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Whitehorse Manningham Regional Library Corporation

DRAFT BUDGET 2022/2023

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1 Introduction

Whitehorse Manningham Regional Library Corporation (WMRLC) is a Library Corporation under Section 196 of the Local Government Act 1989. For clarity it should be noted that the impact of s330 of the *Local Government Act 2020* is that those sections of the *Local Government Act 1989* that were applicable to an existing regional library corporation, continue to apply to that library as if all of those sections had not been repealed until 2030.

WMRLC provides a public library service to the municipalities of Whitehorse and Manningham (the member Councils), which have a combined estimated residential population of 309,664 as at June 2020.

WMRLC is governed by a Board comprising two Councillor representatives from each of the member Councils, senior officers from the member Councils and two community representatives. The Corporation's Chief Executive Officer reports to the Board and is responsible for the management of WMRLC.

A four year Library Plan sets out the WMRLC's strategic direction. The proposed Budget 2022/2023 details the resources required over the next year to support the achievement of the Library Plan actions. The Budget supports the delivery of core library services, while continuing to strengthen the reading and life-long learning programs where possible.

The proposed 2022/2023 Budget is presented in a format which demonstrates the proposed 2022/2023 Cash Budget, the 2021/2022 Budget and anticipated final results for the 2021/2022 FY. A Budgeted Income Statement, Budgeted Statement of Capital Works, Budgeted Balance Sheet and Budgeted Cash Flow Statement are provided.

2 Executive Summary

WMRLC has prepared a Budget for 2022/2023. It seeks to maintain library services that are valued by our community and deliver the strategic objectives and actions set out in the Library Plan.

WMRLC continues to strive to contain costs through system improvements, respects the financially constrained environment and takes opportunities to explore additional revenue sources where possible. Expenditure in all areas has been reviewed. Savings achieved through the implementation of back end efficiencies in recent years has enabled the Corporation to off-set some of the continued decline in operating revenue.

Due to the continued COVID-19 health emergency disruption in the 2021/22 FY and additional associated costs, the Corporation does not forecast any surplus to be carried forward to the 2022/23 FY. This Budget does not forecast a surplus or deficit for the 2022/2023 financial year as any deficit will be funded from the cash reserve.

2.1 Key things we are funding

- Maintaining physical library collections and e-resources.
- Maintaining delivery of reading and life-learning programs and events for all ages throughout the year.
- Provision of COVID safe services.
- Continued support for volunteer engagement.
- Maintenance of IT network and scheduled replacement of IT equipment and public computers.
- Maintaining support for fundraising, sponsorship and grant seeking activities.

2.2 Key Statistics

Total Income	\$11,800,081	(2021/22 = \$11,410,472)
Total Expenditure	\$11,455,768	(2021/22 = \$11,208,994)
Accounting Result*	\$344,313	(2021/22 = \$241,249) (Anticipated Surplus)
(Refer to Income Statement in Section 11.1)		

Total Capital Works	\$2,002,143	(2021/22 = \$2,052,372)
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3 Links to the Library Plan

This section describes how the Annual Budget links to the achievement of the Library Plan.

3.1 Planning and accountability framework

The Strategic Resource Plan is a rolling five year plan that outlines the financial and non-financial resources that the Corporation requires to achieve the strategic objectives described in the Library Plan 2021 - 2025. The Annual Budget is framed within the Strategic Resource Plan, considering the services and initiatives which contribute to achieving the strategic objectives specified in the Library Plan. The Annual Report includes a report on operations, financial statements and performance results.

The Library Plan, including the Strategic Resource Plan is required to be completed by 30 June following the general election of Councillors. The Strategic Resource Plan is reviewed each year in advance of the commencement of the Annual Budget process.

3.2

Our purpose

To strengthen and inspire our community by providing opportunities to learn, create, connect and imagine.

Our vision

A vibrant and inclusive library service that enriches our community.

We value

Respect - treating everyone with respect, dignity and courtesy

Collaboration - working together to achieve better outcomes

Integrity – being open, honest and accountable

Curiosity – being open to learning and exploring ways to improve

Agility – being flexible and adaptable to change

Principles that guide our service

Customer centric – striving to achieve the best customer experience

Well-being - supporting positive mental and physical health

Inclusive – providing equitable and accessible services to a diverse community

Responsive - to evolving community needs and expectations

Best practice – striving to be the best in all that we do and deliver

3.3 Strategic objectives

The following table lists the four strategic goals as described in the Library Plan

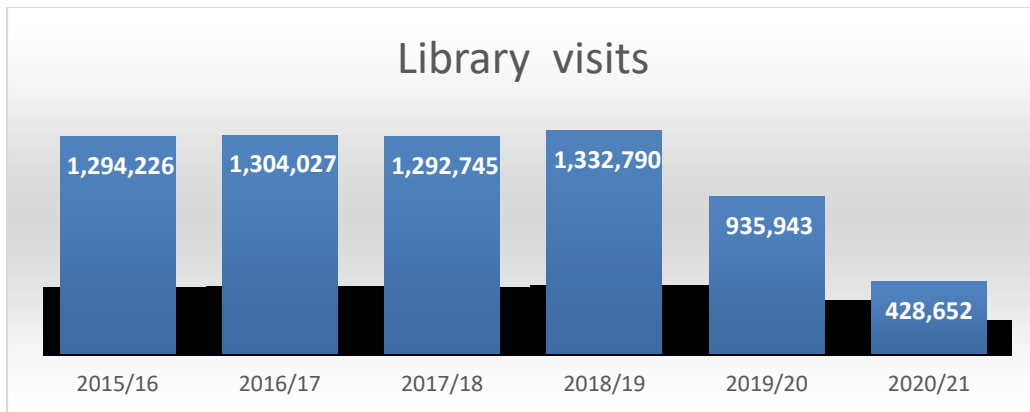
Strategic Objective	Description
1. Experience	To be an inclusive and welcoming people centered service
2. Learning and Engagement	To enable an informed and engaged community
3. Collaboration	To extend the reach and benefit of library services
4. Performance	To be a flexible, resilient and high performing organisation

3.4 Service Performance indicator trends

The library service has experienced the impact of the COVID-19 health emergency from January 2020, this can be witnessed across the activity results for 2019/20 and 2020/21 FYs. It should be noted that prior to January 2020, the activity levels in many areas were trending up compared to the same period in the previous year.

