

5. OUT OF CITY CHARGES FOR CHILDREN

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Corporate Plan Output: 8.2.5 Resource Delivery (Lending)	

The purpose of this report is to recommend an alternative strategy to fund the loan of materials by out of city children other than by the direct charge of \$1 per item borrowed.

BACKGROUND

As part of a review of membership categories and conditions, the Council approved the introduction of a charge for the loan of materials by children who did not reside within the Christchurch city boundaries, or whose parents did not pay rates on a Christchurch property. This charge of \$1 per item was effective from 26 February 2001. An alternative method of payment for the lending service is a \$100 per annum family subscription, which entitles a family to have 20 items on loan at any one time. Non-city adult library users between the ages of 18-60 have always paid a per item charge. Seniors (over 60) were no longer exempt following the changes in February and are now treated the same as other adult members.

The rationale for this charge was:

- That 93% of funding of libraries is met from rates paid on Christchurch properties, and those who did not pay rates to the city should provide some funding to support use.
- That the standard of library service supplied by the surrounding local authorities had improved considerably since local government amalgamation and therefore there was no need to "subsidise" use by residents of another local authority.

CUSTOMER AND COMMUNITY FEEDBACK

The change as it affected children in the rural communities was not well received by customers. For several weeks letters to the paper from both Christchurch and non-Christchurch people made the case for free access for children on the basis that we needed to do everything possible to encourage reading and literacy. The Library received letters from former customers who advised they would no longer be able to afford to use the library and cancelled their membership. Those who home schooled their children were concerned about the limited resources available locally and letters were received from several people including Liz Gordon, MP on this issue.

USE BY CHILDREN SINCE THE INTRODUCTION OF THE CHARGES

Use by non-city children since the introduction of the charge in February 2001 has fallen dramatically. The number of borrowers who transact (that is borrow materials) in any given month has fallen to, on average, 20% of those prior to the introduction of charges.

Fig 1: Transacting borrowers

	Oct 00	Nov 00	Dec 00	Jan 01	Feb 01	Mar 01	Apr 01	May 01	Jun 01
Transacting borrowers	670	599	453	567	251	132	122	84	108

Unfortunately, a comparative figure based on issues is not available but, given that the average number of items per transacting borrower is between 18-20, we can assume that this has resulted in a decrease in items borrowed of around the same percentage. The total number of items issued to non-city children and youth to year ended 30 June 2000 was 73,317. If use continues at 20% of its former rate then the number of items issued to this group will be in the vicinity of 15,000 to 20,000 items.

GAMMACK TRUST

In April 2001 the Mayor and Council received a letter from the Trustees of the Gammack Trust, which urged the Council to reconsider its decision in relation to rural children and to apply the funds received from the Trust to the purpose of enabling rural children to have free access to books and other materials for loan from Christchurch City Libraries.

The Gammack Trust was established on the death of James Gammack, farmer of Springston, and is a trust in perpetuity for the benefit of the "circulating library" of Canterbury Public Library. The income from the Trust is generated from rural land owned by the Trust in Springston which is currently leased to two tenants. At the time the Trust was established (1896) Canterbury Public Library was the only circulating library of significance and used by city and rural people alike.

The Trustees expressed their concern at the charge for non-Christchurch resident children of \$1 per item borrowed. They maintained that it went against the spirit of James Gammack's will which was to encourage literacy and education for all.

Revenue received from the Trust is receipted into general revenues and is used to offset the Output Access: *Resource Delivery* which covers the loan of items to people (the lending or circulating part of the library's business). Revenue received over the last eight years is as follows:

Fig 2: Revenue from Gammack Trust

1993	1994	1995	1996	1997	1998	1999	2000
\$30,000	\$45,000	\$30,000	\$30,000	\$55,000	\$60,000	\$65,000	\$70,000

IMPACT ON OTHER LOCAL AUTHORITY LIBRARIES

The Library Manager at Waimakariri District reports no significant uptake or increase in their children's issues compared with the previous year. The Selwyn District reports some increase in children's memberships and issues at the Lincoln Library, but not noticeably elsewhere.

DISCUSSION OF THE ISSUES

The original decision to apply a charge was based on the principle or value of funding equity, that is, those who use the service should pay some contribution towards it. It has been seen by many as being in conflict with the principle or value of access and social equity, particularly around the issues of digital divide and encouragement of literacy.

The Council's preferred option, and one which was investigated, was to seek funding from the surrounding local authorities, rather than directly from the user. The Council was clearly seeking an alternative funding source and was open to this approach. Applying the revenue from the Trust was not considered at the time, but clearly it is a source of revenue which is coming from the rural sector and could be applied to the loan of materials to children. The amount of the revenue is approximately equal to the value of the loans, prior to the charge being introduced.

Applying the revenue from the Trust in this way would allow the other value of access and social equity to be met and would certainly result in a win/win for both Council and rural children. It recognises the symbiotic relationship of town and country.

Recommendation: That the application of the revenue from the Gammack Trust be applied to subsidise use by out of city children from the immediate surrounding local authorities, namely Waimakariri, Selwyn, Banks Peninsula and Hurunui, on the following basis:

- (a) That the decision take effect in February 2002. This would allow those people who have elected to take the subscription option to get the full year's use.
- (b) That the decision be for a period of three years from July 2002, and that it be reviewed again by the Council in time for the budget year 2005/06.

There are no revenue or expenditure implications if the revenue is applied to this purpose in 2001/02 financial year.

Chairman's Recommendation: For discussion.