



NATIONAL LICENSING FOR AUSTRALIAN LIBRARIES: 2007 UPDATE ON THE NATIONAL LICENSING PROPOSAL

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NB This paper updates the [2005 Making Online Information for all Australians a Reality - a proposal by the National Licensing Reference Group to all Australian Libraries](#)¹ and 2006 [National Licensing for Australian Libraries: 2006 Update on the National Licensing Proposal](#)² issues papers.

1. Executive Summary

With the support of the National Library of Australia, a reference group comprising representatives from many of the country's peak library bodies has been investigating the feasibility of creating a national, cross-sectoral libraries consortium. The principal goal of the proposed consortium is to negotiate and purchase national licences for certain key online information resources identified as being of central importance to meeting the information needs of Australians. This proposal is in accordance with Recommendation 9 of the Senate's October 2003 report on '[Libraries in the Online Environment](#)'.

This paper considers the objectives and benefits of a national licensing initiative and the associated issues of governance, funding models, and the type of resources that have been selected, administration, communication it outlines the work performed to date and identifies the steps that need to take this proposal further.

The paper argues that the creation of a cross-sectoral libraries consortium to negotiate and purchase national level licences is achievable and essential in delivering vital online information to all Australians, irrespective of their geographic location, social status, occupation or age.

The social and economic benefits to the Australian Commonwealth and the community would be significant, visible and immediately realisable.

Implementing a nation-wide initiative to facilitate public access to key online information resources would also significantly enhance the professional and political status of Australian libraries. In turn, this can only strengthen the social and financial standing of libraries as integral to Australia's information economy and its social infrastructure.

However due to the voluntary nature of the reference group and that there is no funding either from Government or any other organisation, due to expediency it was decided to begin the National Licensing Proposal with an opt in/out model similar to those that exist in current consortia throughout Australia.

¹ <http://www.nla.gov.au/initiatives/meetings/sitelicense/nlproposal.html>

² <http://www.nla.gov.au/initiatives/meetings/sitelicense/documents/2006NLPissuespaper-extracted.pdf>

This paper outlines also the processes to date and how the National Licensing Proposal will operate. Work will continue to deliver an all of Australia licensing deal, while the Australian community becomes familiar with consortial purchasing.

2. Background

The report on 'Libraries in the Online Environment' by The Senate Environment, Communications, Information Technology and the Arts Reference Committee in late 2003 included:

"Recommendation 9.

The Committee recommends:

- (a) that the National Library of Australia identify a number of key databases for which national site licensing might be desirable; and
- (b) that additional Australian Government funding be extended to the National Library of Australia for this purpose."

In response to this report the National Library has initiated discussions with all Australian library sectors to investigate the level of interest and commitment towards developing a proposal to purchase a core set of electronic resources that will be available to all Australians.

At present some library sectors acquire online databases through consortia. However, many libraries are unable to participate in consortia or purchase significant electronic resources because of limited funding. A national consortium would have significant benefits in minimising duplication of effort in acquiring resources and would also enable more libraries to have access to electronic resources.

Three national forums have been held to date where a range of issues have been discussed and are present in this document. A reference resource group was established to investigate the following areas:

- Pricing
- Governance
- Products/Evaluation
- Communications

3. Introduction

In an era of the Internet and ever-expanding electronic services direct and immediate access to online information is fundamental to a well-informed, educated, economically competitive and democratic society. The National Library of Australia is committed to working with many of the peak representative organisations for Australian libraries to achieve free and equitable access to a wide range of information resources for the general community. This commitment is based on the belief that access to a variety of sources of information is now essential to the well being of Australians, regardless of their age, occupation, socio-economic status or geographic location.

As a first step towards realising this goal, the National Licensing Proposal Reference Group (NLPRG) was established in October 2005 to commence planning. The Reference Group comprises nominees from:

- Association of Parliamentary Libraries of Australasia (APLA)
- Australian Government Libraries Information Network (AGLIN)
- Australian Library and Information Association (ALIA).
- Australian School Library Association (ASLA)
- Commonwealth Scientific and Industrial Research Organisation (CSIRO)

- Council of Australian University Librarians (CAUL)
- Gulliver (Victorian Public Libraries Network)
- Health Libraries Australia (HLA)
- National & State Libraries Australasia (NSLA)
- National Library of Australia (NLA)
- New South Wales' NSW.net
- Public Libraries Australia (PLA)
- South Australia's Public Libraries Automated Information Network (PLAIN)
- TAFE Libraries Australia

The national licensing initiative initially envisioned the provision of a set of core, authoritative online information resources for the Australian community through national level licensing agreements. However as feedback was sought on this model it was seen to commence with a simpler model that enabled libraries to be part of an opt-in/out model. The main reason for this was to enable the consortium to commence rather than be delayed until a funding model was found that was embraced by all sectors. This does mean that further work does need to be carried out with regards to other funding models.

