



Budget 2017-2018
Strategic Resource Plan 2017-2021

Adopted 26 June 2017

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Geelong Regional Library Corporation – Budget 2016-17

1 Background

Geelong Regional Library Corporation (GRLC) was created in March 1997 in accordance with sections 196 and 197 of the Local Government Act 1989. The Corporation provides library services to all residents of the Borough of Queenscliffe, City of Greater Geelong, Golden Plains Shire and Surf Coast Shire and covers an area of over 5,500 square kilometres. As at the 1 July 2017 there are 16 libraries located at Bannockburn, Barwon Heads, Belmont, Chilwell, Corio, Drysdale, Geelong, Geelong West, Highton, Lara, Newcomb, Ocean Grove, Queenscliff, Torquay, Waurin Ponds and Western Heights College. There are two mobile libraries, a community library service and an inter library loans service.

GRLC's annual recurrent income is comprised as follows:

Recurrent Income	2015-16 Actual	2016-17 Budget	2017-18 Budget	2016-17 to 2017-18 Budget \$ Increase /(Decrease)	2016-17 to 2017-18 Budget % Increase /-Decrease	% of 2017-18 Income	Comments
Member Council Contributions	10,035,166	10,591,921	11,048,873	456,952	4.3%	79.8%	The increase comprises: 0.17m for the library network.
State Government Grants	1,814,621	1,863,936	1,919,852	55,916	3.0%	13.8%	State Government Public Libraries Funding Program based on 2% rate cap increase plus estimate for population growth.
Fees & Charges	341,600	477,875	540,350	62,475	13.1%	3.9%	Increase due to targets for venue hire income from the Geelong Library & Heritage Centre
Interest & Sundry Income	187,189	207,725	340,400	132,675	63.9%	2.5%	Sponsorships and donations income anticipated to grow for library and literary festival.
Total recurrent income	12,378,576	13,141,457	13,849,475	708,018	5.4%	100.0%	

The Library Service is funded by Member Councils, the State Government and its own operations on the following basis:

- Member Council Contributions: 80% (2016-17: 81%)
- State Government Grants: 14% (2016-17: 14%)
- Fees & Charges: 4% (2016-17: 4%)
- Interest & Sundry Income: 2% (2016-17: 2%)

The Library Service is mindful of the cost pressures on Member Councils, particularly in light of the introduction of a rate cap this coming financial year of 2.0%, and is continually reassessing processes to ensure that value is being achieved, in particular for procurement of library materials, equipment and services.

Library services continue to be one of the most popular and valued of all council services. GRLC's 2015/16 Annual Report demonstrated the following:

- 41% or 116,300 people are library members from a total population of 282,000 across our four member councils
- There were 1.8m visits per year to 16 library branches and mobile libraries and 820,470 website visits
- Over 5,558 programs and events attracted 136,460 participants across children's, youth and adult programs
- An extensive reach into the community with 122 networks and partnerships



The library service is required to prepare and adopt an annual budget under the provisions of the Local Government Act 1989 (the Act). The budget is required to include specific financial information as well as a schedule of user fees and charges applicable for the year ahead.

The budget document provides key information about revenue, operation results, service levels, cash and investments, capital works, financial position and financial sustainability.

2 Budget Processes

The preparation of the budget begins with library officers preparing the annual budget in accordance with the Act and submitting the draft budget to the Board for approval in principle.

The library service is then required to give public notice that it intends to adopt the budget. It must give at least 28 days' notice of its intention to adopt the proposed budget and make the budget available for inspection at its Offices. A person has a right to make a submission on any proposal contained in the budget and any submission must be considered before adoption of the budget by the Board.

The final step is for the Board to adopt the budget after receiving and considering any submission from interested parties.

The budget is required to be adopted by 30 June and a copy submitted to the Minister within 28 days of adoption each year. The key dates for the budget process are summarised below:

1	Preliminary budget presentation at Board planning day and further meeting	28 November 2016 and 6 February 2017
2	Proposed budget submitted to the Board for approval	1 May 2017
3	Public notice advising intention to adopt budget	13 May 2017
4	Budget available for public inspection and comment (for at least 28 days) until	13 May 2017 – 13 June 2017
5	Meeting to consider public submissions	19 June 2017
6	Budget and submissions presented to the Board for adoption (must be adopted by 30 June)	26 June 2017
7	Copy of adopted Budget submitted to the Minister for Local Government within 28 days of adoption	21 July 2017

3 Linkage to Library Plan

The Library Plan 2017-2021 *Reading Ahead* has a focus on the development of community focused and innovative services both within both physical library and digital spaces. Our vision and mission remain true to our core principles.