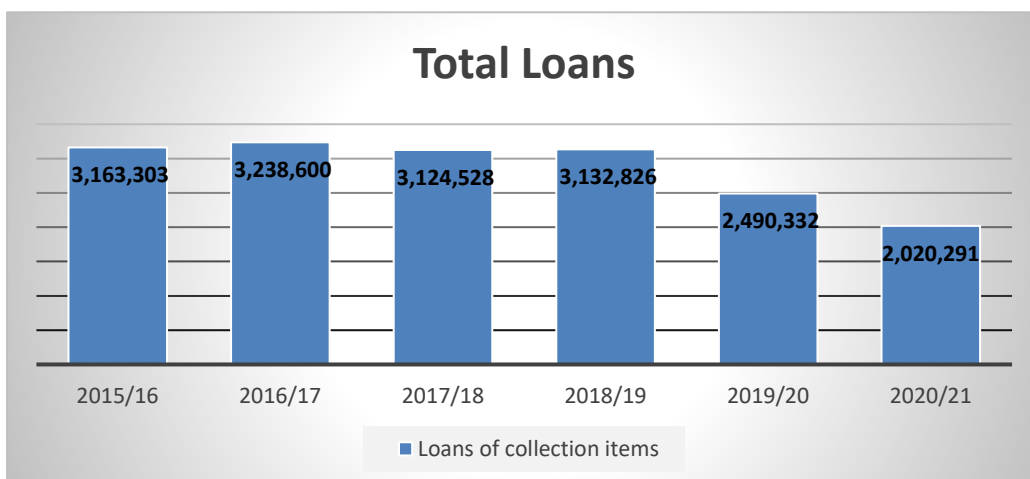
Visitations

Visitations to libraries in 2019/20 were trending up until the health emergency impacted operations and libraries were directed to close. Visitations continued to be severely impacted in 2020/21 due to extended closures and density quotient restrictions.

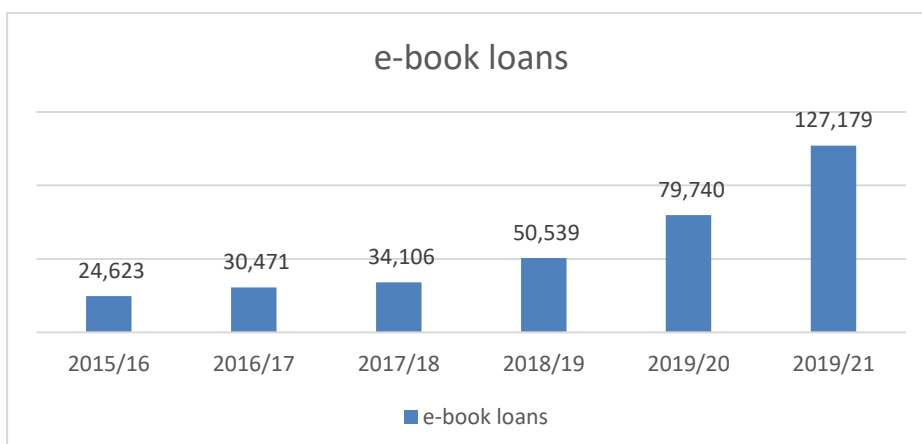


Loans

Total loans of collection items in 2020/21 decreased as a result of the impact of the health emergency restrictions and extended closure of libraries.

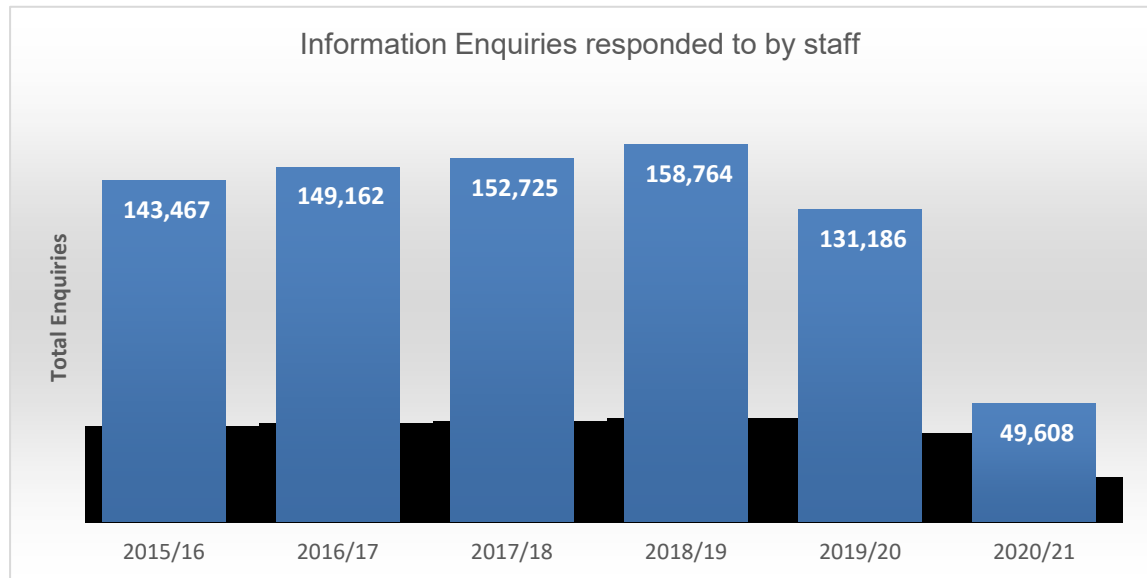


Loans of e-books in 2020/21 increased by 59% compared to the previous year.



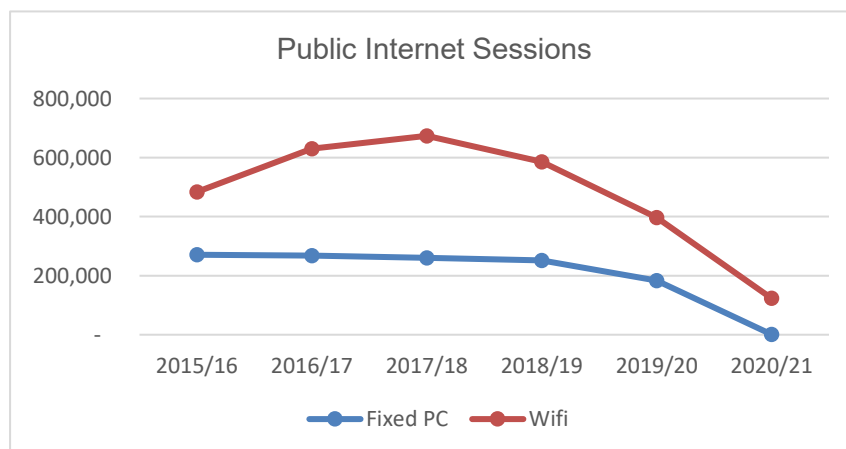
Information Enquiries

Information enquiries responded to by library staff have consistently trended up in recent years. As the majority of enquires are typically made by patrons in library branches seeking assistance, the closure of libraries for period since March 2020 have impacted the results over the last two years.



