"The McDonald's Public Library System of 2020"

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Table of Contents

References

References are listed as footnotes throughout this document for ease of cross referencing. In some cases, hyperlinks have been made to section headings, organisation names and reports.

1. Introduction

In March 2010 Australia's public libraries were described on Radio National *as "the jewel in the crown of civic life"*. This paper presents a journey. It is a journey on how Australia's public library system can sustain its *jewel in the crown* status.

Sari Feldman, a recent past President of the American Public Library Association, commented in 2010[1] that *"the rise of the digital environment and social networking has created new life for public libraries, librarians, and their communities.*

Public libraries are increasingly an environment for building social capital and connecting people to information. Library websites are critical to service and may be the first point of public entry for a customer visit.

Downloading materials direct from the library website to computers, phones and iPods is a remarkable advantage for users in remote locations or users with limited mobility".

Community outreach, to develop non-library users into customers, to meet the needs of the educationally and economically disadvantaged, and to bridge the digital divide have stretched the dollars of public libraries, and the skills and talents of public librarians.

This challenge has fostered new collaborations and partnerships with government, with not-for-profit organizations and with for profit-enterprises in communities".

In 2006 futurist Thomas Frey commented[2] that public libraries are in a unique position. He recognised that the role of the library within a community was changing and the way people interacted with the library and its services was also changing. He suggested developing creative spaces in public libraries to include band practice rooms, podcasting stations, blogger stations, art studios, recording studios, video studios, imagination rooms and theater-drama practice rooms.

At an Australian industry event held in March 2010, the Australian Government's *Minister for Innovation, Industry, Science and Research* the Hon. Kim Carr announced[3] the formation of a *Book Industry Strategy Group* to consider how retailers, publishers, agents and authors could make the most of new technologies. The group planned to report back within twelve months. It was commented that this may not be soon enough given that technologies and companies such as Amazon, Apple and Google move at a rapid pace.

Since that meeting and in early 2011, the book stores Borders and Angus & Robertson have experienced financial difficulties with many closing. Digital-content specialist Mark Pesce predicts[4] that by 2020 around 50 per cent of all book sales will be digital.

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[1] **Source:** *Building Strong Communiti*es. Public Library Section Satellite Meeting, Malmo, Sweden. August 9, 2010.
[2] **Source:** Frey. T. 2006. *The Future of Libraries - Beginning the Great Transformation*. DaVinci Institute.
[3] **Source:** http://www.innovation.gov.au/INDUSTRY/BOOKSANDPRINTING/BOOKINDUSTRYSTRATEGYGROUP/Pages/default.aspx
[4] **Source:** http://www.abc.net.au/news/stories/2010/03/18/2850082.htm

In 2010, IBM published a Global CEO study titled *"Capitalising on Complexity"*[5]. The survey was conducted across 60 countries and 33 industries with organisations of various sizes. Fewer than half of the CEOs believe their enterprises are adequately prepared to handle a highly volatile, increasingly complex business environment.

CEOs are confronted with massive shifts that include:

- Accelerated industry transformation
- New government regulations
- Changes in global economic power centres
- Growing volumes of data, and
- Rapidly evolving customer preferences.

A major survey finding was that these shifts can be overcome by instilling *creativity* throughout an organization. Other key findings included *reinventing customer relationships* by developing new channels to improve customer experiences, and *building operating dexterity* by simplifying operations to shed unnecessary complexity. *Global thinking* and *sustainability* were also identified as very important focus areas.

More than 60 percent of CEOs believe *industry transformation* is the top factor contributing to uncertainty, and the findings indicated a need to discover innovative ways of managing the organization's structure, finances, people and strategy. 79 per percent of CEOs anticipate greater complexity ahead and more than half of them doubt their ability to manage it.

Now the journey begins.

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[5] **Source:** www.ibm.com

2. Andrew Carnegie

Andrew Carnegie was a great steel baron-turned-philanthropist who founded the Carnegie Corporation of New York in November 1911. At that time, the Corporation was the largest single philanthropic trust that had ever been established.

Carnegie's *philanthropic career* began around 1870. He is best known for his gifts of free public library buildings. His first such gift was to his native Dunfermline, Scotland in 1881, and it was followed by similar gifts to over 2,500 communities in the English-speaking world.

Andrew Carnegie envisioned the Carnegie Corporation[6] as a foundation that would *"promote the advancement and diffusion of knowledge and understanding."* The Corporation[7] is one of the oldest and most influential of American grant making foundations which makes grants to promote international peace and to advance both education and knowledge.