Vision

A thriving regional community

- Enriched by reading
- Empowered by learning
- Inspired by information and ideas

Mission

To be an exemplary library service. We will create opportunities for our community to read, learn, work and connect with each other and the world:

- by providing safe, welcoming and inclusive places and spaces
- by facilitating equitable access to collections, programs, information and technology
- by nurturing discovery, creativity and innovation
- through the knowledge, expertise and encouragement of library staff

The library plan outlines the following six strategies which will direct our resources and energies to delivering library services, collections, programs, spaces and experiences:

1. Welcoming places and spaces

Present welcoming, purposeful and safe physical and digital library facilities at the heart of the community.

2. Learning for life

Deliver engaging library programs, print and digital collections, events and activities that encourage reading, support a range of literacies, promote lifelong learning and increase access and inclusion.

3. Creativity and innovation

Provide creative and co-working spaces, technology and learning opportunities that stimulate innovations and equip people with skills and confidence for the future.

4. Sharing our stories

Capture, share, celebrate and preserve the stories – past and present – that tell of the region's heritage, culture, creative endeavour and aspirations.

5. Better together

Work collaboratively with community, government and business organisations to increase awareness of, access to, and use of library services among targeted population groups.

6. Capable, confident and caring

Create an organisational culture that expects, supports and recognises relevant knowledge and expertise, excellent customer service, creativity and innovation, flexibility, good governance and accountability.

4 Budget Influences

In preparing the budget a number of overarching budget principles are followed and budget assumptions are made about the internal and external environment within which the library service operates. Known factors and influences which are likely to impact significantly on the services delivered in the budget period are also taken in to consideration. These include:

4.1 State Government Rate Cap and state to local Government funding ratio

The Victorian State Government rate cap of 2% for the 2017-18 financial year (2.5% in 2016-17) is impacting significantly on the level of member Council contributions possible.

The ratio of State Government to Local Government funding demonstrates a continuing decline in the proportion of funding from the State Government compared to local government with the public library recurrent grant comprising 14% of total income in the coming year.

4.2 Budget Principles

The 2017-18 budget has been prepared incorporating the following principles:

Service levels

Service levels post opening of the new Geelong Library and Heritage Centre:

- Library services – 755 hours per week, Geelong Library & Heritage Centre, 15 branch libraries, 2 mobile services, a community library service, an inter library loans service, events and lifelong learning programs
- Heritage services – 38 hours per week in a single location

Budget parameters

- Achieving an acceptable level of cash reserves at the end of each year to cover anticipated long service leave commitments and asset renewal
- Expenditure budget has been thoroughly reviewed and is considered realistic and achievable
- Consultation with the Board to ensure that income budgets are realistic and continue the achievement of the Library Plan
- Regional costs across the network which are provided from GRLC's administration unit are distributed to Member Councils in accordance with the cost allocation formula detailed in the Library Agreement between the four Member Councils

4.3 Budget Assumptions

4.3.1 Balance Sheet

The 2017-18 budgeted balance sheet is based on the most recently completed financial year (i.e. 2015-16 actual rather than budget). This will enable the budgeted balance sheet to more closely reflect the expected actual balance sheet as at 30 June 2018.

The calculation is as follows:

Actual 2015-16 balance sheet
+ Budgeted 2016-17 income statement & capital expenditure
+ Budgeted 2017-18 income statement & capital expenditure
= Budgeted 2017-18 balance sheet

The result is a significantly higher asset value compared to the 4 year plan for 2016-17 to 2019-20, e.g. net assets as at 30 June 2020 is now budgeted to be \$9.3m (previously \$6.2m). The biggest increases are in Cash (\$700k) and Property Plant & Equipment (\$2.5m+).

The need to revise the basis for the budgeted balance sheet has arisen due to the opening of the new Geelong Library and Heritage Centre. This significant capital investment warranted a review of the basis for budgeting the balance sheet, to ensure a closer alignment between the budgeted and actual balance sheets at the end of the financial year. Going forward, GRLC intends to base its budgeted balance sheet on the most recently completed financial year.