It is understood that the resources will be available to users of libraries in all sectors, be they national, state, public, university, special or TAFE. The following sections outline the principal objectives and benefits to be gained by national licences for a range of electronic resources. The paper also suggests a governance and administrative structure to implement and administer this national initiative. It is important to see this as a staged approach that the initial consortium will be on a opt in or out model moving towards a core set of databases for all libraries regardless of sectors.

Change of name

To assist with the marketing and communication of the National Licensing Proposal it was agreed by the Reference group that it should have a name that reflects its intent. After much discussion and debate Electronic Resources Australia or ERA was chosen. ERA will provide the Australian Community with access to a wide range of authoritative electronic resources.

3.1 Objectives for ERA

The goal of ERA is to provide all Australians with authoritative, online information resources that will contribute to the social, educational and economic well-being of the community. ERA would aim to:

- enable all Australians, regardless of geographic location, to access quality online information resources in a manner that is both socially equitable and economically sustainable;
- create a collaborative partnership between libraries across the nation for their mutual benefit and that of their users;
- achieve a fully funded consortium;
- coordinate the cost effective purchasing of online resources for all library sectors; and
- promote at a national level the exchange of ideas and views between consumers, libraries, funding providers, publishers and vendors.

3.2 Benefits of ERA

The ERA initiative offers significant potential benefits for Australians and their libraries. These are:

- Australians across all rural, regional and urban areas, all social groups and diverse community organisations would have access to quality online resources through all types of libraries.

- Australians would benefit through access to information that supports business, vocational, government, educational and community activities.
- The licence would be a tangible step towards overcoming the isolation experienced daily by those living in rural and remote regions of Australia by facilitating their access to reliable and readily available information sources.
- Significant business opportunities and economies of scale would be offered to publishers and suppliers of online resources through access to national markets.
- The bargaining position of libraries would be strengthened by negotiating as a consortium, offering vendors economies of scale and single-point purchasing. Subscriptions to their online resources would become more affordable for libraries, and this benefit would flow on to their users in improved services.
- The broader Australian community would become more aware of the benefits of electronic resources and so make more effective and profitable use of them.
- Libraries would acquire a higher profile at all levels of government.
- The ERA initiative opens the way to producing a framework for the creation of licences across different library sectors that satisfy the needs of libraries, consumers and vendors. It will facilitate the creation of mutually effective agreements between all interested parties with regard to costs, access principles, authentication and performance measurements. This initiative would promote a greater consistency in the development and application of technical and contractual criteria, and hence, improved access and authentication to electronic information across all library sectors.

4. Governance Model

Implementing and maintaining ERA it will require a formal administrative structure. The Reference Group has examined local and overseas models for such a structure and a copy of the agreed framework is available at Attachment B of this document.

The ERA Governance Framework is also available for download from <http://era.nla.gov.au/governance/framework.html>.

5. Funding Model

Clearly, funding will be crucial to the success or otherwise of any national consortium. The Group recommended that four basic principles would apply:

- fees and contributions should be proportionate to the ability of various sized libraries to pay, and be seen as equitable by all participating institutions, large or small;
- fees should cover all necessary administrative overheads for the consortium's operations. The membership fees levied must be sufficient to ensure sustainable self-funding of services in the longer term;
- if government grants are received to assist with the initial implementation of this project, then members must understand that sustainability will be a key issue for its future development;
- organisations already involved with existing consortia should not be financially disadvantaged by the national licensing initiative.

A number of models were discussed by the pricing sub committee and suggested models explored, these models are listed in Appendix A.

Model 3, was chosen, it is an “opt in or out” model that uses the National Library of Australia as an agent for all Australian libraries. Pricing was requested from vendors via a RFT process. Pricing under population models only, or based on per use are not preferred. It was agreed that vendors should be asked to provide pricing for the various Australian library sectoral groups as follows.

