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Whitehorse Manningham Regional Library Corporation

DRAFT BUDGET 2025/2026

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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to an existing regional library corporation, continue to apply to that library as if all of those sections had not been repealed until 2031.

WMRLC is a shared service partnership between Whitehorse City Council and Manningham City Council, established under a Regional Library Agreement to deliver public library services across both municipalities. Governance is provided by a Board comprising two Councillor representatives from each Council, senior Council officers, and two community representatives. The Chief Executive Officer reports directly to the Board and is responsible for the overall management of WMRLC.

Library services are delivered through eight branches—four in each member municipality—as well as through outreach initiatives and digital platforms. In collaboration with member councils and a variety of partner organisations, WMRLC connects communities with resources, services, and programs that enhance community resilience, strengthen social cohesion, and contribute to improved outcomes in learning, health, and wellbeing.

The 2025/26 Budget is focused on supporting the delivery of accessible and inclusive library services, ensuring that collections, information resources, and programs continue to meet the diverse needs of our communities—enabling people to learn, imagine, connect, and thrive regardless of age or circumstance.

The combined impact of rate capping on Council contributions, stagnant State Government public library funding, and rising costs due to current economic conditions has significantly affected WMRLC's financial position. To ensure long-term sustainability, adjustments to library service delivery and funding strategies may be necessary.

The proposed 2025/26 Budget is presented in a format which demonstrates the proposed 2025/26 Budget and anticipated final results for the 2024/25 FY. A five-year Financial Plan, Budgeted Comprehensive Income Statement, Budgeted Statement of Capital Works, Budgeted Balance Sheet and Budgeted Cash Flow Statement are provided.

2 Executive Summary

WMRLC continues to operate within a challenging economic environment. The following factors over recent years have had a compounding impact on WMRLC's financial position:

- Funding by the member Councils represents over 80% of revenue. Annual increases in Council contributions continue to be contained to no more than the council rate cap percentage.
- State Government Public Library funding represents 15% of annual revenue, there has been no increase to this funding since 2022/23.
- Operating revenue generated from user fees and charges continues to contract as service trends change.
- The average annual increase in WMRLC's revenue between 2021/22 and 2024/25 (projected) was 2.6%.
- WMRLC continues to face cost escalations due to the current economic environment, with the average annual CPI over the past four years 2021/22 to December 2024/25 being 4.45%.
- Non-discretionary operating costs that have significantly increased over and above CPI since 2021/22 include Insurance 48% (\$37k), Workcover 167% (\$40k), Cleaning 20% (\$43k), and Software, systems and associated services 43% (\$110k).

While WMRLC has successfully identified savings and efficiencies to offset reduced income—while also implementing service enhancements and achieving annual operating surpluses—the cumulative impact of the outlined financial pressures is expected to lead to a depletion of operating cash in the coming years.

Although the 2025/26 Budget and Financial Plan have been developed on the basis of current service delivery and funding strategies, adjustments may need to be considered going forward to ensure long-term financial sustainability.

2.1 Key Statistics

	2024/25 Forecast Actual	2025/26 Budget
Total Income	\$12,300,769	\$12,573,378
Total Expenditure	\$12,698,771	\$12,929,948
Accounting Result*	\$(398,002)	\$(356,569)

*(Refer to Income Statement in Section 11.1)

Total Capital Works	\$2,079,865	\$2,120,371
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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 WMRLC requires to achieve the strategic objectives described in the Library Plan. 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.

4 Budget principles

The preparation of the 2025/26 Budget is informed by the following overarching principles:

- Development on the basis of existing service delivery levels.
- Forecast actual result for 2024/25 financial year.
- Review of all areas of expenditure against anticipated service needs and market trends and containing expenditure where possible.
- Manningham Special Projects (Warrandyte Library and additional hours at Doncaster and The Pines Libraries) are funded by Manningham City Council outside of the Regional Library Agreement and are 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:

- 3% increase in contributions from member Councils
- No increase to the State government grant
- Decline in interest rates
- Anticipated Enterprise Agreement, Employer Super Guarantee and WorkCover increases
- Forecast increases in other operating expenses such as insurance, software and utilities