Public computers and Wi-Fi

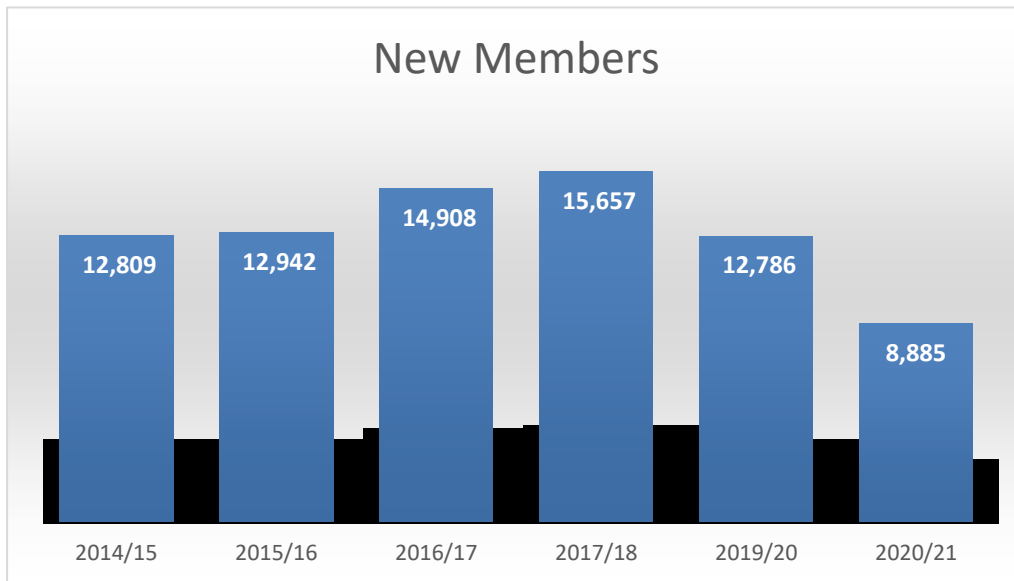
While public computer and wi-fi access appears to have peaked in 2017/18, usage of these facilities prior to COVID-19 is still considered to be at a high level when compared to other similar libraries. Access to these services have been impacted since March 2020 due to library closures.



New Members

Over 30% of residents have a library membership, however it should be noted that in real terms this percentage is higher as many family's access services using a single membership card.

Prior to the health emergency, new memberships were trending up. 8,885 new members joined in 2020/21 despite long periods of library closures.



4 Budget principles

The preparation of the 2022/2023 Budget is informed by the following overarching principles:

- Maintaining service delivery levels.
- Alignment of budget to the delivery of the Library Plan objectives.
- COVIDsafe operations and service response adjustments.
- Review of all areas of expenditure against anticipated service needs and market trends and containing expenditure as much as possible.
- Warrandyte Library is funded by Manningham City Council outside of the Regional Library Agreement and is not reflected in this budget.

5 Budget Influences

The preparation of this budget is influenced by a number of internal and external factors including the following:

- Contributions from member Councils are forecast to increase by 1.75%.
- State government grant is forecast to increase by 1.75%
- Continued decline in revenue from user fees and charges.
- Forecast interest rates remaining low.
- Anticipated Enterprise Agreement and Employer Super Guarantee increases.
- Increased cost of insurance, collection materials, cleaning, couriers and utilities.

6 Analysis of operating budget

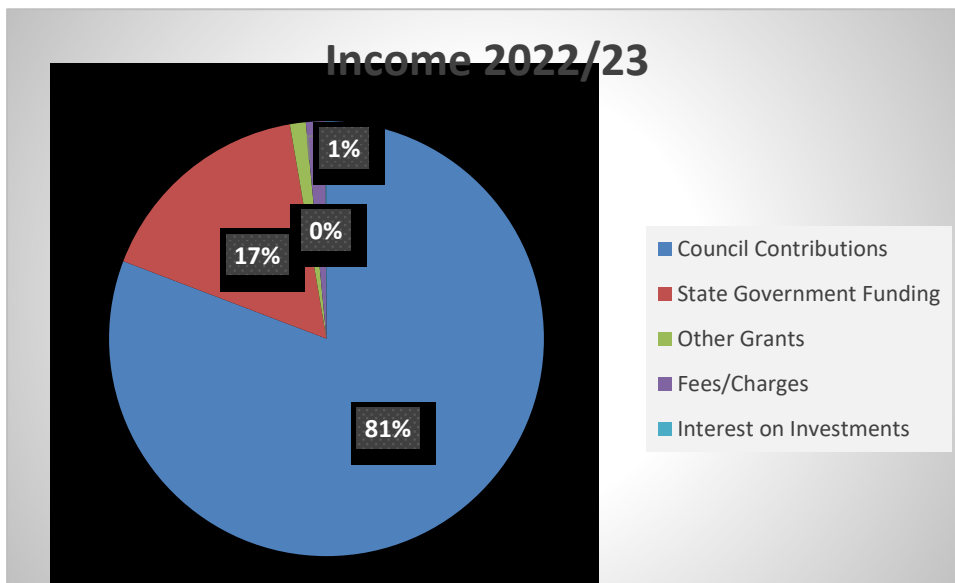
This section of the report analyses the operating budget including the expected income and expenses of the Corporation for the 2022/2023 financial year.

The following notes are presented to demonstrate the key parameters and assumptions underpinning the budget and to provide additional explanatory information.

6.1 Income

The Corporation receives funds through member Council contributions and State Government funding. The Corporation generates small amounts through user fees, charges and interest earned on investments.

Income type	Forecast Actual	Budget	Variance
	2021/2022	2022/2023	
	\$	\$	
Council Contributions	9,233,648	9,395,236	1.75%
State government Public Libraries Funding	1,886,479	1,919,492	1.75%
Other Grants	135,187	136,925	1.75%
Fees/Charges	69,720	166,530	138%
Income from Investments	5,910	10,025	70%
Transfer from Reserve	0	282,129	
Cash Surplus(Deficit) c/fwd	287,313	(110,256)	
Total Income	11,618,257	11,800,081	



Council Contributions

Member Council contributions are in accordance with the agreed funding formula set out in the Regional Library Agreement. The increase in contributions for the 2022/2023 financial year is 1.75%.

Member Council Contributions	Forecast Actual	Budget	Variance
	2021/2022	2022/2023	
City of Whitehorse	5,548,000	5,548,000	1.75%
Manningham City Council	3,685,648	3,750,146	1.75%
Total contributions	9,233,648	9,395,236	1.75%

State Government Funding

The State Government recurrent core and local priorities funding is forecast to increase by 1.75%; the actual increase is usually confirmed by the State Government in June. No increase is forecast for the Premiers Reading Challenge grant; the funding amount is usually confirmed in December.