In 2010, facts about the Carnegie Corporation included:

- Total Assets: US $2.5 billion
- Total Grants Approved: US $96.7 million
- Total Number of Grants Awarded: 210

*"The problem of our age is the proper administration of wealth, so that the ties of brotherhood may still bind together the rich and poor in harmonious relationship."*Andrew Carnegie.

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[6] **Source:** http://carnegie.org/about-us/foundation-history/about-andrew-carnegie/
[7] **Source:** http://carnegie.org/about-us/carnegie-corporation-at-a-glance/

3. Australia's Public Library System

Australia's public libraries are a major contributor to economic, social, cultural and environmental outcomes. Public libraries inspire and enrich Australians' quality of life. They impact on over six of the Australian Government's Ministerial portfolios[8] and are integral to the Council of Australian Governments (COAG[9]) agenda including social inclusion, innovation and education. From the latest available national data, Australia's public library system had:

- 1,482 service delivery points that included both buildings and mobile services
- Around 8,000 staff
- Nearly 10 million people or 46 per cent of the Australian population as registered library members, and many more who are users of a range of library services
- 111 million visits per year or 5 visits *per Australian*, an increase from 4.7 visits *per Australian* per year just five years earlier.

The 2008 Library Council of New South Wales' report titled *"Enriching communities: the value of public libraries in New South Wales"*[10] revealed that public libraries in the state contribute positively in terms of economic value. Key findings in the report included:

- For every dollar expended on NSW public libraries, $4.24 of economic benefit and $2.82 of real economic activity are generated.
- The major contributions to the community relate to:
  - Enhanced quality of life including recreation and social interaction
  - Access to the Internet and information
  - Education and lifelong learning.

The 2011 *Dollars, Sense and Public Libraries* report[11] for Victoria revealed that for every one dollar invested in Victoria's public libraries, $3.56 is the average rate of return in community benefits.

The annual funding of Australia's public library system is nearly $900 million, or $40 *per Australian*. 84 per cent of this funding[12] comes from Local Government[13] with the remaining funds provided by Australia's eight state and territory governments.

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[8] **Source:** FOLA www.fola.org.au 2008. *Investing in Australia's Future through its Public Library System*.

[9] http://www.coag.gov.au/

[10] **Source:** http://www.sl.nsw.gov.au/services/public_libraries/publications/docs/enriching_communities.pdf

[11] **Source:** http://www.slv.vic.gov.au/sites/default/files/dollars-sense-public-libraries-key-findings.pdf

[12] **Source:** http://www.nsla.org.au/publications/statistics/2009/pdf/NSLA.Statistics-20090924-Australian.Public.Library.Statistics..2007.2008.pdf

[13] An analysis of Australian Local Government Population Statistics (Source: ABS Data 2010)

1. 73 (13%) of Australia's 560 LGAs collectively represent 59% of the population and each of these 73 LGAs has a population greater than 100,000 people. 12 of these 73 LGAs each has a population greater than 200,000 and collectively represent 19% of the Australian population.
2. The four largest LGAs are in Queensland and collectively represent 10% of Australia's population. Brisbane City Council is the largest with a population of 1.1 million.
3. 222 LGAs (40% of all LGAs) with populations greater than 20,000, collectively represent 91% of the Australian population, and 338 LGAs (60% of all LGAs), each under 20,000 in population, collectively represent 9% of the Australian population.

The Australian Government does not directly contribute to public libraries' recurrent funding with the exception of the National Library of Australia.

Sustainable levels of resources including funding are critical to the future of the public library system.

Equally important to the public library system are innovative and cost effective library programs, services and delivery models that will benefit Australian communities, accommodate changing community needs, accommodate population growth[14], population diversity and workforce dynamics, and accommodate new and emerging technologies.

3.1 Local Government - the Principal Investor

Local government's national significance is underlined by the 178,000 Australians it employs (almost 10 per cent of the total public sector), its ownership and management of non-financial assets estimated at $212 billion (2006-07), and the raising of around 3 per cent of Australia's total taxation revenue per annum[15].

Local government requires an adequate funding base. It has an annual expenditure of around $24 billion (2007-08 - more than 6 per cent of total public sector spending). On average, 83 per cent of local government funding comes from its own sources:

- 37 per cent from property rates
- 29 per cent from annual and user charges
- 14 per cent from other sources such as fines and infrastructure charges, and
- 3 per cent from dividends and interest.

This revenue mix is uneven across councils with those in richer urban areas are better able to fund their activities from rates and other charges, while small regional and remote councils struggle to do so and as a consequence are more reliant on grants.