6 Analysis of operating budget

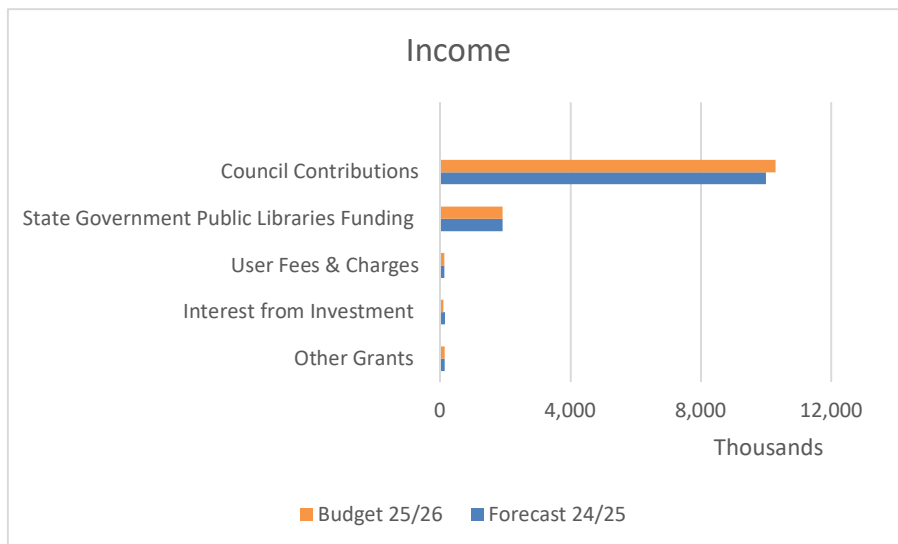
This section of the report analyses the operating budget including the expected income and expenses of WMRLC for the 2025/26 financial year.

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

6.1 Income

WMRLC receives funds through member Council contributions and State Government funding. WMRLC generates a small amount of revenue through user fees and charges and interest earned on investments.

Income type	Forecast Actual 2024/25	Budget 2025/26	Variance
	\$	\$	\$
Council Contributions	9,991,482	10,291,226	299,744
State Government Public Libraries Funding	1,914,028	1,914,028	0
Other Grants	136,925	136,925	0
User Fees and Charges	114,810	131,199	16,389
Interest from Investments	143,524	100,000	(43,524)
Total Income	12,300,769	12,573,378	272,609



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 2024/25 financial year is 3%.

Member Council Contributions	Forecast Actual 2024/25	Budget 2025/26	Variance
	\$	\$	%
City of Whitehorse	6,003,341	6,183,441	3%
Manningham City Council	3,988,141	4,107,785	3%
Total contributions	9,991,482	10,291,226	3%

State Government Funding

The State Government recurrent core, local priorities and Premiers Reading Challenge grants are forecast to remain at the same amount as received in the 2024/25 financial year.

Other Grants

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 2024/25 \$	Budget 2025/26 \$	Variance %
State Government Public Libraries – Core	1,914,028	1,914,028	0%
State Government Local Priorities	101,026	101,026	0%
Premiers Reading Challenge	35,899	35,899	0%
Total recurrent grants	2,050,953	2,050,953	0%

User Fees and Charges (\$16,389 increase)

User fees and charges includes income from lost and damaged item charges, printing and copying, meeting room hire and sale of products. Fees and charges have been reviewed and benchmarked against those of other public library services. The proposed schedule of Fees and Charges is detailed at Appendix A.

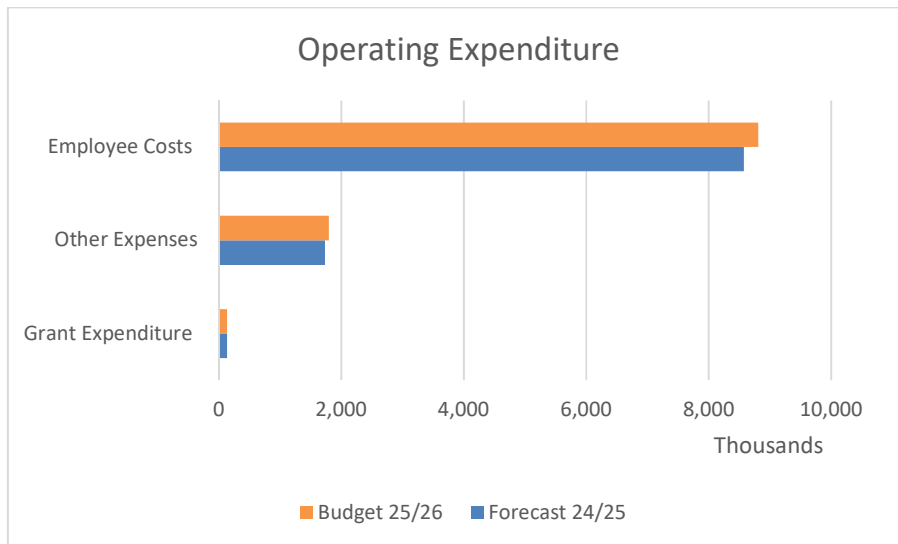
Interest from Investments (\$43,524 decrease)

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 WMRLC's operating obligations. Interest earned is forecast to decline due to a decrease in funds available to be invested and the expected decrease in interest rates.