4.3.2 Salaries

Salaries – The four year Geelong Regional Library Corporation Enterprise Agreement No. 6 (2013) expires on 30 June 2017 and this year's increase is the final payable under the current agreement. A new Agreement is currently under negotiation. An amount less than the rate cap has been estimated for the purposes of developing this budget. Also included in salaries are banding increments, Superannuation at 9.5% and Worksafe premium at the current rate of 0.48%.

4.3.3 Other Income and Expenditure

- General expenditure – No increases wherever possible. Increases where contractually obligated.
- Specific expenditure line items relating to existing contracts such as courier services and communications agreements are based on known costs.
- Interest income is estimated at \$90,000, an income stream in the form of donations at \$30,000 and venue hire revenue at \$200,000 is anticipated.

4.4 Legislative Requirements

Under the Local Government Act 1989, GRLC is required to prepare and adopt an annual budget for each financial year. The budget is required to disclose the fees and charges that GRLC intends to levy as well as a range of other information required by the Local Government (Finance and Reporting) Regulations 2004 which support the Act. The 2017-18 Budget, which is included in this report, is for the year 1 July 2017 to 30 June 2018 and is prepared in accordance with the Act and Regulations. The budget includes Standard Statements, these being a budgeted Income Statement, Balance Sheet, Cash Flow and Capital Works Statement. These Statements are required so that informed decisions can be made about the adoption of the budget. Refer Appendix A for the detailed Statements and Strategic Resource Plan.

5 Analysis of Operating and Capital Budget

This section of the report analyses the expected revenues and expenses of the Library Service for the 2017-18 year.

5.1 Total Operating and Capital Revenue

Recurrent Income	2015-16 Actual	2016-17 Budget	2017-18 Budget	2016-17 to 2017-18 \$ Increase / (Decrease)	2016-17 to 2017-18 % Increase / (Decrease)
Operating					
Member Council Contributions	10,035,166	10,591,921	11,048,873	456,952	4.3%
State Government Grants - Operating	1,814,621	1,863,936	1,919,852	55,916	3.0%
Fees & Charges	341,600	477,875	540,350	62,475	13.1%
Interest & Sundry Income	187,189	207,725	340,400	132,675	63.9%
Subtotal - Operating	12,378,576	13,141,457	13,849,475	708,018	5.4%
Capital					
State Government Grants - Capital	151,852	49,102	49,102	-	-
Capital Contribution - City of Greater Geelong	1,311,362	10,000	10,000	-	-
Golden Plains Shire	-	-	-	-	-
Subtotal - Capital	1,463,214	59,102	59,102	-	-
Total Operating and Capital Revenue	13,841,790	13,200,559	13,908,577	708,018	5.4%

5.1.1 Member Council Contributions

According to the Library Agreement between the four member councils, the direct costs of each service point and mobile service are borne by the member councils in whose municipal district the service is delivered. Indirect costs – i.e. regional costs – are apportioned on a usage basis by calculating the total of loans and visits to each point of service and mobile libraries.

Member Council Contribution	2015-16 Actual	2016-17 Budget	2017-18 Budget	2016-17 to 2017-18 \$ Increase / (Decrease)	2016-17 to 2017-18 % Increase / (Decrease)
Borough of Queenscliffe	216,928	216,157	199,186	(16,971)	(7.9%)
City of Greater Geelong	8,738,761	9,267,768	9,743,770	476,002	5.1%
Golden Plains Shire	424,176	414,317	404,804	(9,513)	(2.3%)
Surf Coast Shire	640,196	678,574	685,706	7,132	1.1%
Member Council Contributions - annual operating allocations	10,020,061	10,576,816	11,033,466	456,650	4.3%
City of Greater Geelong – Western Heights Library	15,105	15,105	15,407	302	2.0%
Total Member Council Contributions	10,035,166	10,591,921	11,048,873	456,952	4.3%

5.1.2 State Government Grants

State Government grants are received from two funding programs:

- *Public Libraries Funding Program* – grants to member councils are estimated to grow by 3% overall. The Department of Environment, Land, Water and Planning will confirm these grants in June 2017.
- *Premier's Reading Challenge Book Fund*.