The remaining 17 per cent of total local government funding comes from government grants: 7 per cent is from untied federal Financial Assistance Grants paid through the states and the Northern Territory. Tied federal grants paid directly to councils make up 1.5 per cent and the remaining 8.5 per cent is from state and territory grants.

Currently, it is considered[16] that much of Australia's local government is caught in a pincer movement between community needs and expectations on the one hand, and on the other, an insufficient funding base to fully meet those expectations.

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[14] Australia's population is 22.7 million, that is, 0.3% of the world's population (6.9 billion). That is, 3 in every 1,000 people in the world live in Australia. Conversely, 997 of 1,000 people in the world's population live outside Australia.
[15] 2011-12 ALGA Budget Submission http://www.alga.asn.au/policy/finance/ALGA_Fedral_Budget_submission_2011_12.pdf
[16] As above

In 2006 PricewaterhouseCoopers (PwC) reported[17] on the sustainability of Australia's Local Government. PwC estimated that approximately 10 to 30 per cent of Australia's councils had sustainability issues, and that between 25 and 40 per cent of councils in the states analyzed could be unsustainable.

The 2005-06 independent inquiry into the *Financial Sustainability of NSW Local Government*[18] reported that 25 per cent of New South Wales councils were financially unsustainable, a further 50 per cent of councils were at risk, and only around 25 per cent were in a strong position.

In March 2010 in his keynote address to the *Local Government Investment Conference* in Sydney, Local Government Managers Australia (LGMA) chief executive John Ravlic explored the significant challenges that Australia's Councils will face over the next decade.

Mr. Ravlic said that emerging from the global financial crisis it will be business as "un-usual" as Councils seek to adjust their operations to cope with the same or lower government grants, an increase in service demands, growing infrastructure needs, climate change, a skills shortage and fiscal responsibilities.

Councils will face the dual challenge of an ageing workforce and ageing local communities demanding increased services. *"Doing more with less - that's the challenge,"* he said. *"We fundamentally need to change the way we do business if we're going to survive in the future."*

At the LGMA National Congress held in May 2010 in Adelaide, Local Government managers and elected representatives met to explore the sector's role in helping communities prepare for, respond to and recover from future crises such as the GFC.

Former federal politician and director of social business at the University of New South Wales' Centre for Social Impact, Cheryl Kernot, challenged delegates to forge new relationships with the third sector[19] to assist with program and service delivery.

3.2 The Strategic Focus

In 2010, a 2010-2015 National Public Library System Vision and Framework were developed.

Four initiatives were defined that complement what is occurring at the state and local government levels, and provide a body of work considered needed to strengthen the future public library system and its ongoing relevance and value to Australian communities.

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[17] **Source:** http://www.alga.asn.au/policy/finance/pwcreport/

[18] **Source:** http://www.lgsa.org.au/www/html/262-local-government-inquiry.asp

[19] Various terms are used to refer to *third sector organisations*. These include non-profit, non government, community, voluntary, club, society, association, co-operative, friendly society, church, union, foundation and charity.

Australia's public libraries will be seeking the Australian Government to:

1. Endorse, support and contribute funding towards the National Year of Reading 2012 a major initiative driven by public libraries and involving partners in the book industry, publishing, public and private sector.

   46 per cent of Australians do not have the literacy skills to meet the basic demands of everyday life and work[20]. The objectives of the National Year of Reading include:

   - Promoting an understanding of the many benefits of reading for individuals and families, readers and non-readers, and
   - Prompting non-readers to try something new.

   It was noted in the August 2010 Australian Productivity Commission's *Links between Literacy and Numeracy Skills and Labor Market Outcomes* report[21] that "*an improvement in literacy and numeracy skills from level 1 to level 3 will increase:*

   - *The likelihood of labor force participation by 15% for women and 5% for men,*
   - *Hourly wage rates by 25% for women and 30% for men."*

2. Endorse, support and fund a national family literacy initiative delivered through public libraries in partnership with early years' practitioners.
3. Confirm the role of the public library system as a major partner in delivering the National Broadband Network.
4. Support and fund a national public library development program, identifying innovation in Australia and overseas and within this:

   - The provision of guidance for public library managers about new opportunities and new challenges, particularly in the area of technology
   - The development of a community engagement profiling toolkit for public library managers to enable libraries across the country to improve the service to their communities
   - The maintenance of national standards for public libraries.

In 2008 NSLA (National and State Libraries Australasia) released the Re-imagining Library Services Strategic Plan.

The plan outlines new opportunities in service delivery. In collaboration, the National, State and Territory Libraries of Australia and New Zealand aim to lead in empowering people to create, discover, use and transform their collections, content and global information resources.