6.2 Operating Expenditure (excluding depreciation and collection withdrawal)

Expense type	Forecast Actual 2024/25 \$	Budget 2025/26 \$	Variance \$
Employee costs	8,573,139	8,810,650	237,511
Grant expenditure	136,925	136,925	0
Other expenses	1,735,025	1,795,381	60,356
Total Operating Expenses	10,445,089	10,742,956	297,867

The total operating expenditure is forecast to increase by 2.85% in 2025/26 above the forecast actual 2024/25 expenditure.



Employee costs (\$237,511 increase)

Employee costs comprise 82% 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 2.77% or \$237,511 compared to forecast actual cost for 2024/25. This increase relates to following key assumptions:

- Enterprise Agreement, WorkCover and Employer Super Guarantee increases
- Band increments
- Zero growth in FTE
- Small increase in staff development

Utilities (\$9,140 increase)

Water, Cleaning and Courier costs increased between 1% to 2% to meet anticipated rises. Increase in electricity costs, with a reduction in gas costs due to the removal of gas at Vermont South Library.

Insurance (\$24,332 increase)

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

Information Services (\$2,876 decrease)

Included in this budget is the Library Management System, Debt Recovery and Libraries Australia costs.

Information Technology including Telephones (\$11,238 increase)

Increases to IT operating costs have been partially offset by savings in communication costs.

Collection resources (non- capital) (\$44,106 decrease)

Includes magazines, newspapers and some electronic collection resources (e-magazines, online newspapers, databases). These types of resources are non-depreciable and therefore not regarded as assets. Three electronic information resources will be cancelled to contain costs.

All other expenses (\$62,630 increase)

Includes auditing, printing, office expenses, vehicle maintenance, programs and marketing. The increases above CPI relate to increased audit and postage costs.

7 Analysis of Budgeted Cash Position

This section of the report analyses the expected cash flows from the operating, investing and financing activities of WMRLC for the 2025/26 year. Budgeting cash flows for WMRLC 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.

	Forecast Actual 2024/25 \$	Budget 2025/26 \$	Variance \$
<i>Cash flows from operating activities</i>			
Contributions Received	9,991,482	10,291,226	299,744
State Government Grant	1,914,028	1,914,028	0
Interest from Investments	152,202	99,543	(52,659)
Other Grants	136,925	136,925	0
User Fees and Charges	165,201	130,399	(34,802)
Payments to Employees / Suppliers	(10,172,561)	(10,583,983)	(411,422)
Net cash provided by operating activities	2,187,277	1,988,138	(199,139)
<i>Cash flows from Investing Activities</i>			
Payments for Collection Resources, Equipment and Furniture	(2,079,865)	(2,120,371)	(40,506)
Proceeds from Sale of Equipment			
Net cash from investing activities	(2,079,865)	(2,120,371)	(40,506)
Net increase (decrease) in cash held	107,412	(132,234)	(239,646)
Cash at the beginning of the year	2,843,517	2,950,929	107,412
Cash at the end of the year	2,950,929	2,818,695	(132,234)

Cash flows from Operating Activities

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

Payments from Operating Activities

- Employee costs comprise approximately 82% of the total cash expenditure.
- Increases in payments to suppliers based on the anticipated budget result for 2024/25.
- Overall decrease in Net Cash Flow from Operating Activities is anticipated.

Net Cash from Investing Activities

- The impact on Investing Activities is the growth in Capital works.

Cash at End of Financial Year

- It is anticipated that at the end of the 2025/2026 FY the total cash will be \$132,234 less than previous year.

Restricted Funds and Working Capital

The cash flow statements show that WMRLC is forecasting at 30 June 2026 to have cash and cash investments of \$2,818,695 of which some investments are restricted:

Employee Benefits – current	\$1,854,583
Employee Benefits – non-current	\$ 156,258

