

CAUL Statement on the Global Economic Crisis

CAUL

The Council of Australian University Librarians' (CAUL) mission is to support its members in the achievement of their objectives, especially the provision of access to, and training in the use of, scholarly information, leadership in the management of information and contribution to the university experience.

In pursuit of this objective CAUL develops a national perspective on issues relevant to university libraries, provides a forum for discussion and collaboration and works to promote common interests. CAUL is comprised of the university librarians or library directors of all 39 Australian universities.

Each university library is responsible for managing a significant proportion of a university's annual budget through the purchase of scholarly information resources. In order to realise administrative efficiencies and economies of scale, CAUL members have developed a range of collaborative programs to optimise the purchasing power of budgets for scholarly information resources. Some of these programs are either sectorally or regionally based, for example, collaborative purchasing of monographs in a state. The most significant program is supported by CAUL through its Electronic Information Resources Committee (CEIRC).

CEIRC <http://www.caul.edu.au/datasets/ceirc.htm>

CEIRC is CAUL's primary vehicle for relationships with vendors and publishers. CEIRC's terms of reference address a range of activities including collaborative purchasing of electronic information resources, licensing conditions, access issues, statistical reporting and effective negotiation. CEIRC's membership also includes the 8 members of the Council of New Zealand University Librarians (CONZUL) and 23 external organisations in Australia and New Zealand. These organisations represent a combination of state and federal government departments, Australian research institutes, including CSIRO, NZ Crown Research Institutes and polytechnics, and Avondale College.

CEIRC currently has agreements for 239 database products with a range of 89 Australian and international publishers and information providers. The equivalent of AUD 39 million was handled through the CAUL Office in 2008, with an even greater amount invoiced directly to university libraries via agents and publishers. In 2007, Australian universities spent more than AUD 117m on electronic resources of a total materials expenditure of AUD 218m (54%) and New Zealand universities spent an additional NZD 33m on electronic resources of a total materials expenditure of NZD 60m (55%).

Impact of the Global Economic Crisis on CAUL

CAUL member institutions range from very small private and public institutions of fewer than 5,000 FTE students to large institutions of up to 42,000 FTE with significant research demands and/or very large numbers of undergraduate students. In common over the past 13 years they have:

- ▶ embraced the availability of electronic resources, replacing print with the electronic version as soon as it becomes available. Australian university libraries adopted this practice to reduce costs almost a decade ago.
- ▶ taken up a significant number of journal packages recognising the efficiencies gained in providing access to the whole of a publisher's list rather than selecting individual titles and being able to provide comprehensive access to resources without resort to inter-library loan;
- ▶ moved heavily into group purchasing via CEIRC and other programs, again taking advantage of administrative efficiencies, better return on investment and a greater shared understanding of the publishing industry and environment;
- ▶ moved a higher proportion of available materials expenditure to packages of scholarly journals under agreements that include (reducing) price caps for multiple year commitments, together with opt-out and perpetual access clauses to manage the financial risk.

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Subscriptions for 2009 were effectively finalised by the time of the economic "crash" hence renewals were largely unaffected, with some variance depending on accounting practices. A number of CAUL institutions are identifying significant cancellation programs for 2009 and have concurrently reduced expenditure on books. The outlook for 2010 remains uncertain.

The severe drop in the Australian dollar is likely to have the most serious short-term consequences on spending ability. While CAUL institutions are accustomed to dealing with currency fluctuations, the 2008 fall was faster than most, and will exacerbate any consequences of potential budget reductions.

CAUL institutions spend 70-80% of their information resources budgets in foreign currencies; USD, EUR and the British £. In September 2008, the average value of the AUD was USD 0.8205 - in February 2009 it was 0.6490 – a drop of 16% in the first month of the crash and 21% over the last 5 months. The fall against the EUR was also significant, the British pound less so. No matter how far ahead currencies were hedged, the impact of this severe drop in the purchasing power of current budgets is being felt.

The future

Until global conditions settle, CAUL members will aim to maintain access to current content, but will need to act conservatively in relation to financial commitments. Some more obvious observations are that:

- ▶ maintaining subscriptions to needed and heavily used content will remain a high priority, with peripheral content and one-off purchases more easily put on hold, or dropped completely;
- ▶ content will be more important than platform enhancements such as new searching or alerting systems – no member will want to fund unnecessary or cosmetic changes made by publishers;
- ▶ members do not want to fund the cost of producing the print version when the electronic version is available – the current crisis affords an opportunity to accelerate the transition to electronic only publishing;
- ▶ new content will need to be absolutely essential if it is to be considered - "nice-to-have" content will be considered in the same way as one-off purchases or its acquisition will require the cancellation of current content;
- ▶ there is likely to be a contraction rather than expansion in all areas;
- ▶ price increases must be contained.

If costs are not reduced or held at 2009 levels, reductions in expenditure may necessitate:

- ▶ cancellation of products such as indexing and abstracting tools and journal aggregator services
- ▶ withdrawal from package agreements, with the concomitant additional administration (read cost) for both publishers and institutions;
- ▶ additional efforts (read cost) to regain lost subscriptions when and if purchasing power returns to 2009 levels;
- ▶ resistance to punitive approaches from publishers that deny access to content disproportionate to proposed reductions in expenditure.

Alternatives to withdrawal:

- ▶ compromise between full packages and the title-by-title approach through slicing title lists into discipline-based sub-sets or research-based sub-sets;
- ▶ reducing costs by improving efficiencies at the publishers' end e.g. replacing print distribution with print-on-demand; replacing individual subscriptions with one-line package subscriptions;
- ▶ publisher discounts and exchange rate relief

The ICOLC statement

In 2009, CAUL signed the ICOLC statement (<http://www.library.yale.edu/consortia/icolc-econcrisis-0109.htm>) supporting an international effort to make publishers and others aware of the likely impact of the global economic crisis on the mainly public sector libraries and higher education institutions who are the major source of revenue for scholarly publishers. ICOLC is the International Coalition of Library Consortia.

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