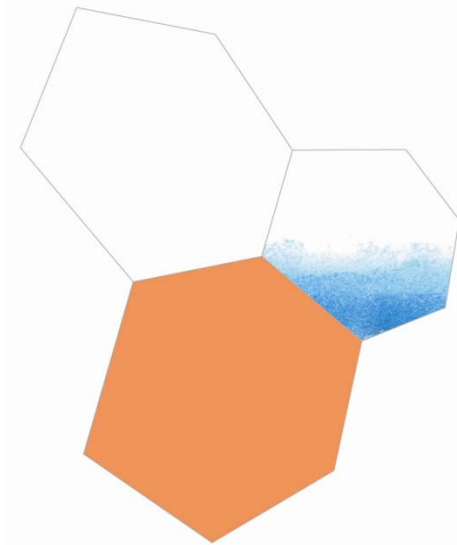
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Connecting with the	4 Showcasing the Best	4 Showcasing the Best	3 Bridging the Gaps	2 Logging the Benefits	1 Setting the Scene	Executive Summary
						

Why do we need to advocate?

	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	Aus
04/05	\$42.92	\$35.50	\$30.91	\$35.23	\$37.32	\$27.85	\$28.86	\$38.66	\$34.15
05/06	\$45.22	\$37.56	\$31.14	\$38.63	\$39.06	\$31.05	\$28.43	\$43.02	\$36.07
06/07	\$34.09	\$39.12	\$26.44	\$37.08	\$40.59	\$30.02	\$29.95	\$38.30	\$36.05
07/08	\$29.81	\$40.54	\$18.16	\$38.69	\$41.49	\$30.58	\$35.92	\$44.46	\$38.86
08/09	\$30.50	\$41.95	\$32.01	\$40.86	\$45.97	\$34.10	\$35.89	\$44.69	\$40.34
Change over 5 years	-29%	18%	4%	16%	23%	22%	24%	16%	18%
Change from previous year	2%	3%	76%	6%	11%	11%	0%	1%	4%