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[20] **Source:** Adult Literacy and Life Skills Survey 2006
http://www.abs.gov.au/websitedbs/d3310114.nsf/4a256353001af3ed4b2562bb00121564/17b816d41053fe99ca2573d70012729f!OpenDocument
[21] **Source:** *Links between Literacy and Numeracy Skills and Labour Market Outcomes*. Productivity Commission Staff Working Paper. August 2010

There are ten projects identified in the plan including:

1. *Open borders*: opening up access to e-resources and services across the libraries.
2. *Collaborative collections*: delivering efficiencies through collaborative collecting.
3. *Description and cataloguing*: designing improved business processes for collection management.

In March 2010, the *Principles for Collaborative Collections - a National Approach*[22] was endorsed by the NSLA members. The principles are to:

- Develop a range of resources by collaborative collecting/shared delivery mechanisms
- Build efficiencies, and
- Eliminate unnecessary duplication.

3.3 Technology in Public Libraries

There is an increasing number of internet linked computers available to users in Australia's public libraries. It is the author's observation that there are insufficient quantities of modern information and communication technologies and devices available to communities through public libraries.

From the mid 2011 ALIA internet access in public libraries survey[23]:

- Only 39 per cent of Australia's public libraries have broadband connection and many are operating below the very basic broadband speed.
- Ongoing affordability is a concern, with demand for public access terminals continuing to grow and a new expectation of wifi in libraries.
- More than a third of libraries thought the NBN would increase the number of library users and 55 per cent thought it would make no difference.
- Many foresee the NBN as creating change and providing positive benefits in terms of faster internet access, improved services and the opportunity to attract new users.
- However, few had begun to plan for the arrival of the NBN.

"The internet has transformed the Australian economy over the last 10 years, and is poised to play an even greater role in our daily lives and businesses as Australia positions itself to become a leading digital economy"[24].

In the June 2011 *Infrastructure Australia* report[25] to COAG, comment was made *"that the number of local councils is something the nation needs to consider. Their apparent reluctance to "see the bigger picture" is a serious constraint on infrastructure planning and the reshaping of urban development".*

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[22] **Source:** http://nsla.org.au/projects/rls/collaborative-collections
[23] **Source:** www.alia.org.au/advocacy/internet.access/Internet.access.Survey_v2.pdf
[24] **Source:** http://www.apo.org.au/research/connected-continent-how-internet-transforming-australian-economy
[25] **Source:** http://www.infrastructureaustralia.gov.au/2011_coag/

3.4 Cross Sectoral Partnerships

Partnerships are common in Australia's public library system. There are many. They occur regionally (e.g. Regional Library Service models in both Victoria and rural NSW), with neighbouring libraries, with state, territory and the national libraries, with schools, TAFE and universities and with vendors.

One of the recommendations from the May 2011 report on the Inquiry into school libraries and teacher librarians in Australian schools is "Partnering and supporting school libraries and teacher librarians - Recommendation 10. *The Committee recommends that the Commonwealth Government, through the Ministerial Council for Education, Early Childhood and Youth Affairs, discuss ways to enhance partnerships with state and territory and local levels of government to support school libraries and teacher librarians".*

Some specific public library partnerships include:

❖ The Hume Global Learning Village (Victoria) is an innovative partnership that links learning providers from across Hume City including five libraries and the mobile library, local schools, neighborhood houses and learning centres, the Hume Global Learning Centre, Visy Cares Learning Centre, Kangan Institute (TAFE), local businesses and Victoria University.

The Village combines its collective resources to provide a diverse range of formal and informal learning opportunities for residents.

❖ Sydney's Northern Beaches (NSW) Inside Break is an innovative service originally available to secondary schools in Sydney's northern beaches region and is a cooperative venture between the Manly, Pittwater and Warringah library services whose three local government areas represent a collective population of a quarter of a million people.

Inside Break provides a website that promotes and provides Higher School Certificate resources to senior high school students. This resource is now being utilised across NSW.

❖ The University of Western Sydney (NSW), in partnership with a number of large western located Sydney Councils including Blacktown, Bankstown, Parramatta, Fairfield, Camden and Campbelltown, and with Tutoring Australasia,

provides financial support to assist with the delivery of Tutoring Australasia's online homework help service *yourtutor*, which is available to local primary and secondary school students through the public libraries.

4. The Last Twenty Five Years

Over the last 25 years, organisations and industries have made significant changes to their strategic direction and focus, products and services, and business models. Six entities are reviewed to illustrate a range of enhancements, changes and initiatives during this timeframe. They are:

- CAVAL
- IBM Australia
- McDonald's Australia
- Australia's Sheep Industry
- OPSM.