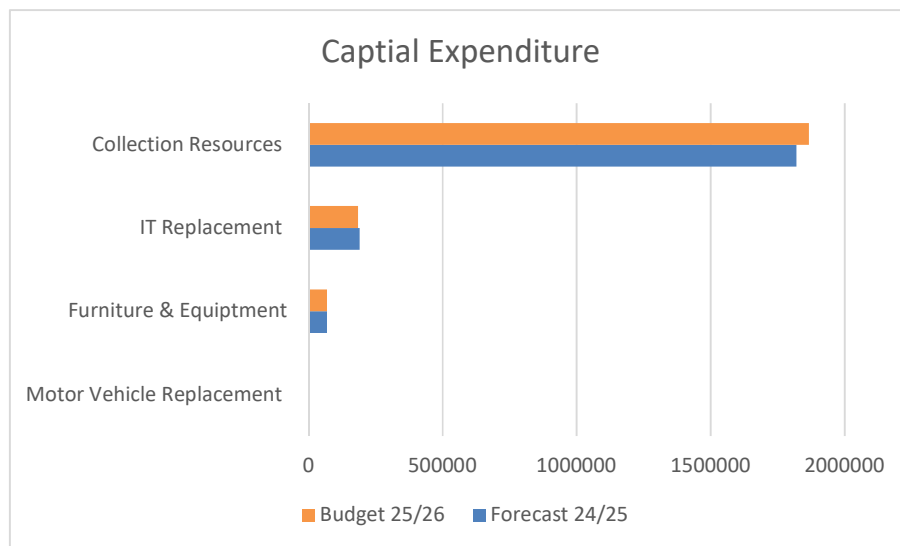
The above current benefits include the Annual Leave provision as well as Long Service Leave (LSL), only LSL provision is restricted. These funds are separately identified as restricted to ensure there are sufficient funds to meet WMRLC's obligations as set out in the Local Government (Long Service Leave) Regulations 2002.

8 Budgeted Capital Works

This section of the report analyses the planned capital expenditure budget for the 2025/26 FY and the sources of funding for the capital budget.

Budgeted Statement of Capital Works

	Forecast Actual 2024/25 \$	Budget 2025/26 \$	Variance \$
Capital Works			
Collection Resources	1,820,250	1,865,756	45,506
Furniture and Equipment	69,615	69,615	0
IT Replacement	190,000	185,000	(5,000)
Motor Vehicle Replacement	0	0	0
Total Capital Works	2,079,865	2,120,371	40,506
Represented by:			
Asset renewal expenditure	2,079,865	2,120,371	40,506
Total capital works expenditure	2,079,865	2,120,371	40,506
	2024/25 \$	2025/26 \$	Variance \$
Sources of Funding			
Council Contributions	2,079,865	2,120,371	40,506
Total	2,079,865	2,120,371	40,506



Collection Resources (\$45,506 increase)

Collection Resources includes capital items such as physical books, audio-visual resources, e-books, e-audiobooks and end processing costs. Collection resources are WMRLC's major asset. WMRLC continues to focus on improving the relevance and quality of the collection by regularly evaluating collection borrowing trends, collection condition and content and replacement rates inline the Local Government Performance Reporting measures.

Furniture and Equipment (No increase)

This assists the replacement of limited amounts of damaged furniture in branch library public areas and 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 (\$5,000 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 increase)

WMRLC has three vehicles 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 scheduled replacement will be delayed for a year due to funding constraints.

9 Analysis of Budgeted Financial position

This section of the budget report analyses the movements in assets, liabilities and equity between 2024/25 and 2025/26.

Budgeted Balance Sheet

	Forecast Actual 2024/25 \$	Budget 2025/26 \$	Variance \$
Current assets			
Cash and Cash Equivalents	2,950,927	2,818,695	(132,232)
Receivables	75,183	77,063	1,880
Prepayments	32,000	32,800	800
Accrued Income	18,303	18,761	458
Total current assets	3,076,413	2,947,318	(129,094)
Non-current assets			
Collection Resources	7,290,843	7,302,310	11,467
IT Equipment, Furniture and Equipment	898,426	820,338	(78,088)
Total non-current assets	8,189,269	8,122,648	(66,621)
Total assets	11,265,682	11,069,966	(195,535)
Current liabilities			
Payables	719,817	822,102	102,285
Employee benefits	1,800,566	1,854,583	54,017
Total current liabilities	2,520,383	2,676,685	156,302
Non-current liabilities			
Employee benefits	151,707	156,258	4,511
Total non-current liabilities	151,707	156,258	4,511
Total liabilities	2,672,090	2,832,943	160,853
Net assets Equity	8,593,592	8,237,023	(356,569)
Accumulated surplus	4,671,549	4,314,980	(356,569)
Members Contribution	3,922,043	3,922,043	0
Total equity	8,593,592	8,237,023	(356,569)

- 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 premised on existing levels of operation while increases in Council contributions continue to be restricted to the anticipated rate cap percentage.