State Government Grant per Member Council	2015-16 Actual	2016-17 Budget	2017-18 Budget	2016-17 to 2017-18 \$ Increase / (Decrease)	2016-17 to 2017-18 % Increase / (Decrease)
Borough of Queenscliffe	70,323	72,011	74,171	2,160	3.0%
City of Greater Geelong	1,349,725	1,387,882	1,429,518	41,636	3.0%
Golden Plains Shire	175,772	179,991	185,390	5,399	3.0%
Surf Coast Shire	218,801	224,052	230,773	6,721	3.0%
Public Libraries Funding Program	1,814,621	1,863,936	1,919,852	55,916	3.0%
Premiers Reading Challenge Book Fund	49,102	49,102	49,102	-	-
Living Libraries Infrastructure Program	102,750	-	-	-	-
Total	1,966,473	1,913,038	1,968,954	55,916	2.9%

5.1.3 User Fees and Charges; Interest and sundry income

Some user fees and charges were last increased in the 2016/17 year and have been benchmarked again with public libraries and other local businesses offering similar services. No increases are proposed for the 2017/18 year. Merchandise is being introduced gradually as part of an overall fundraising strategy and the fees and charges schedule now includes items such as high quality souvenir library bags.

Interest is estimated at similar levels to 2016/17. Sponsorships and grants income is anticipated to grow by 64% through grants sponsorships for our annual literary festival and project based funding.

5.2 Budgeted Comprehensive Income Statement

The following Statement is the Operating Budget prepared in accordance with the relevant accounting standards and includes all income; excludes capital expenditure and includes depreciation.

	Actual 2015-16	Budget 2016-17	Budget 2017-18
Recurrent Income			
Member Council contributions	10,020,062	10,576,816	11,033,466
COGG - Western Heights	15,105	15,105	15,407
State Government grants	1,814,621	1,863,936	1,919,852
User charges	221,113	357,435	403,710
Other fees and charges	120,487	120,440	136,640
Interest on investments	102,310	95,000	90,000
Sundry income	84,878	112,725	250,400
Total Recurrent Income	12,378,576	13,141,457	13,849,475
Recurrent Expenditure			
Employee Related			
Salaries	7,640,902	8,438,140	8,923,998
Superannuation & workcover	724,892	802,202	839,091
Total Employee Expenses	8,365,794	9,240,342	9,763,089
Goods and Services			
General works - materials	176,519	205,325	206,011
General works - equip/vehicles	86,070	84,759	78,273
General works - external services	1,437,901	1,073,500	1,141,950
Administration	360,704	323,753	322,634
Professional services	344,386	459,210	476,900
Utilities	410,900	457,126	438,636
Depreciation	2,403,222	2,083,000	2,183,000
(Gain)/Loss on Sale of Plant & Equipment	(38,408)	(15,000)	(15,000)
Total Recurrent Expenditure	13,322,766	13,912,015	14,595,493
Recurrent Surplus / (Deficit)	(944,190)	(770,558)	(746,018)
Non-Recurrent Income			
Capital grants and income	1,463,214	59,102	59,102
Unfunded superannuation contributions	195,000	-	-
Non-Recurrent Expenditure			
Unfunded superannuation liability	3,772	-	-
Net Surplus / (Deficit)	710,252	(711,456)	(686,916)

5.2.1 Employee Expenses

Employee costs comprise 70% of total cash expenditure (operating and capital) for 2017-18.

Increases in staff costs reflect an annual Enterprise Agreement of less than the 2% rate cap, banding increments, statutory Superannuation Guarantee Charge at 9.5% and Worksafe premium insurance at the current premium rate of 0.48%.

The salaries of employees working in branches and mobile libraries are allocated directly to the respective Member Council as per the Library Agreement. The cost of Regional support staff is apportioned on the basis of usage by calculating the total of loans and visits to each point of service.

Employee costs include all labour related expenditure such as wages and salaries; and on costs such as allowances, leave entitlements, employer superannuation, and Workcover. Long Service and Annual leave are statutory requirements and provisions for the payments of these items are included in the budget.

A summary of human resources expenditure and the number of equivalent full time (EFT) staff relating to the provision of library services is included below:

	Budget 2017-18 \$	Comprises		Budget 2017-18 EFT	Comprises	
		Permanent Full Time \$	Permanent Part Time \$		Permanent Full Time EFT	Permanent Part Time EFT
Library services	8,050,898	5,587,298	2,463,600	99.1	63.9	35.2
Total permanent staff	8,050,898	5,587,298	2,463,600	99.1	63.9	35.2
Casuals and other	873,100			11.5		
Total *	8,923,998			110.6		

* excludes superannuation and workcover

5.2.2 Other Expenditure

General works – materials

This expenditure category includes centrally purchased paper and consumables for the distribution to the branches and collections processing materials. Increases only where contractually required.

General works – equipment & vehicles

This expenditure relates to the running costs of GRLC vehicles and mobile libraries.