CAVAL

Established in 1978, over 30 years ago, CAVAL provides shared and outsourced services to the information and library sectors throughout Australasia. CAVAL is a consortia model and not-for-profit company that was established by Victoria's universities. Its original purpose was to provide services to the university libraries in Victoria.

CAVAL's range of services today includes space planning, the preservation of cultural collections, Web and Library 2.0 technologies, journal and book digitization, cataloguing and end processing. CAVAL is a recent distributor of technologies including library vending machines (refer to Attachment 1).

IBM Australia

The author worked for IBM Australia from 1985 to 1992. On joining the company in December 1985 he experienced and used an IBM product that had been released that year - PROFS - Professional Office System. One of the features of PROFS was an email system that connected IBM employees (around 400,000 at the time) worldwide. A quarter of a century ago!

In the late 1980s IBM Australia restructured its operations. Prior, each state and territory had a State Manager and its own administration. The business model then moved to centralised administration (in one Australian city) and decentralized service delivery and customer support.

McDonald's Australia

The author was introduced to McDonald's during his six years with IBM Australia. He had the opportunity to observe the McDonald's supply chain operations that involved food and equipment suppliers and the many McDonald's outlets (restaurants) at that time.

The food supply chain model was very simple - hub and spoke. Food supplies were delivered to a central warehouse and the outlets' orders were consolidated at that central point. Deliveries occurred once or twice per week to the outlets in one delivery vehicle from the central point.

The central point had an early GPS version that enabled drivers to travel the least congested traffic routes to the McDonald's outlet destinations.

Australia's Sheep Industry

The author worked on several projects with Australia's sheep meat industry during the 1990s. He assisted the industry with an update of its strategic direction which included a focus on new market and product development.

Doing more with less

Twenty years ago, Australia had around 180 million sheep. There are now between 60-65 million sheep. Sheep provide two products - meat and wool, and are bred accordingly. Changes in animal genetics have been a major efficiency contributor, together with improved on-farm production and animal management techniques, and up-to-date knowledge of consumers' requirements.

Today, there is a greater variety of sheep meat products available to Australian consumers when compared with the early 1990s.

Australia's woolgrowers have transformed the national flock from one dominated by lower-value coarse wool to fine wool, ideal for garment making. Australia now provides 95% of the world's fine wool, relied upon by European tailors and fashion houses. Increasingly, affluent consumers in both China and India are demanding higher quality woolen garments.[26].

OPSM

The author worked on a strategic direction project with the OPSM Eyewear Division in the mid 1990s. At that time OPSM had three businesses: eyewear, protective clothing and optometric equipment. Today, OPSM is an eyewear only business and is owned by the Italian company Luxottica. OPSM straddles both the health and fashion industries.

At an initial meeting with OPSM in 1994 the author asked *"what is OPSM's business?"* Responses ranged from *"we sell glasses"* to *"we make glasses"*. The discussion continued for two hours. The author suggested *"that making and selling glasses was particularly boring. Where was the real excitement in the business and the customer value?"* The person who responded with *"we sell glasses"* at the end of the two hours said, *"I get it .....OPSM is in the see good, look good, feel good business"* which they were and still are.

What was articulated were the *"outcomes"* experienced by the customers noting that there are other outcomes required by the business.

OPSM supports the Premier's Reading Challenge[27] in several states including NSW.

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[26] **Source:** Australian Financial Review May 2011

[27] https://products.schools.nsw.edu.au/prc/opsm.html OPSM helps over two million people see better each year and many of these are young children. As a sponsor of the Premier's Reading Challenge for the past three years, OPSM shares the programs vision to encourage a love of reading among students. This fitting partnership highlights the important link between children's eye health and their education, development and enjoyment of reading.

What has occurred over the last 25 years?

The initiatives pursued and outcomes achieved by those organisations and industries mentioned above included:

1. A shift in strategic direction and new areas of strategic focus.

2. A willingness to learn and try new approaches to remain both competitive and relevant to markets and consumers.

3. An increased realisation and appreciation of global and national trends including changed consumer preferences.

4. The development or acquisition of new products, new services and new technologies.

5. Simplified, efficient business models and supply chains that included:
    - ❖ Centralisation
    - ❖ Standardisation
    - ❖ Partnerships
    - ❖ Outsourcing.

5. Innovative Initiatives in Australia's Local Government Sector

Australia's Local Government Sector has implemented a number of innovative initiatives including service businesses since the mid 1990s including:

- Citywide (Victoria)
- Community Chef (Victoria)
- Wide Bay Water Corporation (Queensland), and the
- One Library Management System (South Australia).