Underpinning this premise are the following objectives:

- Containing salary increases to align with industry-standard Enterprise Agreement provisions and corresponding statutory on-costs.
- Continuously pursuing innovation, efficiencies, and other cost-saving measures to reduce expenditure.
- Actively advocating for increased government funding.
- Maintaining information and communication technology systems within affordable and sustainable parameters.
- Ensuring capital expenditure on Collection Resources supports the objectives of the Collection Management Strategy, aligns with industry standards, and responds to demonstrated community needs.
- Managing financial risks associated with 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 parameter assumptions:

- Indexation of Council contributions by 3%, 2.5%, 2.5%, 2.5% and 2.5% respectively.
- Indexation of State Government core and local priorities grants by 0% in the first year, then 2% growth in the following years.
- No increases to the Premier's Reading Challenge grant.
- Interest on investments to decline due to lowering of rates and reduction in cash.
- Operating income continues to decline in each year.
- Total operating expenditure to increase by 2.88% in the first year and average of 2.5% each year following.
- Employee costs to increase over and above any wage increase to allow for the 0.5% increase in Superannuation Guarantee until it reaches 12% in July 2025.
- Increases in capital Collection Resources, Information Technology, Furniture and Equipment and Motor Vehicles as follows:

2025/26	2026/27	2027/28	2028/29	2029/30
2.19%	3.38%	1.07%	1.45%	1.13%

Motor Vehicle Replacement is budgeted for every second year, 26/27 and 28/29.

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

WMRLC is facing a challenging financial position, with limited capacity to identify additional discretionary cost savings within the operating expenditure budget to offset ongoing revenue shortfalls. While efforts to identify efficiencies and cost reductions are ongoing, the constrained funding environment continues to pose significant challenges in maintaining service levels within existing budget parameters.

10.3 Financial Resources

Strategic Plan Projections

	Forecast 2024/2025	Budget 2025/26	Budget 2026/27	Budget 2027/28	Budget 2028/29	Budget 2029/30	
	\$	\$	\$	\$	\$	\$	
Operating Result	(398,002)	(356,569)	(449,183)	(298,067)	(370,544)	(461,782)	-
Cash & Cash Equivalents	2,950,927	2,818,695	2,459,085	2,117,115	1,650,736	1,123,401	-
Cash flow from Operations	2,187,277	1,988,138	1,835,144	1,876,379	1,828,804	1,793,950	-
Capital Works	2,079,865	2,120,371	2,194,755	2,218,350	2,295,182	2,321,287	+

Key to Forecast Trend:

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

The key projections of the Plan are as follows:

- Cash and Cash Equivalents are forecast to reduce over the five year period.
- Capital expenditure allows for continued renewal of capital collection resources and IT equipment
- Cash flow from Operations will decline, raising concern about long-term financial sustainability if current funding and service models are maintained.

10.4 Conversion to Cash

	2024/25 Forecast \$	2025/26 Budget \$	2026/27 Financial Plan \$	2027/28 Financial Plan \$	2028/29 Financial Plan \$	2029/30 Financial Plan \$
Net operating result (deficit)	(398,002)	(356,569)	(449,183)	(298,067)	(370,544)	(461,782)
Add (less) cash costs not included in operating result						
Capital expenditure	(2,079,865)	(2,120,371)	(2,194,755)	(2,218,350)	(2,295,182)	(2,321,287)
Add (less) non-cash costs included in operating result						
Depreciation	1,742,881	1,669,912	1,799,958	1,648,171	1,710,265	1,801,324
Loss on disposal of property, plant & equipment	510,803	517,080	469,059	457,375	453,550	437,577
Sub total	2,253,684	2,186,992	2,269,017	2,105,546	2,163,815	2,238,901
Net Surplus (Deficit) Position	(224,183)	(289,948)	(374,921)	(410,871)	(501,911)	(544,168)
Accumulated surplus brought forward	628,508	404,325	114,377	(260,544)	(671,415)	(1,173,327)
Accumulated surplus brought forward	404,325	114,377	(260,544)	(671,415)	(1,173,327)	(1,717,495)

10.5 Statement of Human Resources

Salary expenses and on-costs represent approximately 82% of the Corporation's total operating expenditure (excluding depreciation).

For the years ending 30 June 2025 - 30 June 2030

	2024/25 Forecast \$	2025/26 Budget \$	2026/27 Financial Plan \$	2027/28 Financial Plan \$	2028/29 Financial Plan \$	2029/30 Financial Plan \$
Staff expenditure						
Employee costs – operating	8,573,139	8,810,650	9,074,576	9,346,409	9,626,388	9,914,755
Employee costs –capital						
Total staff expenditure	8,573,139	8,810,650	9,074,576	9,346,409	9,626,388	9,914,755
Staff numbers						
Employees	75.5	75.5	75.5	75.5	75.5	75.5
Total staff numbers	75.5	75.5	75.5	75.5	75.5	75.5

10.6 Financial Indicators

The following table is a summary of budgeted financial ratios for the years 2025/26 to 2029/30. The financial indicators are used as a guide to assess trends in WMRLC's financial position.