General works – external services

This expenditure category relates to external businesses and contractors engaged for a range of services including shelf-ready processing of collection items, couriers, Regional Library Support Centre Level 4 GLHC office lease, corporate advertising and marketing, recruitment advertising, events & programming costs, and eCollections subscriptions.

Administration

This category of expenditure includes printing, office stationery, photocopier/printer costs, minor IT upgrades, postage, staff training and development and bank fees.

Professional services

This category includes expenditure anticipated on consultants, external audit and legal fees.

Utilities

Utilities largely reflect branch communications costs as indicated by Telstra for 2017-18 and contract with Aarnet for internet communications at the Geelong library and Heritage Centre.

5.2.3 Depreciation

For the purposes of the budget this non-cash item includes an estimated increase of \$100,000 for 2017-18 reflecting the increase in the asset base resulting from the new Geelong Library and Heritage Centre opened in 2015-16.

5.3 Capital Budget

The following table outlines the capital expenditure budget for 2017-18 and associated sourcing of funding.

Capital expenditure	2015-16 Actual	2016-17 Budget	2017-18 Budget	2016-17 to 2017-18 \$ Increase /(Decrease)
Collections	1,362,466	1,230,733	1,130,733	(100,000)
IT Infrastructure	1,411,530	250,000	350,000	100,000
Branch furniture, fittings & equipment	70,459	50,000	50,000	-
Vehicle replacement	113,654	-	-	-
Mobile replacement *	-	102,750	-	(102,750)
Total capital expenditure	2,958,109	1,633,483	1,530,733	(102,750)

* Mobile trailer refurbishment - this project was funded by a State Government Living Libraries infrastructure grant received late 2015-16 and was expended in 2016-17.

Capital expenditure	2017-18 Budget	Funding sources	
		Grants \$	GRLC Cash \$
Collections	1,130,733	59,102	1,071,631
IT Infrastructure	350,000	-	350,000
Branch furniture, fittings & equipment	50,000	-	50,000
Vehicle replacement	-	-	-
Total capital expenditure	1,530,733	59,102	1,471,631

6 Budgeted Cash Position

The following table represents a summary of the Standard Cash Flow Statement and indicates the cash results from the operating, investing and financing activities for the 2016-17 year.

Cash Flows	Actual 2015-16	Budget 2016-17	Budget 2017-18
Operating	1,651,616	1,297,442	1,421,982
Investing	(1,768,498)	(1,559,381)	(1,456,631)
Net increase/(Decrease) in cash held	(116,882)	(261,939)	(34,649)
Cash at beginning of financial year	258,663	612,663	1,185,127
Cash at end of financial year	141,781	350,724	1,150,478

6.1 Cash at End of the Year

Overall total cash is forecast to be around \$1,150,000 at 30 June 2018. This is a significant increase from to the budgeted cash balance of \$351,000 at 30 June 2017. This is due to the basis for calculating the 2017-18 balance sheet. Please refer to section 4.2.1 for further explanation.

The value of restricted assets related to long service leave entitlements was calculated at \$901,811 at 30 June 2016.

7 Budgeted Balance Sheet

The following table represents a summary of the Library's assets, liabilities and equity.

Balance Sheet Summary	Actual 2015-16	Budget 2016-17	Budget 2017-18
Assets and Liabilities			
Total Assets	14,990,259	10,551,357	13,591,887
Total Liabilities	2,011,336	2,279,085	2,011,336
Net Assets	12,978,923	8,272,272	11,580,551
Equity	12,978,923	8,272,272	11,580,551

The Library's assets comprise its bank balance (which is restricted cash) and non current assets (the majority being the collection), whilst the liabilities comprise employee provisions and reserves. Equity consists of member contributions and the accumulated accounting surplus.

7.1 Borrowings

GRLC had no borrowings during the year 2016-17 and will not be taking out any borrowings for the 2017-18 year.

8 Strategic Resource Plan

The Library Service is required by the Act to prepare a Strategic Resource Plan (SRP) covering both financial and non-financial resources, and including key financial indicators for at least the next four financial years to support the Library Plan.

8.1 Plan Development

GRLC has prepared a Strategic Resource Plan for the four years 2017-18 to 2020-21 as part of its ongoing financial planning to assist in adopting a budget within a longer term framework. The Plan takes the strategic objectives and strategies as specified in the Library Plan and expresses them in financial terms for the next 4 years.

