

Dr Ron Ben-David
Chairperson
Local Government Rates Capping and Variation Review

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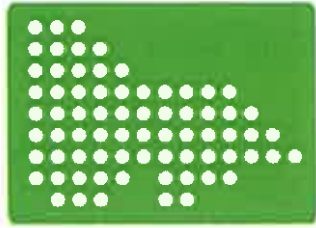
Dear Sir

On behalf of Public Libraries Victoria Network Inc. I am pleased to provide input to the Local Government Rate capping and Variation Framework with this submission.

Should you wish to discuss this matter further, I can be contacted on 03 5622 2849 or john.murrell@plvn.net.au.

Regards

**John Murrell
President**



Public Libraries Victoria Network

representing Victoria's public library services

LOCAL GOVERNMENT

RATE CAPPING AND VARIATION FRAMEWORK

RESPONSE TO CONSULTATION PAPER

15 MAY 2015

This submission is in response to the Local Government- Rate Capping and Variation Framework Consultation Paper released for comment by the Essential Services Commission in April 2015 and is presented by Public Libraries Victoria Network Inc. (PLVN).

Public Libraries Victoria Inc. (PLVN) is the peak membership body for Victoria's public library sector with the brief to collaborate, to advocate and to represent the mutual interests of member libraries. The membership comprises 34 services operated by individual council, 11 regional library corporations (as defined by the Local Government act) providing services for a number of councils, one shared library services operated by the City Ballarat for seven councils and the Vision Australia Information and Library Service providing services to the print impaired. Members range from the smallest single municipality service Towong to Yarra Plenty Regional Library Corporation (Banyule, Nillumbik, Whittlesea) with the income for members and their capacity to deliver services ranging accordingly. Public libraries spend approximately o \$218M per annum on operating and library materials costs annually.

Throughout Victoria there are 263 branch libraries, 30 mobile libraries and 27 other services points. Branch and mobile libraries are open 10,896 hours per week and receive more than 28.5 million visits each year. 46% of the Victorian population (2.5 million people) belong to a public library service and 20% of the community use their public library on a regular basis.

The local branch library place, whether in a metropolitan, regional or remote location, is a key community where any person can enter the building, use many of the resources onsite. Local communities utilise and support their library service in a wide variety of ways. Even those who do not use or rarely use the library are vocal when changes resulting in decreased service levels are proposed by the local council; they consider the role of the library service is important to the life of the community for information, networking and social inclusion, as well as a safe and welcoming place for all community members.

The provision of public library services in Victoria is a partnership arrangement between local and State governments. Based on the most recent annual public library statistical return, members rely on local government for 82.5% of their operational funding, 17.4% from State government and the balance from a variety of sources including fees, charges and small grants (ad hoc).

On average between 75 % and 85% of public library expenditure is for staff who deliver services from Monday to Sunday, with some branch libraries open on public holidays. In general, library employees are covered by local enterprise bargaining agreements which often include regular classification movement with salary increases. These agreements are usually for three to four years with annual wage increases built in for the life of the agreement; the increases have historically been more than CPI to attract the right staff and certainly more than the State government's rate for CPI resulting in the continuing decline in the State government contribution to the annual operating grant.

The other key costs relate to library collections (physical and virtual) , IT and communication costs. With the rapid changes in technology, library services need to maintain well-qualified technical staff to be able to address the changing needs of the community as the take up of portable devices and other technology rollouts. Public library services utilise a range of models to varying degrees to reduce these costs through collaborative purchasing, consortial arrangements and contracted services. Public libraries are at the forefront of shared service purchasing and deliverables across the state. For the smaller services it is often more difficult to participate in these schemes due to the

lack of the resources required to set and monitor the progress of these arrangements however libraries from Campaspe to West Gippsland are committed partners to these shared purchasing arrangements.

Members provide services to high growth communities as well as those with declining local rate bases; even though the local revenue is declining the library services have a number of fixed costs relating to OHS matters regardless of the number of people using the library service. Costing impacts are capped for the larger libraries with some subsidisation for the smaller libraries in the funding formulae applied, i.e for SWIFT Library management System libraries-20)

Within this context the implications of any rate capping regime will vary across our members

Comments on Specific Questions

Given the breadth of the membership base, PLVN cannot provide definitive responses to the specific questions however can comment in general terms on the areas covered.

The Form of the Cap

PLVN does not support any form of rate capping.

Considering that local authorities are required to prepare four year strategic and financial plans with an annual business plan, it is logical for any cap to be set for the same period. As council consult with their community in developing their forward plans, the consultation can include matters relating to rates, etc.

The Base to which the Cap Applies

No comment, as PLVN cannot express the views of individual municipalities.

The Variation Process

No comment, as PLVN cannot express the views of individual municipalities.

Community Engagement

Public libraries in Victoria undergo significant levels of consultation with their community in a range of formats from quantitative surveys, qualitative focus groups, community forums and individual feedback opportunities; the formats used depend on the information sought and the purpose of the information provided.

Incentives

A key issue for public library services, from the smallest to the largest relates to the capacity to participate in consortia and collaborative procurement opportunities as well as the different needs for appropriately qualified staff to perform specialist functions, such as IT support. If the Victorian Library concept resulting in

- Equity of Access for the all members of the Victorian community to library and information resources, including frontline public library staff knowledge and experience
- Improved efficiency in the delivery of public library services and resources to the community across Victoria
- Improved and expanded delivery of frontline added value public library to services to the community
- Enhanced sustainability of public library services through resource sharing and reduction in inputs

were to be funded by the State government, all public library services and their local government funders would gain significant cost savings to the local rate base whilst offering all Victorians the opportunity to borrow anywhere, return anywhere and pay anywhere. The negotiations around local input into this exciting across State initiative may be detrimentally influenced by the imposition of rate capping on local government.

Timing and process

As local authorities and Regional Library Corporations undertake their planning and budget processes during the October- December quarter of the calendar year in preparation for the next financial year, there should be no impact of rate capping within that timeframe. Budgets are set for 2015/16 already.

Transitional Arrangements

If rate capping is to proceed given the differences in the capacity of municipalities to implement new processes without detracting from their usual service delivery capacity, the implementation should be over two years and provide those with stretched resources with assistance in the process.

Roles

Public library provision is a shared responsibility of the State and Local Government. Rate capping one arm of that partnership who is by far the larger contributor is grossly unfair and inequitable.

Other Matters

Rate capping is already impacting on future budget considerations. Contributing councils(3) have already indicated to library services such as the West Gippsland Regional Library Corporation that it can expect service cuts if rate capping is implemented. This is on a service that currently spends \$100 less per open hour of service, considerably lower than the state average.

Should rate capping result in reduced library opening hours to the public and reduced expenditure on library collections (physical and eResources), public backlash is likely and will be something that politically in Victoria will be quite difficult for decision makers manage, given the joint nature of the funding model and the fact that 46% of the Victorian population are members of a public library.

Libraries and their Councils are continually looking for new efficiencies. The Victorian Library concept developed during the last 3 years is the way forward and PLVN would prefer that this emphasis on shared services and state-wide equity for both country and metropolitan libraries is the focus rather than draconian rate capping

Other Matters Raised in Earlier Chapters

No further comments