Financial indicators	Budget 2025/26	Plan 2026/27	Plan 2027/28	Plan 2028/29	Plan 2029/30
Working Capital or Liquidity Current Assets / Current Liabilities Assesses WMRLC's ability to meet current commitments	1.1	1.0	0.9	0.7	0.5
Underlying Result % Recurrent Surplus-Deficit / Total Recurrent Income Measures surplus/deficit as a % of revenue	-2%	-3%	-3%	-4%	-4%
Investment Gap Ratio Capital Expenditure / Depreciation Measures WMRLC's rate of replacement of assets	1.27	1.22	1.35	1.34	1.29

While the working capital is at a 1:1 ratio in 2025/26, from 2026/27 onwards the cash position begins to fall into deficit and a continuing negative underlying result is forecast, raising concern for financial sustainability. Forecast revenue will be insufficient to meet the cost of service delivery if maintained at current levels. Consideration may need to be given to the financial and/or service delivery strategy to support future financial health.

The Investment Gap Ratio indicates the need to review Capital Expenditure and Depreciation rates to ensure the rate of asset renewal is appropriate.

11 Financial Statements

This section presents information in regard to the Financial Statements. The budget information for the years 2025/26 to 2029/30 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 2025 – 30 June 2030

	24/25 Forecast Actual	2025/26 Budget	2026/27 Financial Plan	2027/28 Financial Plan	2028/29 Financial Plan	2029/30 Financial Plan
	\$	\$	\$	\$	\$	\$
Income						
Council Contributions	9,991,482	10,291,226	10,548,507	10,812,220	11,082,525	11,359,588
State Government Grant	1,914,028	1,914,028	1,952,309	1,991,355	2,031,182	2,071,805
User fees and Charges	114,810	131,199	134,404	137,689	141,056	144,508
Other Grants	136,925	136,925	138,946	141,006	143,109	145,253
Interest from Investments	143,524	100,000	102,500	105,063	107,689	110,381
Total Revenue	12,300,769	12,573,378	12,876,666	13,187,332	13,505,561	13,831,535
Expenses						
Employee costs	8,573,139	8,810,650	9,074,576	9,346,409	9,626,388	9,914,755
Financial Expenses	42,562	47,200	48,380	49,590	50,829	52,100
Utilities	186,484	195,624	200,514	205,527	210,665	215,932
Office Expenses	604,682	642,730	658,798	675,269	692,151	709,454
Collection Resources	302,106	258,000	264,450	271,061	277,838	284,784
Information Services	146,876	144,000	147,600	151,290	155,072	158,949
Information Technology	287,263	298,501	310,714	323,231	336,062	349,214
Marketing and Programs	95,337	136,124	139,527	143,015	146,591	150,255
Headquarters Costs	69,713	73,202	73,327	73,455	73,586	73,721
Grant Expenditure	136,925	136,925	138,946	141,006	143,109	145,253
Depreciation	1,742,881	1,669,912	1,799,958	1,648,171	1,710,265	1,801,324
Loss on disposal of property, plant & equipment	510,803	517,080	469,059	457,375	453,550	437,577
Total Expenses	12,698,771	12,929,948	13,325,849	13,485,399	13,876,105	14,293,318
DEFICIT FOR THE PERIOD	(398,002)	(356,569)	(449,183)	(298,067)	(370,544)	(461,782)

11.2 Budgeted Balance Sheet

For the years ending 30 June 2025 – 30 June 2030

	24/25 Forecast Actual	2025/26 Budget	2026/27 Financial Plan	2027/28 Financial Plan	2028/29 Financial Plan	2029/30 Financial Plan
	\$	\$	\$	\$	\$	\$
Current Assets						
Cash and Cash Equivalents	2,950,927	2,818,695	2,459,085	2,117,115	1,650,736	1,123,401
Receivables	75,183	77,063	78,989	80,964	82,988	85,063
Prepayments	32,000	32,800	33,620	34,460	35,322	36,205
Accrued Income	18,303	18,760	19,230	19,710	20,203	20,708
Total Current Assets	3,076,413	2,947,318	2,590,924	2,252,249	1,789,249	1,265,377
Non-Current Assets						
Collection Resources	7,290,843	7,302,310	7,285,050	7,485,858	7,684,325	7,864,997
IT Equipment, Furniture and Equipment	898,426	820,338	763,336	675,332	608,232	509,946
Total Non-Current assets	8,189,269	8,122,648	8,048,386	8,161,190	8,292,557	8,374,943
Total Assets	11,265,682	11,069,966	10,639,310	10,413,439	10,081,806	9,640,320
Current Liabilities						
Payables	719,817	822,102	780,303	800,720	786,557	752,453
Provisions	1,800,566	1,854,583	1,910,220	1,957,976	2,006,925	2,057,099
Total Current Liabilities	2,520,383	2,676,685	2,690,524	2,758,696	2,793,483	2,809,552
Non-Current Liabilities						
Provisions	151,707	156,258	160,946	164,970	169,094	173,321
Total Non-Current Liabilities	151,707	156,258	160,946	164,970	169,094	173,321
Total Liabilities	2,672,090	2,832,943	2,851,470	2,923,666	2,962,577	2,982,873
Net assets	8,593,592	8,237,023	7,787,840	7,489,773	7,119,229	6,657,447
Equity						
Members Contribution on Formation	3,922,043	3,922,043	3,922,043	3,922,043	3,922,043	3,922,043
Accumulated Surplus	4,671,549	4,314,980	3,865,797	3,567,730	3,197,186	2,735,404
Total Equity	8,593,592	8,237,023	7,787,840	7,489,773	7,119,229	6,657,447