Citywide

Citywide was established in 1995 to support the City of Melbourne's outsourcing strategy.

Citywide is owned by the City of Melbourne and is a major Australian services company that provides civil infrastructure, open space and environmental services to the government and the private sectors. In 2010 its gross revenue was $160 million with 800 staff.

Citywide's vision is *"shaping sustainable landscapes"*. It aims to be *"Australia's leader in the provision of sustainable open space, environmental and infrastructure services in its areas of competency through the development of people, application of technology and industry best performance."*

Innovation is regarded as the engine of Citywide's growth. Innovation is embodied in the knowledge of its people, multiple research and development projects undertaken, process improvements implemented and the adoption and adaptation of new technologies.

Community Chef

Community Chef is the next phase in the delivered meals service. It commenced operations in 2010 as a collaborative effort by 20 Victorian local governments and the State and Federal Governments, and is a purpose built, $24 million state-of-the-art food production facility.

Community Chef is located in Altona and expects to make 1.5 million meals per year. It uses E-water in place of chemicals, captures water and heat, reduces energy use and minimises waste. It demonstrates what can be achieved through clever design and collaboration.

As the company is owned by local governments, it is able to be an extension of local governments' role in planning and providing support for older citizens.

It is expected that after its early start up years, Community Chef will be able to invest some of its operating surplus into the research and the development of other services. In its business plan, this is referred to as the *Community Chef Social Dividend*, a dividend back to the communities that local governments serve.

The social dividend may research the nutritional needs of older people, measures to reduce hospital admissions and ways to better provide for people with disabilities. It may assist in the development of other food programs, in ways to keep people active in their local community or use in its purchasing power to encourage social enterprises and reduce food miles.

Wide Bay Water Corporation

The Wide Bay Water Corporation is the first local government owned corporation in Queensland (2002). It provides water and wastewater services to the Fraser Coast.

The corporation is wholly owned by Fraser Coast Regional Council (FCRC) and is governed by an independent Board of Directors working under the Queensland Local Government Owned Corporations Act.

Wide Bay Water Corporation also undertakes the planning, development and operation of water distribution infrastructure in the collection, distribution and disposal of water. As a result of this work it has become nationally and internationally recognised as being at the forefront of water-loss prevention and distribution management.

Wide Bay Water Corporation is recognised nationally as a leader in the development of land-based water reuse facilities particularly to improve crop productivity to the advantage of local farmers and to grow income-producing hardwood tree plantations.

Wide Bay Water Corporation has an integrated management system based on ISO 9001 (Quality Management), ISO 22000 (Food Safety Management) for water treatment, storage and distribution, and ISO 14001 (Environmental management) for wastewater collection, treatment and effluent reuse.

South Australian public libraries receive decade long funding

South Australia has a population of 1.7 million.

South Australian public libraries will receive funds from a signed agreement between the State Government and the Local Government Association. Councils will be expected to invest more than $570 million over the decade, with more than $185 million in state subsidies secured over the agreement.

About 40 per cent of the state subsidy will go to councils as operating grants and another 40 per cent will be provided as materials grants. The remaining 20 per cent will fund Public Library Services staff and activities, including contract management for book purchasing, inter-library loan systems, and cost of internet access.

A key element of the agreement is investment in technology, including the development of the One Library Management System (OLMS). The OLMS will replace each council's own library management system (LMS), which are all currently different, with the same LMS.

A Local Government Association of South Australia spokesperson said the OLMS is expected to mean savings on procurement as it is being managed centrally rather than being duplicated by every council. Savings are expected on price because 68 councils are buying in bulk, and there will be improvements in staff flexibility and training costs.

"A librarian can work two days in one council and two days in another without requiring training in different systems," the spokesperson said.

The OLMS project is being coordinated by the State Library of South Australia and is expected to deliver:

- The single library management system and single membership card for all SA public library members
- Direct, recurrent dollar savings for the SA local government sector through the reduction in implementation costs and staff time needed to manage and support a local LMS, and efficiency gains from improved workflows and practices
- Expanded access to resources for SA communities.