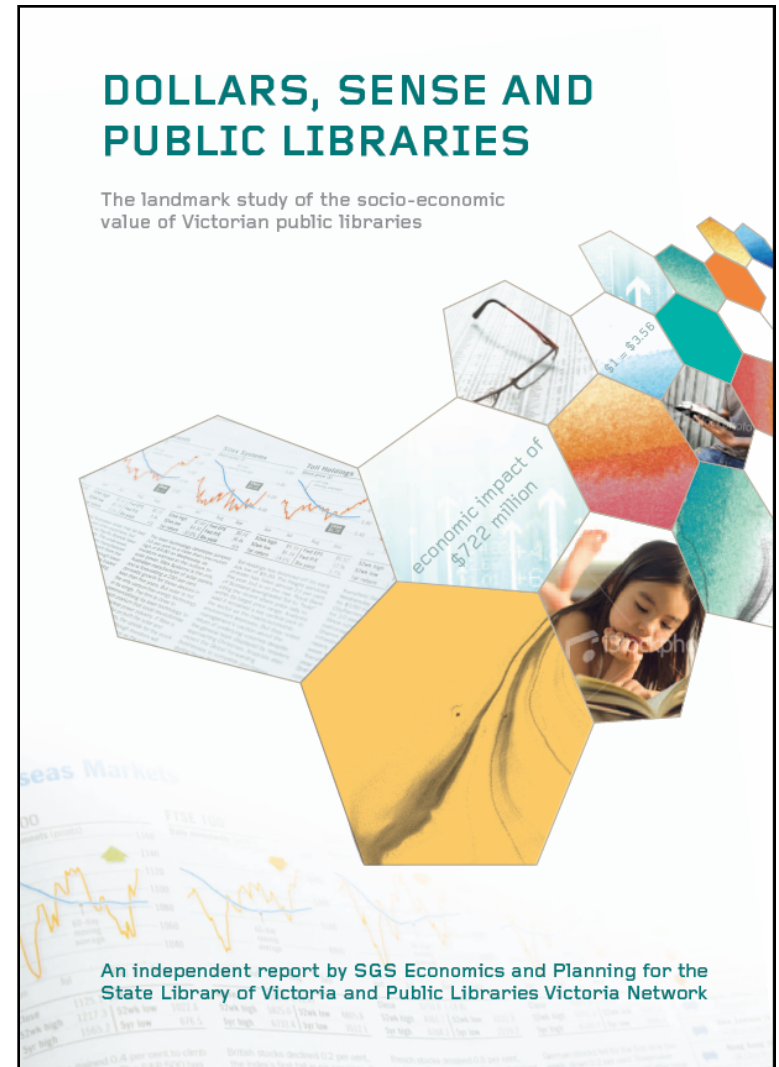
Project objectives

- Expand **understanding** of the value of public libraries
- Provide public library managers with **tools** for assessing value
- Equip public library managers with **advocacy materials**



Project approach

- Year 1 – 2008/09:
Scoping
- Year 2 – 2009/10:
Research
- Year 3 – 2010/11:
Communication



Framework elements

Cost Benefit Analysis

Benefits

Less Costs

Equals Net Benefits

Do public libraries provide a net benefit to the Victorian community?

Economic Impact Analysis

Direct stimulus

Plus indirect (flow on effects)

Total induced economic activity

How much economic activity do libraries induce in their local economies?

Qualitative Insights

Content that brings numbers to life and aids advocacy efforts

CBA: Benefit measurement techniques

Benefits	Use	Direct use
		Indirect use
	Non-use	Option Legacy Existence

Travel cost	Financial savings	Contingent valuation – users

CBA: Benefit measurement techniques

Financial savings (substitute good)

If public library users were forced to source library services from elsewhere on a fee-for-service basis, how much would it cost them?

Travel costs

What is the value of time & out-of-pocket expenses made by library users in getting to & spending time at the library?

Contingency valuation

What is the stated willingness to pay to continue public library services? e.g. By way of an annual membership fee

EIA: Measurement techniques

Direct impacts

- Recurrent costs of operations
- Triggered user expenditures

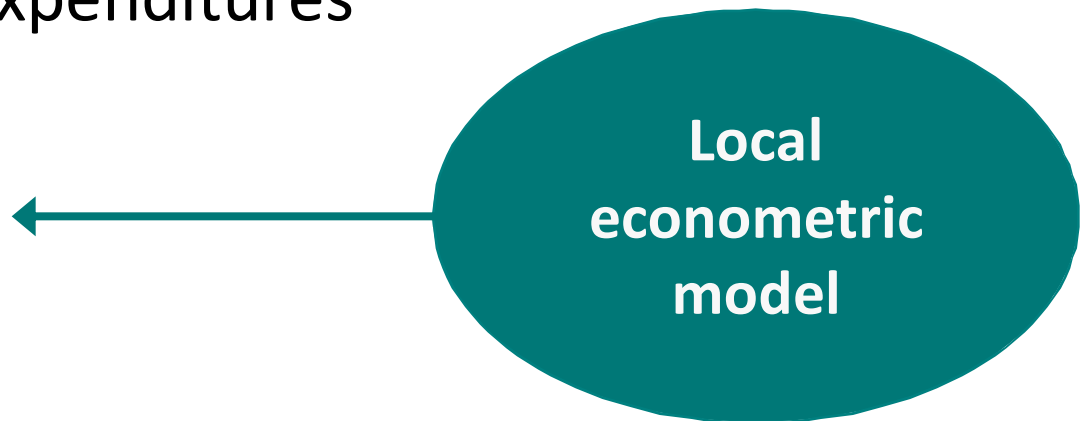


Indirect impacts



Total impacts

- Local employment
- Local value added
- Local output



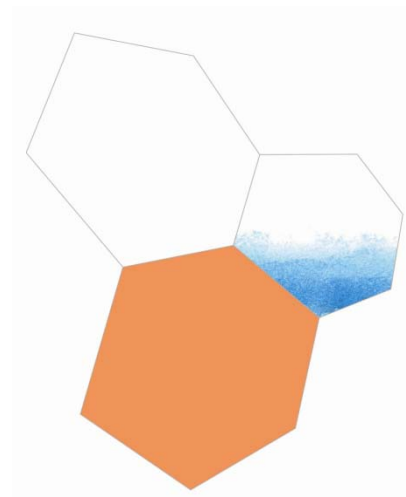
Survey design & administration

Survey	Sample	Method	Sample size	Coverage
Library users	Library users over 18 years	Online survey completed in libraries	Average 197 in each case study area; 1,380 in total	7 case study areas
Victorian households	Representative sample of all Victorians over 18 years	Telephone survey	1,050	All Victoria