11.3 Statement of Changes in Equity

For the years ending 30 June 2025 – 30 June 2030

	Total	Accumulated Surplus	Members Contribution
	\$	\$	\$
Forecast Actual 2025			
Balance at beginning of the financial year	8,991,594	5,069,551	3,922,043
Surplus (deficit) for the year	(398,002)	(398,202)	0
Balance at end of the financial year	8,593,592	4,671,349	3,922,043
Budget 2026			
Balance at beginning of the financial year	8,593,592	4,671,549	3,922,043
Surplus (deficit) for the year	(356,569)	(356,569)	0
Balance at end of the financial year	8,237,023	4,314,980	3,922,043
2027 - SRP			
Balance at beginning of the financial year	8,237,023	4,314,980	3,922,043
Surplus (deficit) for the year	(449,183)	(449,183)	0
Balance at end of the financial year	7,787,840	3,865,797	3,922,043
2028 - SRP			
Balance at beginning of the financial year	7,787,840	3,865,797	3,922,043
Surplus (deficit) for the year	(298,067)	(298,067)	0
Balance at end of the financial year	7,489,773	3,567,730	3,922,043
2029 - SRP			
Balance at beginning of the financial year	7,489,773	3,567,730	3,922,043
Surplus (deficit) for the year	(370,544)	(370,544)	0
Balance at end of the financial year	7,119,229	3,197,186	3,922,043
2030 - SRP			
Balance at beginning of the financial year	7,119,229	3,197,186	3,922,043
Surplus (deficit) for the year	(461,782)	(461,782)	0
Balance at end of the financial year	6,657,446	2,735,403	3,922,043

11.4 Budgeted Statement of Cash Flows

For the years ending 30 June 2025 – 30 June 2030

	24/25 Forecast Actual	2025/26 Budget	2026/27 Financial Plan	2027/28 Financial Plan	2028/29 Financial Plan	2029/30 Financial Plan
	\$	\$	\$	\$	\$	\$
Cash flows from Operating Activities						
Council Contributions	9,991,482	10,291,226	10,548,507	10,812,220	11,082,525	11,359,588
State Government Grant	1,914,028	1,914,028	1,952,309	1,991,355	2,031,182	2,071,805
Interest from Investments	152,202	99,543	102,030	104,583	107,196	108,306
User fees and Charges	165,201	130,399	132,478	135,713	139,032	144,003
Other Grants	136,925	136,925	138,946	141,006	143,109	145,253
Payments to Employees/Suppliers	(10,172,561)	(10,583,983)	(11,039,126)	(11,308,498)	(11,674,240)	(12,035,005)
Net cash provided by operating activities	2,187,277	1,988,138	1,835,144	1,876,379	1,828,804	1,793,950
Cash flows from Investing Activities						
Payment for Library Collection, Furniture and IT	(2,079,865)	(2,120,371)	(2,194,755)	(2,218,350)	(2,295,182)	(2,321,287)
Net cash from Investing Activities	(2,079,865)	(2,120,371)	(2,194,755)	(2,218,350)	(2,295,182)	(2,321,287)
Net increase (decrease) in cash held	107,410	(132,232)	(359,610)	(341,970)	(466,379)	(527,335)
Cash at beginning of the year	2,843,517	2,950,927	2,818,695	2,459,085	2,117,115	1,650,736
Cash at the end of the year	2,950,927	2,818,695	2,459,085	2,117,115	1,650,736	1,123,401
Reconciliation of Operating Result and Net Cash Flows from Operating Activities						
For the year ending 30 June						
Net surplus (deficit) from operations	(398,002)	(356,569)	(449,183)	(298,067)	(370,544)	(461,782)
Depreciation	1,742,881	1,669,912	1,799,958	1,648,171	1,710,265	1,801,324
Loss on disposal of property, plant & equipment	510,803	517,080	469,059	457,375	453,550	437,577
Net movement in current assets and liabilities	331,596	157,715	15,310	68,901	35,533	16,832
Net cash inflow (outflow) from operating activities	2,187,278	1,988,138	1,835,144	1,876,380	1,828,804	1,793,951
Cash Resourcing						
Cash Assets	2,950,927	2,818,695	2,459,085	2,117,115	1,650,736	1,123,401
Less Bank Overdraft	0	0	0	0	0	0
	2,950,927	2,818,696	2,459,085	2,117,115	1,650,736	1,123,401