The key objective, which underlies the development of the Plan, is financial sustainability in the medium to long term; whilst still achieving GRLC's strategic objectives as specified in the Library Plan. The key financial objectives which underpin the SRP are:

- Maintenance of branch network and service levels based on a central library, 15 branch libraries and 2 mobile libraries
- Maintain a capital expenditure program on the library collection and technology
- Achieve a balanced budget on a cash basis.

In preparing the Strategic Resource Plan, the Library Service has also been mindful of the need to comply with the following principles of sound financial management as contained in the Act:

- Prudently manage financial risks relating to debt, assets and liabilities
- Consider the financial effects of the library service's decisions on future generations
- Provide full, accurate and timely disclosure of financial information.

8.2 Financial Resources

The following table summarises the key financial results for the current year 2014-15 plus the next 4 years as set out in the Plan for the years 2015-16 to 2018-19. Appendix B contains the 4 Standard Statements (Income Statement; Balance Sheet; Cash Flow and Capital Works Statement) which provides a more detailed analysis of the financial resources to be used over the four year period.

Key Financial Results	2016-17 Budget \$	2017-18 Budget \$	2018-19 Plan \$	2019-20 Plan \$	2020-21 Plan \$
Operating result - surplus/(deficit)	(711,456)	(686,916)	(746,480)	(757,573)	(779,012)
Cash and investments	350,724	1,150,478	1,156,265	1,250,959	1,424,214
Net increase/(Decrease) in cash	(261,939)	(34,649)	5,787	94,694	173,255
Capital expenditure	1,633,483	1,530,733	1,530,733	1,530,733	1,530,733

The key outcomes of the Plan are as follows:

- **Financial sustainability**
While the operating result is a deficit from 2017-18 onwards we note that this is largely related to increases in the cost of depreciation, due to new and refurbished libraries and the new Geelong Library and Heritage Centre. The capital expenditure budget will be closely monitored in future years in order to ensure that cash reserves remain at an acceptable level.
- **Cash and investments increase from \$351,000 in 2016-17 to \$1,424,000 in 2020-21.**
This result is largely due to a change the basis for calculating the 2017-18 balance sheet. Please refer to section 4.2.1 for further explanation. This enables improved coverage of the Corporation's liabilities and asset management.
- **Contributions strategy**
Council contributions will be based on the Library Agreement formula which applies the direct costs of service points to the relevant member council and regional costs apportioned on a usage basis by calculating the total number of visits and loans per service point and mobile service.
- **Capital works strategy**
Capital expenditure over the 4 year period (from 2017-18 to 2020-21) will total \$6.1m, currently expected at \$1.5m per year.

8.3 Service Delivery Strategy

Current opening hours and service levels across the network are:

- Library services – 755 hours per week, a central library and heritage centre, 15 branch libraries, 2 mobile services, a community library service, an inter library loans service and events and programs
- Heritage services – 38 hours per week in a single location.

8.4 Strategic Resource Plan Assumptions

- Member Council Contributions for 2017-18 reflect an average 1.6% increase across the four member councils. An average increase in contributions of 2.0% each year is assumed.
- State Government Grants are forecast to increase at 3% per annum.
- User Fees & Charges – largely remain at 2016-17 levels except for inter-library loans and printing/photocopying.
- Interest & Sundry Income – interest will increase slightly with levels of cash reserves over the four year period. Sundry income is expected to increase due to sponsorships, donations and venue hire.
- Employee costs – increased by 3.1% in 2017-18 and 3.5%, 2.5% and 2.1% for each year thereafter to cover Enterprise Agreement increases and salary banding increments from 2017-18 onwards.
- Depreciation costs are estimated to increase by an average \$100,000 in the years 2017-18 to 2020-21 due to the increase in the asset base since the opening of the new Geelong Library and Heritage Centre.
- The 2016-17 confirmed level of capital grants for collections of \$59,102 is assumed to continue in each year of this SRP. If these grants do not continue the capital expenditure on collections will be adjusted accordingly.
- Capital expenditure has been maintained at \$100,000 below 2016-17 budgeted levels with no increases over the next four years. The new Library Plan includes the development of a collection investment plan that will provide recommendations for future levels of investment commitment. Estimates of the replacement cost of one vehicle in 2018-19 and four vehicles in 2019-20 are included.

8.5 Financial Indicators

The following table outlines a summary of budgeted financial ratios for the years 2017-18 to 2020-21. These ratios are used as a guide to assess trends in GRLC's financial health. They show that the Library must carefully manage its resources with particular emphasis on cash flow and relies heavily on the continued support of Member Councils to meet the commitments incorporated in this Strategic Resource Plan.