6. The McDonald's Corporation

McDonald's reported in its 2010 Annual Corporate Report[28] that over 60 million people visit McDonald's daily, globally. This represents nearly 1% of the world's population. Other facts about the McDonald's Corporation include:

- Has around 33,000 restaurants in over 120 countries (Subway has more outlets - around 34,000[29]) and employs 1.5 million people globally
- Has nearly 800 restaurants in Australia
- Sells more than 75 hamburgers every second; is the world's largest distributor of toys
- Will open one restaurant every day in China for the next 3 years[30]
- Its Shanghai Hamburger University is more difficult to gain entry to than Harvard
- In 2011 it plans to invest about US$2.5 billion of capital: 50% dedicated to opening around 1,100 new McDonald's restaurants globally and the other 50% allocated to investing in existing locations, including reimaging
- In Australia, 1.5 million people visit McDonald's daily[31] i.e. 550 million visits per year.

Some six to seven years ago McDonald's experienced, particularly in the USA, changing consumer preferences for convenience and other foods. They were in trouble. They subsequently redefined their focus, closed restaurants (mainly USA), released a range of new products including its *healthier menu options*, and introduced the *McCafe*.

McDonald's and the Australian public library system, whilst in very different industries, share common characteristics. These similarities, and differences, are presented below.

Similarities and Differences
McDonald's Business Model and the Australian Public Library System

Similarities:
1. Ease of access to facilities
2. New and changing products
3. National coverage of facilities
4. High levels of annual visitations
5. Brand and community awareness
6. Reach a cross-section of the population

Differences:
1. McDonald's capability for growth - a greater level of financial and people resources available for growth
2. McDonald's standardised processes and practices

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[28]**Source:** http://phoenix.corporate-ir.net/phoenix.zhtml?c=97876&p=irol-newsarticle&ID=1518914

[29] **Source:** http://www.msnbc.msn.com/id/41959045/ns/business-consumer_news/t/subway-passes-mcdonalds-global-presence/

[30] **Source:** http://www.chinadaily.com.cn/usa/business/2011-01/21/content_11898591.htm

[31] **Source:** http://www.businessday.com.au/executive-style/executive-women/the-trailblazer-at-the-golden-arches-20110304-1bhr1.html

7. Sustained Capability 2020: Opportunities for Australia's Public Library System

In reviewing the trends with organisations and industries over the last 25 years including the establishment of businesses by Australia's Local Government Sector, opportunities are recommended, and outcomes and considerations tabled, for Australia's future public library system.

These opportunities are proposed to assist with the growth and sustainability of the public library system, and to ensure the *"jewel in the crown of civic life"* status in 2020.

Opportunities

Develop and implement a national public library system *Business Model* that:
 	
▪ Underpins the strategic direction of the system
▪ Focuses on partnerships, financial resources, people, systems, greater efficiencies in supply chains and practices, and access to new and diverse technologies.
 	
The *Business Model* will include:
 	
1. Implementing a single national library management system and sponsored single library membership card e.g. OPSM might be one of several potential sponsors.
 	
2. Establishing a National Public Library Services business to:
   ▪ Centrally manage systems and other functions for Australia's public libraries
   ▪ Provide centralised purchasing of bulk and common resources and other outsourced and/or shared services
   ▪ Provide a library staff recruitment service
 	
3. Defining and pursuing national partnerships with the private sector e.g. Apple, OPSM, McDonald's, Woolworths, Telstra, and with the third sector e.g. Mission Australia, Salvation Army, Brotherhood of St Laurence and Philanthropic groups[32], for nationally coordinated access to resources including technologies, and access to expanded program and service delivery infrastructure.

The outcomes and considerations associated with these recommended opportunities are presented in the table following.

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[32] *Philanthropy and Australia's Public Libraries* Relationships between philanthropic groups and the Australian public library system are not well established. Philanthropic relationships in Australia tend to occur with state, territory and national organisations such as the National Library or National Gallery of Australia, and with State Libraries. Around 80% of Australia's philanthropic trusts are located in Victoria - **Source:** Philanthropy Australia http://www.philanthropy.org.au/index.html

Outcomes

1. Enhanced quality and levels of national literacy, education and social inclusion through greater investment in program and service development and delivery. Public libraries will be a *"place and space"* to visit and access, as well as a provider of educational, recreational, technological and entertainment resources to communities. This will include shared programs, services and resources between the Australian public library and school library systems, and others.

2. Access to different resources through new partnerships. New, innovative programs and services will be available to the Australian community. Business and third sector partnerships will enable a wider range of resources, technologies and infrastructure to be accessed. Library staff capability profiles will be redefined i.e. *experiences, expertise, knowledge, skills* and *personal attributes* required to operate and manage Australia's future public library system.

3. Gains in operational efficiencies and lower *per unit* costs through centralisation, standardisation and reduced replication. Library vending machines might be used in areas of high people access e.g. large railway stations, 24 x 7 access locations and in McDonald's.