- School libraries:
- FTE
 - Number of libraries
 - Vendor innovation
- Academic libraries:
- FTE
 - Number of libraries
 - Vendor innovation
- TAFE libraries:
- FTE
 - Number of libraries
 - Vendor innovation
- Public libraries:
- Pick-up by 1-5 library services, 5-10, 11-15, etc.
 - Population (one or more Council area)
 - Vendor innovation
- NSLA libraries:
- Size (defined as small/medium/large)
 - Vendor innovation
- Special libraries:
- Acquisitions budget
 - Vendor innovation

6. ERA Procedures

The list of products and their prices per sector will be available from the ERA website at <http://era.nla.gov.au/>.

Most options provide a price per library based on a formula. Most also offer a discount based on pick-up rate, the more libraries that subscribe to a product the greater the discount.

Libraries will choose the product/s that they want and notify the ERA secretariat of their choice. Once all the libraries have responded the vendors will be notified of the libraries interest and the subscription prices confirmed. Vendors will then contact the participating libraries directly to organise payment, training and setup.

Libraries will be given one to two months to make their decision, and it is anticipated that subscriptions will follow the financial year.

Libraries who decide to take up a product subscription after the closing date, for example mid-subscription cycle, these libraries will pay the published price for the current subscription period, pro-rated to synchronise with the other subscriptions. At renewal, the number of participating libraries will determine the new subscription rates per product, depending on the number of libraries interested.

The benefit of this model of pricing is that the more libraries there are who subscribe to a product the cheaper the price will be to an individual library or consortium.

6.1 Content/Product Range

Based on the discussions at the 1st National Licensing Forum on 8 December 2004, the National Licensing Proposal Reference Group recommended that, in the first instance, the selection and purchase of online resources ought to concentrate on a core set of full text (ie not bibliographic) products. It was agreed that Australian content would most likely command a high level of interest across library sectors and amongst their user communities. This recommendation was made in the belief that such an approach would be the one most likely to attract the widest spectrum of support and offer the best prospect of securing external funding, for at least the initial establishment phase.

In the chosen model all products presented could be included in the offer of libraries. They would not have to choose one product over another. The future selection and expansion of resources will be far easier for current and potential participants to accomplish once a practical service is in place.

The Request for Tender for Australian library access to electronic resources was released on 11 August and closed on 13 September 2006. Responses were evaluated by the National Licensing Proposal Tender Evaluation Committee with expert advice from members of the NLP Reference Group.

The successful tenderers, per product category, are:

Australian News & Business Information

- ABI/INFORM® Global / ProQuest-CSA
- Asian Business and Reference™ / ProQuest-CSA
- Australia & New Zealand Newsstand / ProQuest-CSA

General Reference

- Australia/New Zealand Reference Centre™ / EBSCO Publishing
- Oxford Reference Online Premium / Oxford University Press
- World Book Online Reference Center / Forward Learning Pty Ltd

Health Information

- Health & Wellness Resource Center + Alternative Health Module / Thomson Gale Australia
- Health Reference Center Academic / Thomson Gale Australia
- Consumer Health Complete™ / EBSCO Publishing

6.2 Pricing

Pricing options were considered and discussed with each of the vendors whose products passed the evaluation. Pricing for each sector has either been refined or enhanced through this negotiation and will be available from the ERA website, <http://era.nla.gov.au/>.

7. Administration, Communication and Marketing

The membership of the consortium and its governance group would have to consider a range of issues in relation to the administration of resources, communication with all interested parties, marketing services to both users and funding sources, and associated budgetary matters. A communication plan and business plan have been developed and will be made available from the ERA website in due course.

Appendix A: Models

	MODEL 1. EPIC like	MODEL 2. Deed Agreement	MODEL 3. Vendor/Library Agreement	MODEL 4. Libraries Australia
FINANCIAL RISK	High	High	None	Medium/High
GOVERNANCE	NLP Governance Framework <ul style="list-style-type: none"> Executive Committee Members Executive Officer (NLA) 	NLP Governance Framework <ul style="list-style-type: none"> Executive Committee Members Executive Officer (NLA) 	NLP Governance Framework (revised due to fact NLA would not be signing individual contracts)	Libraries Australia Advisory Committee User Agreements in existence
LEGALITIES/ PROCUREMENT	NLA Executive Officer procures on behalf of libraries Ministerial approval & Probity advice required as likely cost of contract > \$AUD1 million Delegate (NLA) signs contract with vendor on behalf of libraries NLA has agreements with individual libraries, signed prior to procurement (with some financial	NLA Executive Officer procures on behalf of libraries Ministerial approval & Probity advice required as likely cost of contract > \$AUD1 million Delegate (NLA) signs contract with vendor on behalf of peak bodies/consortia Executive Officer (NLA) has deed of agreement or MOU with peak bodies/consortia empowering NLA to act	<ul style="list-style-type: none"> NLA Executive Officer facilitates procurement on behalf of libraries Ministerial approval not formally required Legal and probity advice prudent Libraries/Consortia sign contract/s directly with vendor/s 	NLA Executive Officer procures on behalf of libraries Ministerial approval & Probity advice required as likely cost of contract > \$AUD1 million Delegate (NLA) signs contract with vendor on behalf of membership Electronic product/databases as an optional extra to Libraries Australia service