Income from other grants and donations is not included in the budget unless it is known at the time of the budget preparation.

Recurrent grants	Forecast Actual	Budget	Variance
	2021/2022	2022/2023	
State Public Libraries - Core	1,886,479	1,919,492	1.75%
State Local Priorities	99,288	101,026	1.75%
Premiers Reading Challenge	35,899	35,899	0%
Total recurrent grants	2,021,666	2,056,417	

User Fees and Charges (\$17,000 decrease)

User fees and charges includes income from lost, damaged and overdue charges, printing and copying, meeting room hire and sale of products. User fees and charges have been reviewed and benchmarked against those of other public library services.

User fees and charges are proposed to increase by 1.75%, rounded to the nearest cents. The proposed schedule of Fees and Charges is detailed at Appendix A.

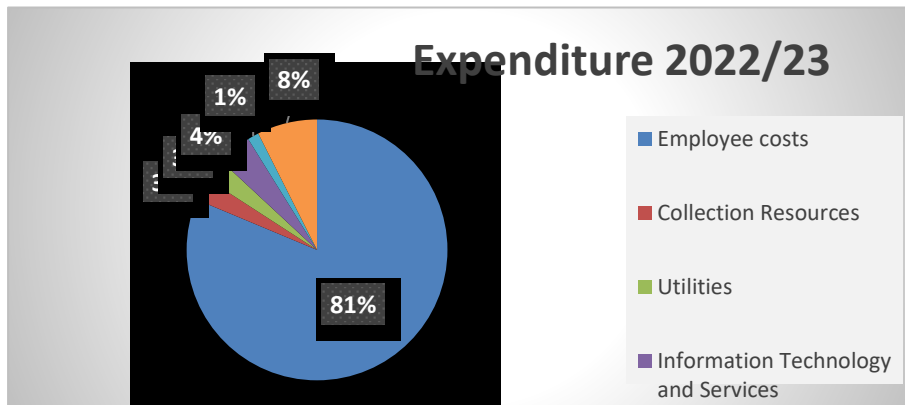
Interest from Investments (Zero increase/decrease)

Interest from investments includes interest earned on available cash throughout the year. Cash funds and cash requirements are reviewed on a daily basis to identify funds available and required to meet the Corporation's obligations. Rates are forecast to remain low in 2022/2023.

6.2 Operating Expenditure

Expense types	Forecast Actual 2021/2022 \$	Budget 2021/2022 \$	Budget 2022/2023 \$	Variance 21/22 vs 22/23 Budget
Employee costs	7,771,100	7,793,524	7,945,574	2%
Grant expenditure	133,269	135,187	136,925	1.5%
Other expenses	1,694,981	1,747,431	1,690,190	-.28%
Total Expenses	9,599,350	9,676,142	9,772,688	1.8%

The total operating expenditure is forecast to increase by 1.8% in 2022/23 above the budgeted 2021/22 expenditure.



Employee costs (\$174,475 increase)

Employee costs comprise 81% of total operating expenditure.

Employees costs include all labour related expenditure such as salaries and on costs including allowances, banding increments, leave entitlements, employer superannuation guarantee, Workcover, penalty payments for weekend work, staff development, Employee Assistance Program, relief staff to cover leave absences and engagement of external specialist resources where required.

Employee costs are forecast to increase by 2.2% or \$174,475 compared to budgeted cost for 2022/2023. This increase relates to following key assumptions:

- Enterprise Agreement increases
- Band increments
- Increase in Super Guarantee
- Zero growth in FTE
- Zero increase to staff development expenditure

Utilities (\$5,219 increase)

Gas, Electricity, Water, Cleaning and Courier costs increased between 1% to 2% to meet anticipated rises.

Insurance (\$2,250 increase)

The cost of insurance has increased significantly in the past year and further increases are anticipated.

Information services (\$27,083 increase)

Included in this budget is the Library Management System, Debt Recovery and Libraries Australia costs. Increased to meet cost of the new Library App.

Information Technology including Telephones (\$4,050 Increase)

Increases to ICT costs have been offset by savings in telephone fixed line costs.

Collection resources (non- capital) (\$11,650 Increase)

Included in this budget are periodicals, newspapers and some electronic collection resources (e-magazines, online newspapers, databases). These types of items are non-depreciable and therefore not regarded as assets. Increased to meet increased demand for access to digital collection and information resources.

All other expenses (\$43 increase)

Includes printing, office expenses, vehicle maintenance, programs and marketing. Costs have been contained by reducing the fleet by one motor vehicle.

7 Analysis of Budgeted Cash Position

This section of the report analyses the expected cash flows from the operating, investing and financing activities of the Corporation for the 2022/23 year. Budgeting cash flows for the Corporation is a key factor in ensuring it can meet its strategic and financial commitments, and provides a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

	Forecast Actual 2021/2022 \$	Budget 2022/2023 \$	Variance
<i>Cash flows from operating activities</i>			
Contributions Received	9,233,648	9,395,236	1.75%
Grants Received	1,886,479	1,919,492	1.75%
Interest Received	5,995	9,025	50%
Other Grants Received	135,187	136,925	1.29%
User Fees and Charges	330,330	345,403	4.0%
Payments to Employees / Suppliers	(9,578,621)	(10,057,920)	5%
Net cash provided by operating activities	2,013,048	1,748,161	-13%
<i>Cash flows from Investing Activities</i>			
Payments for Collection Resources, Equipment and Furniture	(2,027,372)	(1,988,866)	
Proceeds from Sale of Equipment			
Net cash provided by investing activities	(2,027,372)	(1,988,866)	-2%
Net increase (decrease) in cash held	(14,324)	(240,705)	
Cash at the beginning of the year	2,794,675	2,780,351	
Cash at the end of the year	2,780,351	2,539,646	-9%

Cash flows from Operating Activities

- Operating activities refer to the cash generated by or used in the normal service delivery functions of the Corporation.

Payments from Operating Activities

- Employee costs comprise approximately 81% of the total cash expenditure.
- Small increases in payments to suppliers based on the anticipated budget result for 2022/2023.
- Overall a small decrease in Net Cash Flow from Operating Activities is anticipated.
- The income includes a carried over surplus/transfer from cash reserves.

Net Cash used in Investing Activities

- The main impact on Investing Activities is increases in Collection Resources. Due to funding constraints both Motor Vehicle and Information Technology budgets have been reduced.

Cash at End of Financial Year

- It is anticipated that at the end of the 2022/2023 FY the total cash will be 9% less than previous year.