4. Annual, national, sponsored and Australian Government awards will exist for *"Innovative Public Library Services and Businesses"*.

Considerations

1. Doing business differently and doing more with less.

2. The preparedness for and interest in substantial change by the Australian Local Government Sector and public libraries.

3. Gaining all states and territories support, recognizing the current public library models that are in place, and the different state and territory legislations under which Local Government and public libraries operate.

4. The potential impact on current business partners and partnerships. This includes the impact on current industry vendors at the national, state/territory and local levels.

5. The roles and capabilities of staff in the future public library system will be different. Traditional library roles will disappear. New roles will emerge.

6. The needs of and impacts on small regional and rural LGAs. Currently 60 per cent of Australia's 560 LGAs have populations of less than 20,000 people. Most of these LGAs are in regional and rural locations.

Attachment 1: Library Vending Machines

Library patrons may never have to enter a library building to take advantage of content from ebooks to videos. GoLibrary (California, USA)[33] provides vended materials at locations such as bus and metro stops. Using RFID technology, the customer and materials are conveniently linked in the library's database.

GoLibrary in California USA

The GoLibrary, or as Costa County Library in California calls it, Library-a-Go-Go, becomes one more access point for time challenged library users. Self-service models in and out of public libraries are part of the outreach service environment.

A future library was shown at the 20th Abu Dhabi International Book Fair in March 2010[34] and is a concept that heralds a new generation in libraries.

Abu Dhabi's future libraries are likely to feature 24-hour, self-service facilities with vending machines stocked with books, CDs and DVDs allowing users to take out and return them any time of the day or night, and which utilise RFID technology. There will also be Playstations and Xbox consoles as well as *"lifestyle zones"* where visitors can relax and listen to a CD or audio book.

Self Service Vending Machine in Abu Dhabi

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[33] **Source:** *Building Strong Communiti*es. Public Library Section Satellite Meeting, Malmo, Sweden. August 9, 2010.
[34] **Source:** http://www.thenational.ae/news/uae-news/future-library-goes-on-display-in-abu-dhabi

Shenzhen City in China is home to the jewelry, printing and fashion industries. It has a population of nearly 14 million. Shenzhen is known as *The City of Libraries* with over 500 public libraries[35]. There are more than 40 self-service libraries that operate across Shenzhen 24 hours per day.

Self Service Library in Shenzhen China

In mid 2099 the new City of Newcastle (UK) Library[36] was opened. The 6 storey building includes performance and exhibition space, a café, children's area, and 30 PC's for free use, combining 21st Century facilities with inspirational places for reading, learning, meeting and working.

City of Newcastle (UK) Library

Deemed as being a "super library", this Library contains over 200,000 books, of which 100,000 are new, as well as a state of the art vending machine that allows public access to a selection of books and DVD's 24 hours a day.

Moreton Bay Regional Council in Queensland is using a library vending machine. It was supplied by the library's RFID supplier[37]. The vending machine is located in the glass wall of the library to provide afterhours access to selected collection items and for customers to collect reservations if they select the vending machine as their pickup location.

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[35] **Source:** http://publiclibrariesonline.org/magazines/from-the-president/telling-story-public-libraries
[36] **Source:** http://www.newcastle.gov.uk/core.nsf/a/librariesnewcitylibrary#opening
[37] Personal communication with the Moreton Bay Regional Council Library Service 2010

About the Author

Robert McEntyre lives in Sydney, Australia. He established his Sydney based business and management consulting practice Robert McEntyre & Associates Pty Limited (www.mcentyre.com.au) in February 1992. His areas of expertise and interest include strategic and business planning, organisation and business model reviews, and industry, market and government policy research.

Robert's client base has been diverse across the *government, business* and *third* sectors. Previously, Robert worked for IBM Australia, the CSIRO and the University of Sydney. He is a graduate of the University of Sydney.

Robert has presented papers at conferences for over the past twenty years including at Australian and New Zealand Library & Information Services sector events:

- *Clark Kent and Lois Lane in 2010: Information Professionals working in the Technology Fashion House*. Information Online 2003. Sydney, Australia.

- *Triple Bottom Line and the Community Library.* LIANZA Annual Conference 2003. Napier, New Zealand.

- *The Nimble Information Adventurer.* LIANZA Annual Conference 2006. Wellington, New Zealand.

- *The Roaring 2020s' Information Professionals*. Australia and New Zealand Law Librarians Conference 2010. Melbourne, Australia.

- *The McDonald's Public Library System of 2020*. Version 1. LGMA National Congress & Expo 2011. Cairns. Australia.

These and other papers can be found on http://www.mcentyre.com.au/articles.html.