Financial Ratios	2017-2018 Budget	2018-19 Plan	2019-20 Plan	2020-21 Plan
Underlying Result (%)	(5%)	(6%)	(6%)	(6%)
Recurrent Surplus or (Deficit) / Total Recurrent Income				
Measures surplus/(deficit) as a % of revenue				
Working Capital or Liquidity	0.87	0.87	0.92	1.02
Current Assets / Current Liabilities				
Assesses GRLC's ability to meet current commitments				
Adjusted Working Capital or Adjusted Liquidity	1.65	1.73	1.93	2.26
Current Assets / Adjusted Current Liabilities				
Where current liabilities are adjusted to reflect only the expected payments of LSL in the following year rather than the full value of the current entitlement				
Investment Gap Ratio	0.70	0.67	0.64	0.62
Capital Expenditure / Depreciation				
Measuring GRLC's rate of replacement of assets				

9. Statutory Disclosures

The Library is required to present information in its Annual Budget and Strategic Resourcing Plan pursuant to the Local Government Act, the Regulations and the Local Government Victoria Compliance Checklist.

These following Appendices are included:

- Fees and Charges Schedule – refer Appendix A
- Strategic Resourcing Plan Statements for the four years ended 30 June 2021 - refer Appendix B

Appendix A

Fees and Charges Schedule

	Proposed 2017-18
Overdue fees	
Adults collection, music CDs and DVDs – per item per day	\$0.30
Children’s and youth materials	No fee
Inter Library Loans (ILL)	
From non-GRLC public libraries	\$5.00
Where an ILL cost is charged by a non-GRLC lending library - will be charged to the library member plus postage	\$16.50- plus postage costs
Charges for damaged materials	
Rejacketing	\$6.00
CD & DVD case or slick replacement	\$6.00
RFID tags and barcode replacement	\$6.00
Charges for lost/totally damaged items	Item cost plus \$6 admin fee
Replacement membership cards	\$3.30
Photocopying & PC printing	
A4 page (B&W)	\$0.30
A3 page (B&W)	\$0.60
A4 page (Colour)	\$1.00
A3 page (Colour)	\$2.00
Facsimile	
Australia – first page	\$2.00
Overseas – first page	\$5.00
Subsequent pages	\$1.00
Earphones	\$1.00
USB stick	\$10.00
Library Bags	\$15.00
Professional Heritage research Professional	\$50.00 per hour
Research by Heritage Centre staff - \$49.00 per hour	
High resolution digital or hard copy prints images from Heritage Collection	\$20 per image
Meeting rooms – Bannockburn, Belmont, Corio, Newcomb & Waurin Ponds *	
Commercial/Professional user – per hour	\$50
Commercial/Professional user – per day	\$300
Community user – per hour	\$10
Community user– per day	\$60
Audio visual equipment – commercial/professional user	Included in room hire rates
Audio visual equipment – community user	Included in room hire rates

All fees and charges inclusive of GST

Geelong Library and Heritage Centre

The following schedule lists venue hire fees and charges for the Geelong Library and Heritage Centre spaces including commercial and discounted community hire rates.

GEELONG LIBRARY & HERITAGE CENTRE SCHEDULE OF FEES 2017-18

Venue	Hourly Rate Mon-Fri	Half Day Rate Mon-Fri (up to 5 hrs)	Full Day Rate Mon-Fri (up to 9 hrs)	Weddings
Level 5 - High Ground <i>Wurdi Youang Combined Space</i> (3 hrs+)	\$180.00	\$680.00	\$1,360.00	\$1,800.00
Level 5 - High Ground <i>Wurdi Youang North</i> (min 3 hrs M-F)	\$120.00	\$500.00	\$864.00	\$1,400.00
Level 5 - High Ground <i>Wurdi Youang South</i> (min 3 hrs M-F)	\$100.00	\$420.00	\$800.00	n/a
Level 4 - Board Room (special requests only)	\$70.00	\$280.00	\$410.00	
Level 2 - Meeting Room	\$40.00	\$160.00	\$300.00	
Level 2 - Discussion Rooms (1,2,3,4)	\$30.00	\$120.00	\$240.00	
Level 1 - Activities Room (limited availability)	\$70.00	\$315.00	\$504.00	

Discounts

Commercial/Business	0%
Government	25%
Community/Not for Profit Level 5 <i>Wurdi Youang High Ground</i>	50%

Discounts of up to 30% will be applied for multiple bookings over a defined period e.g. weekly bookings over a 3 month period.