	commitment up-front) Agreement of trust not always legally binding due to lack of legal status for some libraries	on their behalf. Agreement of trust not always legally binding due to lack of legal status for some peak bodies/consortia		
	MODEL 1. EPIC like	MODEL 2. Deed Agreement	MODEL 3. Vendor/Library Agreement	MODEL 4. Libraries Australia
PAYMENTS	NLA pays vendor up-front and recovers costs from participating libraries	NLA pays vendor up-front and recovers costs from peak bodies/consortia Peak bodies/consortia recover costs from membership/constituency	<ul style="list-style-type: none"> • Direct payments between libraries and vendors • No payment for NLA up-front (other than for Library's own use of product) 	NLA pays vendor up-front and recovers costs from member libraries
PROS	Individual libraries can buy in without belonging to a sector or peak body Standard license agreement & terms apply to all Financial commitment on signing agreement Economies of scale - better deals from vendors High profile for NLA as lead agency for	Ownership of and active participation in NLP by peak bodies/consortia NLA one amongst equals Small libraries increased chance of "getting in" (as per "greater good" above) Administratively easier for NLA with fewer parties involved Economies of scale and transfer of risk to NLA likely to yield better	<ul style="list-style-type: none"> ✓ NLA leading as per recommendation of the Senate ✓ No NLA payments up front ✓ Financial risk transferred to vendors ✓ Administration overheads minimised for the NLA ✓ Minimal administrative 	Potential to attract new customers to Libraries Australia Billing system and infrastructure exists Known libraries and relationships Enables individual libraries to buy in directly

	<p>establishment of NLP</p> <p>Increased rate of success or buy in of NLP</p>	<p>offers from vendors</p> <p>High profile for NLA as lead agency for establishment of NLP</p> <p>Strong likelihood of success</p>	<p>change for vendors</p> <ul style="list-style-type: none"> ✓ Vendors stand to gain customer introductions ✓ Likelihood of success amongst library community 	
	MODEL 1. EPIC like	MODEL 2. Deed Agreement	MODEL 3. Vendor/Library Agreement	MODEL 4. Libraries Australia
PROS (CONTINUED)		<p>Deed of agreement gives in principle support to NLA to proceed with procurement</p> <p>Absorb CASL Consortium - efficiency gains</p> <p>In the spirit of original proposal</p>	<ul style="list-style-type: none"> ✓ Autonomy and flexibility for participating libraries 	
CONS	<p>No NLA budget allocation 2006-07</p> <p>Administratively unwieldy for NLA: contract administration, invoicing, management of relationships and expectations</p> <p>Unfinancial libraries may not be able to buy in due to costs and lack of access to legal</p>	<p>No NLA budget allocation 2006-07</p> <p>Not all libraries affiliated with a peak body or Consortia and so not all have access to deals</p> <p>Special libraries may feel they do not have equal representation</p> <p>Some peak bodies/consortia cannot or will not sign for their</p>	<ul style="list-style-type: none"> ✗ Potentially fewer economies of scale to be realised ✗ Possibly less market interest due to increased risk to vendors ✗ Less control/motivation by libraries ✗ May be issues regarding the 	<p>No NLA budget allocation 2006-07</p> <p>Bad PR for NLA - perception of wielding "NLA knows best" stick</p> <p>Excludes non member libraries</p> <p>Technical issues - if part of LA service would need to be z39:50 enabled</p> <p>Risk of delayed or failed</p>

	<p>advice, etc.</p> <p>Not all signatories to the Deed are legal entities - no legal bond , but have access to a parent body who may have.</p> <p>Risk of delayed or failed payment back to NLA</p>	<p>sector (eg ASLA, TAFE)</p> <p>No legal bond to deed if signatories are not legal entities</p> <p>Existing consortia (eg CAUL) work in environment of high-level trust rather than legal contract → suspicion?</p> <p>Risk of delayed or failed cost recovery for NLA</p>	<p>Library lessening competition under Trade Practices Act</p>	<p>cost recovery for NLA</p>
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