11.5 Budgeted Statement of Capital Works

For the years ending 30 June 2025 – 30 June 2030

	2024/25 Forecast Actual	2025/26 Budget	2026/27 Financial Plan	2027/28 Financial Plan	2028/29 Financial Plan	2029/30 Financial Plan
	\$	\$	\$	\$	\$	\$
Collection Resources	1,820,250	1,865,756	1,912,400	1,960,210	2,009,215	2,059,446
IT Replacement	190,000	185,000	185,000	185,000	185,000	185,000
Furniture and Equipment	69,615	69,615	71,355	73,140	74,967	76,842
Motor Vehicles Replacement	-	0	26,000	-	26,000	0
Total capital works	2,079,865	2,120,371	2,194,755	2,218,350	2,295,182	2,321,287
Represented by:						
Renewal	2,079,865	2,120,371	2,194,755	2,218,350	2,295,182	2,321,287
Upgrade						
Expansion						
New assets						
Total capital works	2,079,865	2,120,371	2,194,755	2,218,350	2,295,182	2,321,287

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	2,079,865	2,120,371	2,194,755	2,218,350	2,295,182	2,321,287
Asset revaluation movement	0	0	0	0	0	0
Depreciation	(1,742,881)	(1,669,912)	(1,799,958)	(1,648,171)	(1,710,265)	(1,801,324)
Loss on disposal of property, plant & equipment	(510,803)	(517,080)	(469,059)	(457,375)	(453,550)	(437,577)
Net movement in Library Collection, Furniture and IT Equipment	(173,819)	(66,621)	(74,262)	112,804	131,367	82,386

Appendix A: User Fees and Charges

User Fees and Charges	2024/2025	2025/2026
Lost/totally damaged items	Item cost plus \$16.35 processing charge	Item cost plus \$16.80 processing charge
Damaged Items (minor repairs / RFID tag replacement)	\$6.00	\$6.20
Debt Collection Charge (plus debt)	\$19.30	\$19.90
Replacement Membership Card	\$3.90	\$4.00
Inter Library Loans – standard fee	\$12.10	\$12.45
Inter Library Loans from State, University or Special Libraries	Standard charge + lending institutions charge	Standard charge + lending institutions charge
Photocopying/Printing - Black & White	A4 30c A3 50c	A4 30c A3 50c
Photocopying/Printing - Colour	A4 \$1.30 A3 \$2.15	A4 \$1.30 A3 \$2.15
Scanning (to email)	20c	20c
Library Bags	\$2.15	\$2.20
Earbuds	\$3.60	\$3.70
USB 8G	\$8.60	\$8.90
Meeting room rates	2.75% on previous rates	3% on previous rates
Meeting Rooms Set Up fees	\$57.00 per session	\$58.70 per session
Training Room PC Setup	\$180.30 per hour	\$185.70 per hour
Administration fee for room bookings	\$28.50	\$29.35
Booking Fees: Children's Holiday Programs Makerspace programs Adult Programs	Up to \$5.45 per child Up to \$11.00 per person Up to \$16.30 per person	Up to \$5.60 per child Up to \$11.30 per person Up to \$16.80 per person

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 corporation, continue to apply to that library as if all of those sections had not been repealed.

Under the Act, WMRLC 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 WMRLC intends to levy as well as a range of other information required by the Regulations which support the Act.

The 2025/26 Budget, which is included in this report, is for the year 1 July 2025 to 30 June 2026 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 2026 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 WMRLC's long term financial projections. Financial projections for at least four years are ultimately included in WMRLC's Strategic Resource Plan, which is the key medium-term financial plan produced by WMRLC 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 March.

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 corporation.

A 'proposed' Budget is prepared in accordance with the Act and submitted to the Board for approval in principle. The Draft Budget is then advertised for public inspection.

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 WMRLC budget process are summarised below:

Minister of Local Government announces maximum rate percentage increase.	Dec 2024
Budget preparation by WMRLC officers	Nov 2024 – April 2025
Proposed budget presented to the Board for approval to advertise	14 May 2025
Public notice advertising Draft Budget	16 May 2025
Budget available for public inspection and comment (28 days)	16 May – 15 June 2025
Budget and submissions presented to the Board for adoption	18 June 2025
Copy of adopted budget submitted to the Minister Local Government	27 June 2025