Restricted Funds and working Capital

The cash flow statements show that the Corporation is estimating at 30 June 2023 to have cash and cash investments of \$2,539,646 of which some investments are restricted:

Employee Benefits – current	\$1,530,506
Employee Benefits – non-current	\$ 191,463

The above current benefits include the Annual Leave provision as well as Long Service Leave but only LSL provision is restricted.

These funds are separately identified as restricted to ensure there are sufficient funds to meet the Corporation's obligations as set out in the Local Government (Long Service Leave) Regulations 2002.

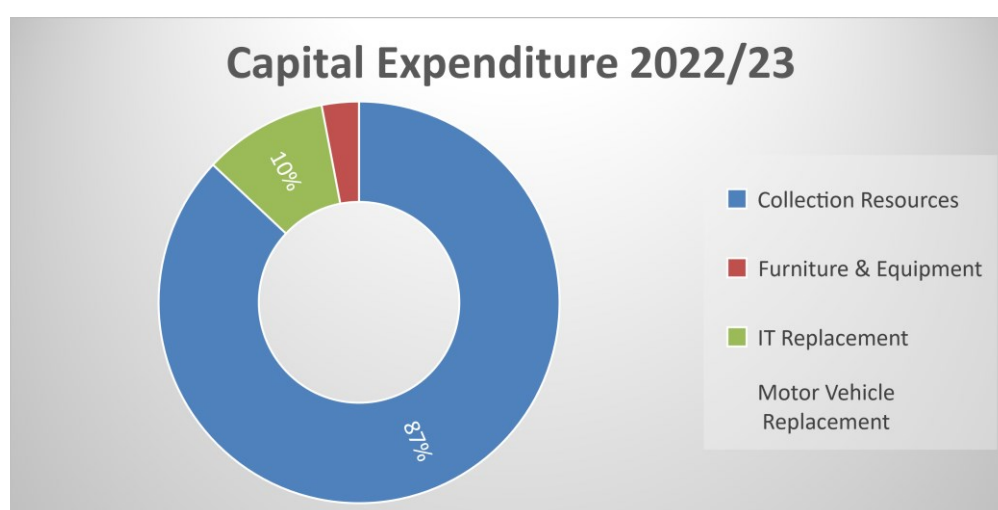
The Corporation also has a small fund set aside in a reserve account to assist with the replacement of the Radio Frequency Identification (RFID) and IT equipment.

8 Budgeted Capital Works

This section of the report analyses the planned capital expenditure budget for the 2022/23 FY and the sources of funding for the capital budget.

Budgeted Statement of Capital Works

	2021-2022	2022-2023	Variance
Capital Works			
Collection Resources	1,749,736	1,767,233	1%
Furniture and Equipment	65,285	65,938	1%
Motor Vehicle Replacement	25,000	0	-100%
IT Replacement	212,100	194,221	-8.4%
Total Capital Works	2,052,372	2,027,393	-1.22%
Represented by:			
Asset renewal expenditure		2,027,393	
Total capital works expenditure		2,027,393	
	2021-2022	2022-2023	Variance
Sources of Funding			
Council Contributions	2,052,372	2,027,393	
Public Libraries Funding		-	
Total		2,052,372	



Collection Resources (1% increase)

Collection Resources includes capital items such as physical books, audio-visual resources, e-books and end processing costs. Collection resources are the Corporation's major asset. The Corporation continues to focus on improving the relevance and quality of the collection by regularly evaluating collection borrowing trends, collection condition and content and replacing the stock.

Furniture and Equipment (1% increase)

This assists the replacement of limited amounts of damaged furniture in branch library public areas and upgrades required to meet current ergonomic and OH&S standards. Smaller items of equipment are covered in the operating budget under equipment maintenance and replacement.

Information Technology Replacement (8.4% decrease)

Information Technology capital expenditure covers the upgrade and replacement of computer hardware, servers, network hardware, printers and other minor hardware items and the purchase of new software.

Motor Vehicles (No Budget this year)

The Corporation has a small fleet of cars that are used by library staff when moving between branches or attending meetings. The vehicles are also used on a daily basis for Outreach and Makerspace program delivery and for IT support services to libraries. The Corporation is reducing the fleet by one vehicle to contain costs.

9 Analysis of Budgeted Financial position

This section of the budget report analyses the movements in assets, liabilities and equity between 2021/22 and 2022/23.

Budgeted Balance Sheet

	2021-2022	2022-2023	Variance
Current assets			
Cash assets	2,780,350	2,539,646	-8.6%
Receivables	72,000	65,000	-9.7%
Accrued Income	1,000	2,000	100%
Prepayments	80,000	80,000	0
Total current assets	2,933,350	2,686,646	-8.4%
Non-current assets			
Collection Resources	7,063,577	7,458,512	5.6%
IT Equipment, Furniture and Equipment	1,236,161	1,208,063	-2.2%
Total non-current assets	8,299,738	8,666,575	
Total assets	11,233,088	11,353,221	
Current liabilities			
Payables	832,244	574,300	-31%
Employee benefits	1,500,496	1,530,506	2%
Other			
Total current liabilities	2,332,740	2,104,806	
Non-current liabilities			
Employee benefits	187,709	191,463	2%
Total non-current liabilities	187,709	191,463	
Total liabilities	2,520,449	2,296,269	-9.8%
Net assets	8,712,639	9,056,952	-3.9%
Equity			
Accumulated surplus	4,790,596	5,134,909	
Members Contribution	3,922,043	3,922,043	
Total equity	8,712,639	9,056,952	3.9%

- Cash assets in line with contributions.
- Collection Resources variance from previous year as a result of depreciation and write off of items that have been less than anticipated.
- Employee Benefits increase in line with expected wage increase

10 Strategic Resource Plan and Key Financial Indicators

10.1 Plan Development

A five year strategic resource plan is developed and adopted in conjunction with the annual budget. This strategic resource plan is fundamentally premised on the Corporation's commitment to continue the regional library's operations on a financially sustainable basis and restricting Council contribution increases (operational and capital).

Underpinning this commitment are the following objectives:

- Restricting salary increases to industry standard Enterprise Bargaining increases and corresponding increases in statutory on-costs.
- Continuous pursuit of innovation, efficiency and other measures to reduce expenditure.
- Advocating for increased government funding.
- Maintaining existing service levels.
- Maintaining information communication technology systems within the parameters of affordability.
- Maintaining a capital expenditure on Collection Resources that meets the objectives of the Collection Management Strategy and industry standards.
- Prudently managing financial risks relating to assets and liabilities.
- Providing full, accurate and timely disclosure of financial information.

10.2 Funding Strategies

The current Strategic Resource Plan is presented on an accrual basis. It reflects projected income and expenditure in both capital and operational areas.