Key findings

According to both users and non-users

- The best thing about public libraries is that they offer a **wide variety** of resources and information, including books, DVDs, CDS, etc. and are **free of charge**
- Public libraries helped with **meaningful pastimes, lifelong learning, finding information**, and feeling part of the community (**belonging**)



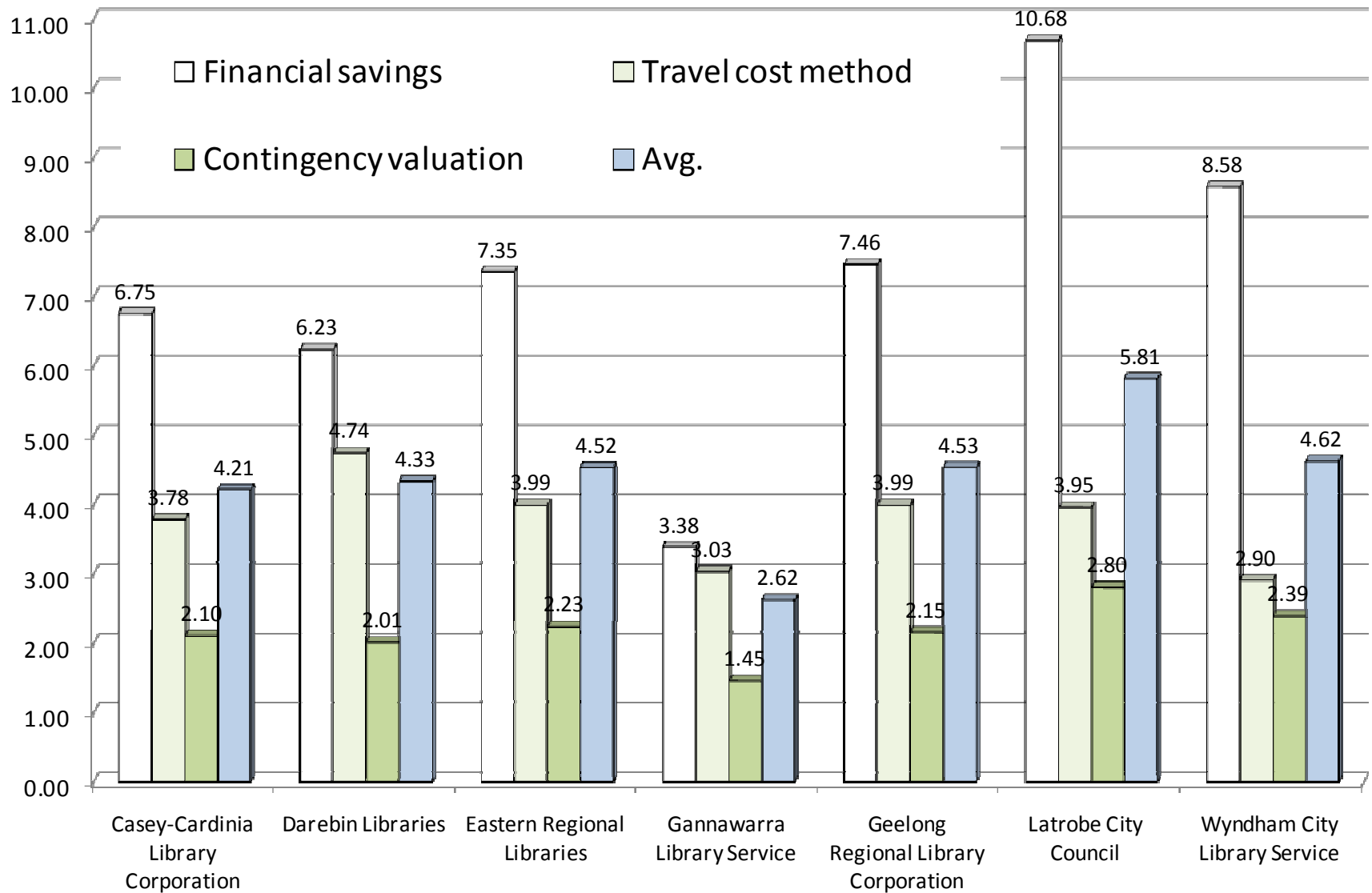
Key findings

- Non-users stated they were willing to pay significant amounts for public library services ... \$55 pa compared with users \$73 pa
- More than 80% of library users & non-users would be willing to pay more but did not have the capacity
- Users estimated that if public library services were provided by private providers on a fee-for-service basis, they would be forced to spend between \$360 & \$420 pa to get a similar level of service

