

## **NEW SUBSCRIPTION MODELS FOR SPECIAL, TAFE AND SCHOOL LIBRARY SECTORS**

### **Background**

This paper provides a further progress report on the implementation of the new subscription model for special, TAFE and school libraries. The previous report was provided in 2008<sup>1</sup>.

Libraries Australia is progressively implementing a new subscription model based on the “intrinsic size” of the member library. The measure of intrinsic size will vary between sectors. We have already applied such a model to the university library sector (using total library budget as the measure of size) and to the state, territory and public library sector (using population served as the measure of size).

The background for this change is that usage-based charging (which was used prior to July 2005) creates a disincentive for libraries to increase their use of the service. We want all members of Libraries Australia to use the service to the maximum extent in accordance with their needs.

The new subscription model was announced in principle in 2005. As an interim measure, prior to moving to the new model, libraries have been charged according to the average of their payments in 2003 and 2004, with CPI adjustments in some years.

We need to complete the change to the new model, as we cannot continue to charge libraries based on the usage that they made of Libraries Australia in 2003 and 2004.

The Committee will be aware that the transition to the new model will create “winners” and “losers”. Some libraries, which are relatively small in size but previously made high use of the service, will receive a reduction in their subscription. Others, which are relatively large in size but previously made light use of the service, will face an increase.

For all sectors, the impact of the transition will be reduced by phasing it in over several years. This will be done whenever the change in charges is significant, and whether the change involves an increase or a decrease.

### **Special libraries**

The special library sector represents a modest proportion of Libraries Australia revenue (about 16%) although it contains the largest number of subscribing libraries (more than 500).

The diversity of the special library sector is such that it is difficult to find a single parameter to reflect intrinsic size. However, total library budget and the number of FTE staff were identified as possible measures. Accordingly, in February 2008 the Libraries Australia office contacted all special library members, informing them of

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<sup>1</sup> New subscription model for special libraries – progress report LAAC/2008/1/5

the proposed new subscription model and seeking information about their library budgets and the number of FTE staff.

The responses to this survey suggested that an alternative model might be required for the situation where a library was simply unable to provide library budget information, and also for the situation in which the library was making a very low level of use of Libraries Australia. Such an alternative, based on search usage in the previous calendar year, was developed. (For example, in 2009/10 a library might be charged a base rate of \$240 plus a charge of \$1.30 for each search made during calendar year 2008). Under this approach, libraries would be able to choose between being charged according to intrinsic size and being charged according to the previous year's search usage.

In December 2008 the Libraries Australia office contacted special library members again, informing them of the proposed subscription model based on the above options. A significant number of comments were received. Some libraries commented that either option would result in a significant increase in their fees. Some libraries pointed to their large collection budget, but their small size in terms of staff numbers.

After considering these comments the Libraries Australia office decided to introduce more flexibility into the subscription model for special libraries. Libraries would be free to choose between being charged according to:

- intrinsic size, measured by budget; or
- intrinsic size, measured by FTE staff; or
- the previous calendar year's search usage.

This is the final model which was notified to special libraries in early March 2009. The tiers in the final model are:

Level	Budget	FTE	Proposed Subscription
Tier 1	Up to \$100,000	Up to 1.9	\$350
Tier 2	\$100,001 - \$300,000	2.0 - 3.9	\$800
Tier 3	\$300,001 - \$600,000	4.0 - 5.9	\$1,750
Tier 4	\$600,001 - \$1,200,000	6.0 - 9.9	\$4,000
Tier 5	\$1,200,001 - \$2,500,000	10.0 - 19.9	\$7,000
Tier 6	above \$2,500,000	20 +	by negotiation
Pay per search option: \$240 annual membership fee plus \$1.30 per search			

Tier 6 contains eight large special libraries whose current payments vary widely. It was not possible to make a simple transition to the new model for these libraries. Each of these libraries was contacted individually to establish a fee which moved them in the direction required by their intrinsic size.

### **TAFE and school libraries**

It will be necessary to establish subscription tiers under the new model for TAFE and school libraries. Because of the time taken to deal with the complexities of the transition for special libraries, it will not be possible to introduce the new tiers for TAFE libraries in July 2009. However, a survey of TAFE libraries will be conducted during the next few months.

A modest number of school libraries subscribe to Libraries Australia. Any new school library applying for membership will be charged according to the lowest special library tier (\$350 per year).

### **Volunteer agencies**

Where an agency is staffed solely by volunteers, the fee for individuals will apply. These agencies often have only one person in charge of their library system. Larger charitable agencies will be charged according to the general tiered model.

In some cases, Libraries Australia will also supply products for agencies which are not subscribers. The products will be charged for at the published rate.<sup>2</sup>

### **Consortia**

There are examples in almost every state and territory of consortial services. For example, Murdoch University in Western Australia provides a shared ILMS for itself, several public libraries, a government department and a TAFE. Similarly, the Northern Territory hosts an arrangement for several colleges, government departments and school libraries.

These cases will have a fee calculated based on the membership of the consortium in conjunction with the base model for each sector.

It is proposed that school libraries in a consortium will not be charged for, especially where they are providing a public library function, because public libraries in most states are already included in consortial arrangements.

### **Review of tiers**

Subscription tiers will be reviewed at least every three years. In particular, the tiers for university libraries will be reviewed in early 2010, based on revised information about university library budgets that will become available during 2009.

### **Recommendation**

That the Libraries Australia Advisory Committee approve the new subscription model for special libraries.

Collaborative Services Branch  
Contact: Warwick Cathro  
wcathro@nla.gov.au  
02 6262 1403

Debbie Campbell  
dcampbell@nla.gov.au  
02 6262 1673

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<sup>2</sup> *Libraries Australia Charges*, <http://www.nla.gov.au/librariesaustralia/charges.html>