The plan is currently premised on the following key parameters:

- Indexation of Council contributions by 1.75%, 2%, 2.5%, 2.5% and 2.5% respectively.
- Indexation of State Government core and local priorities grants by 1.75% in the first three years, then 2% and 2.5% growth.
- No increases to the Premier's Reading Challenge grant.
- Interest on investments to remain stable across the five years.
- Operating income continues to decline in each year.
- Total operating expenditure to increase by an average of 1% each year

- Employee costs to increase over and above any wage increase to allow for the increase in Superannuation Guarantee each year from July 2022 from 10% to 12% in July 2027.
- Increases in Collection Resources, Information Technology, Furniture and Equipment and Motor Vehicles (with the exception of 22/23) as follows:

22/23	23/24	24/25	25/26	26/27
1%	1%	1%	1%	1%

The Corporation reviews these financial parameters each year as part of the annual budget process and adjusts the financial plan accordingly wherever parameters have changed.

The Corporation has an extremely tight financial position and limited opportunity to identify further compensatory discretionary cost items within the operating expenditure budget to continue to offset lost revenue. While the Corporation is continually reviewing ways to identify savings, the constrained funding environment presents ongoing challenges when looking to maintain service levels within current budgets.

The Corporation endeavours to identify additional income sources to delivery extension services and programs.

10.3 Five Year Financial Plan

	2022/2023 Budget	2023/2024 Financial Plan	2024/2025 Financial Plan	2025/2026 Financial Plan	2026/2027 Financial Plan
INCOME					
Council Contributions					
Whitehorse	5,645,090	5,757,992	5,901,942	6,049,490	6,200,727
Manningham	3,750,146	3,825,149	3,920,778	4,018,798	4,119,267
Total	9,395,236	9,583,141	9,822,720	10,068,288	10,319,995
Public Libraries Grant	1,919,492	1,957,882	2,006,829	2,057,000	2,108,425
Operating Income	348,428	173,801	171,353	169,191	167,293
Grants					
Local Priorities Funding	101,026	103,047	105,623	108,263	110,970
Premiers Reading Challenge	35,899	35,899	35,899	35,899	35,899
TOTAL INCOME	11,800,081	11,853,770	12,142,424	12,438,641	12,742,581
EXPENDITURE					
Operational	9,635,764	9,875,509	10,119,119	10,374,745	10,638,226
Depreciation/Disposal	1,683,079	1,800,068	2,037,550	2,215,394	2,193,736
Grants Local Priorities Funding	101,026	103,047	105,623	108,263	110,970
Premiers Reading Challenge	35,899	35,899	35,899	35,899	35,899
Total Expenditure	11,455,768	11,814,523	12,298,191	12,734,301	12,978,831
Adjustments to AAS27 Budget					
Depreciation/Disposal	(1,683,079)	(1,800,068)	(2,037,550)	(2,215,394)	(2,913,736)
Total less depreciation	9,772,689	10,014,455	10,260,641	10,518,907	10,065,095
Collection Resources	1,767,233	1,784,905	1,802,754	1,820,782	1,838,990
Furniture & Fittings	65,938	66,597	67,263	67,936	68,615
Motor Vehicle Replacement	-	25,000	25,250	25,503	25,758
IT Replacement	194,221	196,163	198,125	200,106	202,107
NET SURPLUS (DEFICIT)	344,314	39,247	(155,767)	(295,661)	(236,249)

10.4 Financial Resources

Strategic Plan Projections

	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	
Operating result	(344,314)	39,247	(155,767)	(295,661)	(236,249)	-
Cash & Cash Investments	2,539,646	2,431,678	2,320,820	2,154,919	2,055,594	-
Cash Flow from Operations	2,169,045	1,939,197	1,988,082	1,958,857	2,009,901	-
Capital Works	2,002,143	2,047,165	2,067,636	2,088,313	2,109,196	+

Key to Forecast Trend:

- + Forecasts improvement in the Corporation's financial performance/financial position indicator
- o Forecasts that the Corporation's financial performance/financial position indicator will be steady
- Forecasts deterioration in the Corporation's financial performance/financial position indicator

The key assumptions of the Plan are as follows:

Financial Sustainability

Cash and investments are forecast to reduce over the five year period to fund library materials and technology.

Council Contributions Strategy

Indexation of member Council contributions is based on the rate cap percentage amount set by the State Government.

Capital Works Strategy

Capital expenditure over the five year period will total \$10.3 million with \$8.85 million being spent on library collection materials and \$990,000 on Information Technology. This allows for continued renewal of the collection resources and IT equipment.

Service Delivery Strategy

All existing service levels are maintained throughout the five year period.

10.5 Non-Financial Resources

Salary expenses and on-costs represent approximately 81% of the Corporation's total operating expenditure (excluding depreciation).

Statement of Human Services

For the years ending 30 June 2023 - 30 June 2027

	2021/2022 Forecast	2022/2023 Budget	2023/2024 Financial Plan	2024/2025 Financial Plan	2025/2026 Financial Plan	2026/2027 Financial Plan
Staff expenditure						
Employee costs – operating	7,771,100	7,945,574	8,143,452	8,346,270	8,554,150	8,767,220
Employee costs – capital	0	0	0	0	0	0
Total staff expenditure	7,771,100	7,945,574	8,143,452	8,346,270	8,554,150	8,767,220
Staff numbers						
Employees	72.88	72.88	72.88	72.88	72.88	72.88
Total staff numbers	72.88	72.88	72.88	72.88	72.88	72.88

11 Financial Statements

This section presents information in regard to the Financial Statements. The budget information for the years 2022/23 to 2026/27 has been extracted from the Strategic Resource Plan.