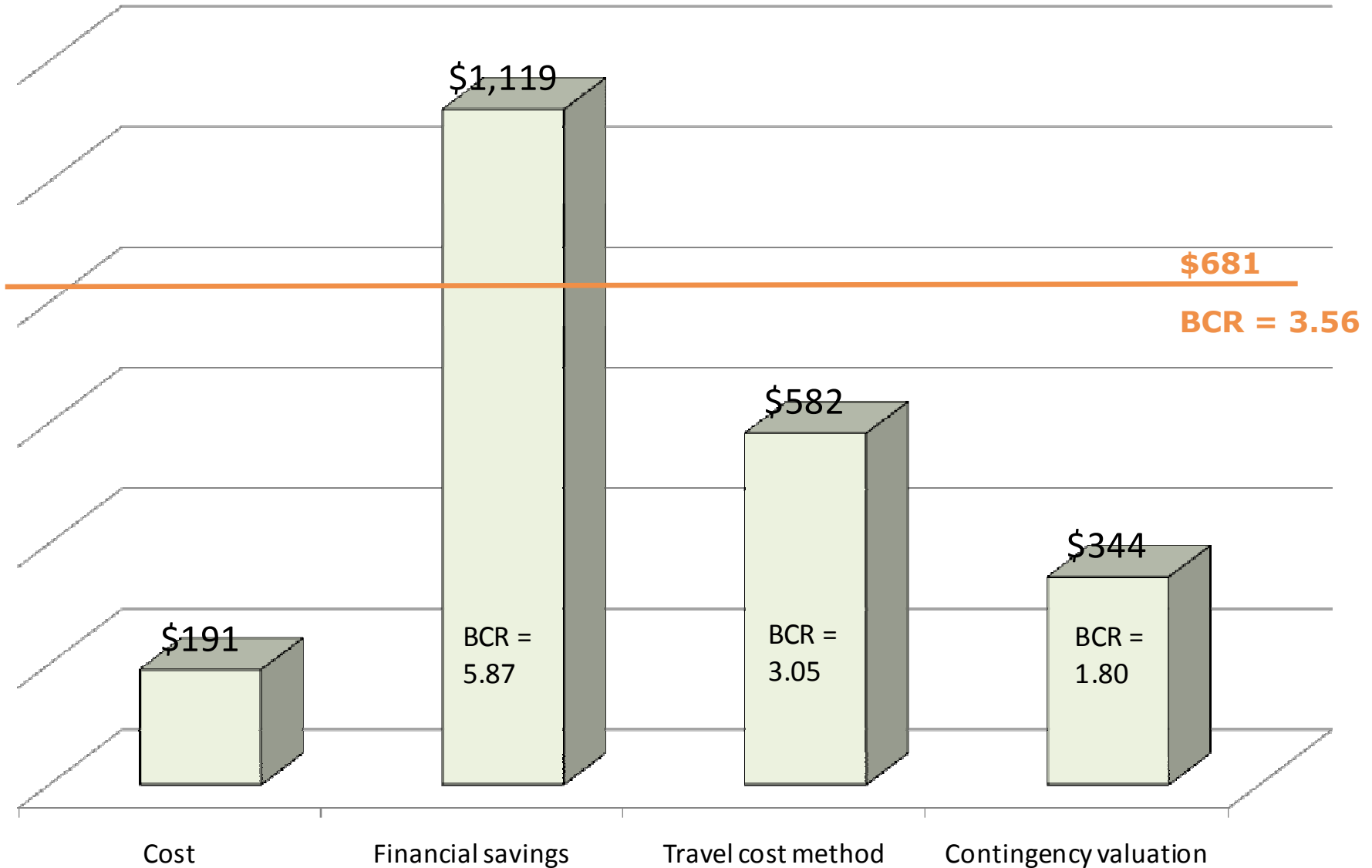
Case studies: Costs v benefits

	Cost	Financial Savings	Travel cost method	Contingency valuation	Avg.
Casey-Cardinia Lib. Corp.	\$8.2	\$55.4	\$31.1	\$17.2	\$34.6
Darebin Libraries	\$4.9	\$30.5	\$23.2	\$9.8	\$21.2
Eastern Regional Libraries	\$11.1	\$81.5	\$44.2	\$24.7	\$50.2
Gannawarra Library Service	\$0.5	\$1.8	\$1.7	\$0.8	\$1.4
Geelong Regional Lib. Corp.	\$7.2	\$53.4	\$28.5	\$15.4	\$32.4
Latrobe City Library Service	\$1.5	\$15.7	\$5.8	\$4.1	\$8.5
Wyndham Library Service	\$3.6	\$30.9	\$10.5	\$8.6	\$16.6
Total	\$37.0	\$269.2	\$144.9	\$80.7	\$164.9

Case studies: BCRs



Scaled Victorian results: CBA

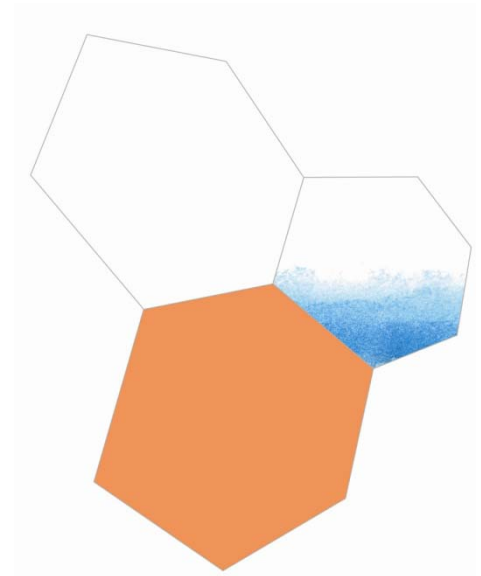


Case studies: EIA results

Impact on regional economy	Income (\$ M)		Value-added (\$ M)		Employment	
	Direct	Total	Direct	Total	Direct	Total
Casey-Cardinia Lib. Corp.	\$15.55	\$19.97	\$1.28	\$2.02	103	125
Darebin Libraries	\$9.07	\$13.36	\$0.97	\$1.82	56	77
Eastern Regional Libraries	\$31.6	\$45.22	\$3.18	\$5.73	211	282
Gannawarra Library Service	\$0.52	\$0.61	\$0.04	\$0.05	6	6
Geelong Regional Lib. Corp.	\$16.91	\$26.75	\$1.81	\$3.69	114	168
Latrobe City Library Service	\$7.12	\$9.58	\$0.37	\$0.67	39	51
Wyndham Library Service	\$9.51	\$13.11	\$0.83	\$1.48	59	76
Total	\$90.26	\$128.6	\$8.48	\$15.45	588	786

Scaled Victorian results: EIA

- \$722 M of Victorian income (GSP)
- \$120 M contribution to GVA
- 4,430 jobs



Conclusions

- Well-equipped to qualitatively articulate library contributions
- Libraries contribute significantly to community welfare & economic activity. They provide a sound return on investment
- Numbers are robust, disciplined & appropriately informed
- Victorian users of non-users appreciate the contributions made by libraries
- Suggested improvements revolve around the deepening of services