This section includes the following financial statements and the following budgeted information:

- Budgeted Comprehensive Income Statement
- Budgeted Balance Sheet
- Statement of Changes in Equity
- Budgeted Statement of Cash Flows
- Budgeted Statement of Capital Works

11.1 Budgeted Comprehensive Income Statement

For the years ending 30 June 2023 – 30 June 2027

	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
	Budget	Financial	Financial	Financial	Financial
		Plan	Plan	Plan	Plan
Income					
Council Contributions	9,395,236	9,583,141	9,822,720	10,068,288	10,319,995
State Government Grant	1,919,492	1,957,882	2,006,829	2,057,000	2,108,425
Fees and charges	166,530	163,675	161,127	158,862	156,861
Other Grants	136,925	138,946	141,522	144,162	146,869
Interest from Investments	10,025	10,125	10,227	10,329	10,432
Transfer from Cash/(Deficit)	171,873				
Proceeds from sale of assets	0	0	0	0	0
Total Revenue	11,800,081	11,853,768	12,142,425	12,438,641	12,742,581
Expenses					
Employee costs	7,945,574	8,143,452	8,346,270	8,554,150	8,767,220
Financial Expenses	35,205	35,556	35,912	36,271	36,634
Utilities	270,149	283,257	297,015	311,458	326,619
Office Expenses	508,215	516,304	525,319	536,467	547,874
Collection Resources	278,011	289,146	294,929	301,383	307,981
Emergency Costs	0	0	0	0	0
Information Services	135,355	137,723	140,478	143,990	147,590
Information Technology	279,050	284,415	292,070	302,410	314,182
Marketing and Programs	109,205	110,605	112,025	113,465	114,924
Headquarters Costs	75,000	75,050	75,101	75,152	75,203
Grant Expenditure	136,925	138,946	141,522	144,162	146,869
Depreciation	1,205,697	1,308,471	1,540,129	1,712,331	1,684,678
Collection Withdrawal	477,382	491,597	497,421	503,063	509,058
Total Expenses	11,455,768	11,814,522	12,298,191	12,734,301	12,978,831
Net Gain (Loss) on disposal of property, plant and equipment	-	-	-	-	-
PROFIT/(DEFICIT) FOR THE PERIOD	344,313	39,246	(155,766)	(295,661)	(236,250)

11.2 Budgeted Balance Sheet

For the years ending 30 June 2023 – 30 June 2027

	2022/2023 Budget	2023/2024 Financial Plan	2024/2025 Financial Plan	2025/2026 Financial Plan	2026/2027 Financial Plan
Current Assets					
Cash assets	2,539,646	2,431,678	2,320,821	2,154,919	2,055,594
Receivables	65,000	65,000	65,000	65,000	65,000
Prepayments	80,000	80,000	80,000	80,000	80,000
Accrued Income	2,000	2,050	2,075	2,100	2,125
Total Current assets	2,686,646	2,578,728	2,467,896	2,302,019	2,202,719
Non-Current assets					
Collection Resources	7,458,512	7,757,239	7,839,471	7,765,057	7,733,741
IT Equipment, Furniture and Equipment	1,208,063	1,156,433	1,135,591	1,119,370	1,066,176
Total Non-Current assets	8,666,575	8,913,672	8,975,062	8,884,427	8,799,917
Total Assets	11,353,221	11,492,400	11,442,958	11,186,446	11,002,636
Current Liabilities					
Payables	574,300	631,182	693,380	687,300	693,381
Provisions	1,530,506	1,568,769	1,607,988	1,648,187	1,689,392
Total Current Liabilities	2,104,806	2,199,951	2,301,368	2,335,487	2,382,773
Non-Current Liabilities					
Provisions	191,463	196,250	201,156	206,185	211,340
Total Non-Current Liabilities	191,463	196,250	201,156	206,185	211,340
Total liabilities	2,296,269	2,396,201	2,502,524	2,541,672	2,594,113
Net assets	9,056,952	9,096,199	8,940,434	8,644,774	8,408,523
Equity					
Accumulated surplus	5,134,909	5,174,156	5,018,391	4,722,730	4,486,480
Members Contribution on Formation	3,922,043	3,922,043	3,922,043	3,922,043	3,922,043
Total equity	9,056,952	9,096,199	8,940,434	8,644,774	8,408,523

11.3 Statement of Changes in Equity

For the years ending 30 June 2023 – 30 June 2027

	Total	Accumulated Surplus	Members Contribution
Budget 2023			
Balance at beginning of the financial year	8,712,639	4,790,596	3,922,043
Surplus (deficit) for the year	344,313	344,313	0
Balance at end of the financial year	9,056,952	5,134,909	3,922,043
2024 - SRP			
Balance at beginning of the financial year	9,056,952	5,134,909	3,922,043
Surplus (deficit) for the year	39,247	39,247	0
Balance at end of the financial year	9,096,199	5,174,156	3,922,043
2025 - SRP			
Balance at beginning of the financial year	9,096,199	5,174,156	3,922,043
Surplus (deficit) for the year	(155,766)	(155,766)	0
Balance at end of the financial year	8,940,434	5,018,391	3,922,043
2026 - SRP			
Balance at beginning of the financial year	8,940,434	5,018,391	3,922,043
Surplus (deficit) for the year	(295,661)	(295,661)	0
Balance at end of the financial year	8,644,773	4,722,730	3,922,043
2027 - SRP			
Balance at beginning of the financial year	8,644,773	4,722,730	3,922,043
Surplus (deficit) for the year	(236,250)	(236,250)	0
Balance at end of the financial year	8,408,523	4,486,480	3,922,043

11.4 Budgeted Statement of Cash Flows

For the years ending 30 June 2023 – 30 June 2027

	2022/2023 Budget \$	2023/2024 Financial Plan \$	2024/2025 Financial Plan \$	2054/2026 Financial Plan \$	2026/2026 Financial Plan \$
Cash flows from Operating Activities					
Contributions Received	9,395,236	9,583,141	9,822,720	10,068,288	10,319,995
Grants Received	1,919,492	1,957,882	2,006,829	2,057,000	2,108,425
Interest received	18,025	10,075	10,202	10,304	10,407
Fees/user charges/other	345,403	163,675	161,127	158,862	156,861
Other Grants	136,925	138,946	141,522	144,162	146,869
Payments to Employees/Supplies	(9,646,036)	(9,914,522)	(10,154,318)	(10,479,759)	(10,732,654)
Net cash provided by operating activities	2,169,045	1,939,197	1,988,082	1,958,857	2,009,901
Cash flows from Investing Activities					
Payments for library collection, furniture and IT equipment	(2,409,750)	(2,047,165)	(2,098,940)	(2,124,759)	(2,109,226)
Net cash from Investing Activities	(2,409,750)	(2,047,165)	(2,098,940)	(2,124,759)	(2,109,226)
Net increase (decrease) in cash held	(240,705)	(107,968)	(110,858)	(165,902)	(99,325)
Cash at the beginning of the year	2,780,351	2,539,646	2,431,678	2,320,821	2,154,919
Cash at the end of the year	2,539,646	2,431,678	2,320,820	2,154,919	2,055,594
Reconciliation of Operating Result and Net Cash Flows from Operating Activities					
For the year ending 30 June					
Net surplus (deficit) from operations	344,313	39,247	(155,766)	(295,660)	(236,249)
Depreciation	1,205,697	1,308,471	1,540,129	1,712,331	1,684,678
(Profit) Loss on sale of Library Collection, Furniture and IT Equipment	477,382	491,597	497,421	503,063	509,058
Net movement in current assets and liabilities	141,654	99,882	106,298	39,123	52,414
Net cash inflow (outflow) from operating activities	2,169,045	1,939,197	1,988,082	1,958,857	2,009,901
Cash Resourcing					
Cash Assets	2,539,646	2,431,678	2,320,820	2,154,919	2,055,594
Less Bank Overdraft at the end of the year	-	-	-	-	-
	2,539,646	2,431,678	2,320,820	2,154,919	2,055,594

11.5 Budgeted Statement of Capital Works

For the years ending 30 June 2023 – 30 June 2027

	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
	Budget	Financial	Financial	Financial	Financial
		Plan	Plan	Plan	Plan
Collection Resources	1,741,984	1,759,404	1,776,998	1,794,768	1,812,716
IT Replacement	65,938	66,597	67,263	67,936	68,615
Furniture and Equipment	194,221	196,163	198,125	200,106	202,107
Motor Vehicles Replacement	-	25,000	25,250	25,503	25,758
Total capital works	2,002,143	2,047,165	2,067,636	2,088,313	2,109,196
Represented by:					
Renewal	2,002,143	2,047,165	2,067,636	2,088,313	2,109,196
	-	-		-	-
Total capital works	2,002,143	2,047,165	2,067,636	2,088,313	2,109,196

The movement between the previous year and the current year in Library Collections;
Furniture and IT Equipment as shown in the Balance Sheet links to the following items;

Total capital works	2,002,143	2,047,165	2,067,636	2,088,313	2,109,196
Asset revaluation movement	-	-	-	-	-
Depreciation and amortisation	(1,205,697)	(1,308,471)	(1,540,129)	(1,712,331)	(1,684,648)
Collection withdrawn	(477,382)	(491,597)	(497,421)	(503,063)	(509,058)
Net movement in Library Collection, Furniture and IT Equipment	319,064	247,097	30,086	(127,081)	(84,510)

Appendix A: Fees and Charges

	2021/2022	Draft 2022/23
Overdue Charges - Adult items	35c per day	35c per day
Maximum Overdue charge per item	cost of item	cost of item
Maximum Overdue charge per Member	no limit	no limit
Lost/totally damaged items	Item cost plus \$15.40 admin charge	Item cost plus \$15.65 admin charge
Damaged Items (minor repairs inc. RFID tag replacement)	\$5.50	\$5.60
Debt Collection Charge (plus debt)	\$17.90	\$18.20
Replacement Membership Card	\$3.60	\$3.65
Inter Library Loans – standard fee	\$11.20	\$11.40
Inter Library Loans – from State, University or Special Library	\$28.50	\$29.00
Fax Services - Victoria	\$3.00 first page, \$1.10 ea following page	\$3.05 first page, \$1.10 ea following page
Fax Services - Interstate	\$3.30 first page, \$1.10 ea following page	\$3.35 first page, \$1.10 ea following page
Fax Services - International	\$5.05 first page, \$3.30 ea following page	\$5.10 first page, \$3.35 ea following page
Received fax	50c per page	50c per page
Photocopying/Printing - Black & White	A4 30c / A3 50c	A4 30c / A3 50c
Photocopying/Printing - Colour	A4 \$1.30 / A3 \$2.00	A4 \$1.30 / A3 \$2.00
Scanning	20c per page	20c per page
Library Bags	\$2.00	\$2.00
Earbuds	\$2.50	\$2.50
USB 8G	\$8.40	\$8.50
Page markers	\$1.10	\$1.10
Meeting room rates	1.0% increase	1.75% increase
Meeting Rooms Set Up fees	\$52.50 per session	\$53.40 per session
Training Room PC Setup	\$166.65 per hour	\$169.60 per hour
Administration fee for room bookings	\$26.30	\$26.75
Booking fee: Children's School Holiday Programs	Up to \$5.05 per child	Up to \$5.10 per child
Makerspace programs	Up to \$10.10 per person	Up to \$10.30 per person
Booking fee: Adult Programs – selected special events and high profile authors	Up to \$15.15 per booking	Up to \$15.40 per booking

Appendix B: Budget Process

This section lists the budget processes to be undertaken in order to adopt the Budget in accordance with the *Local Government Act 1989* (the Act) and *Local Government (Planning and Reporting) Regulations 2014* (the Regulations). To avoid confusion, it should be noted that the impact of s330 of the *Local Government Act 2020* is that those sections of the Local Government Act 1989 that were applicable to an existing regional library, continue to apply to that library as if all of those sections had not been repealed until 2030.

Under the Act, the Corporation is required to prepare and adopt an annual budget for each financial year. The budget is required to include certain information about the fees and charges that the Corporation intends to levy as well as a range of other information required by the Regulations which support the Act.

The 2022/23 Budget, which is included in this report, is for the year 1 July 2022 to 30 June 2023 and is prepared in accordance with the Act and Regulations. The Budget includes financial statements being a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works. These statements have been prepared for the year ending 30 June 2023 in accordance with the Act and Regulations, and consistent with the annual financial statements which are prepared in accordance with Australian Accounting Standards. The Budget also includes information about the fees and charges to be levied, the capital works program to be undertaken, the human resources required, and other financial information the Board requires in order to make an informed decision about the adoption of the Budget.

In advance of preparing the budget, officers first review and update the Corporation's long term financial projections. Financial projections for at least four years are ultimately included in the Corporation's Strategic Resource Plan, which is the key medium-term financial plan produced by the Corporation on a rolling basis. The preparation of the Budget, within this broader context, begins with officers preparing the operating and capital components of the annual budget during December to February.

With the introduction of the State Government Rate Capping legislation in 2015, the annual gazetted rate cap percentage amount typically forms the basis of the indexation of the member Councils annual contributions to the regional library.

A 'proposed' Budget is prepared in accordance with the Act and submitted to the Board meeting in February whereby the Board approves the draft Budget, in principle, which is then advertised publicly.

The draft Budget is placed on public exhibition seeking submissions from the community. Any person has a right to make a submission on any proposal contained in the budget under Section 221 of the Act.

The final step is for the Board to adopt the Budget after receiving and considering any submissions from interested parties. The Budget is required to be adopted by 30 June and a copy submitted to the Minister within 28 days after adoption.

The key dates for the budget process are summarised below:

Minister of Local Government announces maximum rate percentage increase.	Dec 2021
Budget preparation by Corporation officers	Dec 2021 / Feb 2022
Proposed budget presented to the Board for approval to advertise	March 2022
Public notice advising intention to adopt budget	April/May 2022
Budget available for public inspection and comment	April/May 2022
Submission period closes (28 days)	May 2022
Budget and submissions presented to the Board for adoption	May 2022
Copy of adopted budget submitted to the Minister Local Government	June 2022