Bonds (if applicable)

Bond - Functions	\$500.00
Bond - Classes/Meetings	\$100.00
Bond - Key/Swiper	\$75.00

Other fees will be charged at an hourly rate for cleaning, set up, technical support and Duty Manager on a cost recovery basis.

Cancellation fees will be applied where appropriate .

Usage agreements outside these fees may be made with Member Councils and Cultural Precinct partners such as Geelong Gallery.

Appendix B

Strategic Resourcing Plan Statements For the four years ended 30 June 2021

**COMPREHENSIVE INCOME STATEMENT
FOR THE FOUR YEARS ENDED 30 JUNE 2021**

	Budget	Plan	Plan	Plan
	2017-18	2018-19	2019-20	2020-21
	\$	\$	\$	\$
Recurrent Income				
Member Council Contributions	11,048,873	11,255,018	11,480,118	11,709,720
State Government Grants	1,919,852	1,977,448	2,036,771	2,097,874
Fees & Charges	540,350	595,210	670,210	765,210
Interest & Sundry Income	340,400	460,400	480,400	500,400
Total Recurrent Income	13,849,475	14,288,075	14,667,499	15,073,204
Recurrent Expenditure				
Employee Related				
Salaries	8,923,998	9,226,299	9,456,957	9,655,553
Workcover / Superannuation	839,091	867,547	889,235	907,909
General Works - Materials	206,011	211,161	216,440	221,851
General Works - Plant, Vehicle Costs	78,273	80,230	82,236	84,291
General Works - External Services	1,141,950	1,170,499	1,199,761	1,229,755
Administration	322,634	330,649	338,915	347,388
Professional Services	476,900	488,771	500,991	513,515
Utilities	438,636	445,502	456,639	468,055
Depreciation	2,183,000	2,283,000	2,383,000	2,483,000
(Gain)/Loss on Sale of Plant & Equipment	(15,000)	(10,000)	(40,000)	-
Total Recurrent Expenditure	14,595,493	15,093,657	15,484,174	15,911,318
Recurrent Surplus / (Deficit)	(746,018)	(805,582)	(816,675)	(838,114)
Non Recurrent Income				
Capital Grants & Income	59,102	59,102	59,102	59,102
Unfunded Superannuation Contributions	-	-	-	-
Non Recurrent Expenditure				
Defined Benefits Superannuation Liability Fees	-	-	-	-
NET SURPLUS / (DEFICIT)	(686,916)	(746,480)	(757,573)	(779,012)

**BALANCE SHEET
FOR THE FOUR YEARS ENDED 30 JUNE 2021**

	Budget 2017-18	Plan 2018-19	Plan 2019-20	Plan 2020-21
	\$	\$	\$	\$
Current Assets				
Cash and Investments	1,150,478	1,156,265	1,250,959	1,424,214
Receivables	268,133	268,133	268,133	268,133
Prepayments	190,805	190,805	190,805	190,805
Total Current Assets	1,609,416	1,615,203	1,709,897	1,883,152
Non-Current Assets				
Property, Plant & Equipment	11,982,471	11,230,204	10,377,937	9,425,670
Total Non-Current Assets	11,982,471	11,230,204	10,377,937	9,425,670
Total Assets	13,591,887	12,845,407	12,087,834	11,308,822
Current Liabilities				
Payables	421,716	421,716	421,716	421,716
Provisions	1,433,547	1,433,547	1,433,547	1,433,547
Total Current Liabilities	1,855,263	1,855,263	1,855,263	1,855,263
Non-Current Liabilities				
Creditors and Provisions	156,073	156,073	156,073	156,073
Total Non-Current Liabilities	156,073	156,073	156,073	156,073
Total Liabilities	2,011,336	2,011,336	2,011,336	2,011,336
NET ASSETS	11,580,551	10,834,071	10,076,498	9,297,486
Ratepayers Equity				
Members Contribution	3,886,011	3,886,011	3,886,011	3,886,011
Accumulated Surplus	7,694,540	6,948,060	6,190,487	5,411,475
TOTAL EQUITY	11,580,551	10,834,071	10,076,498	9,297,486

**STATEMENT OF CASH FLOWS
FOR THE FOUR YEARS ENDED 30 JUNE 2021**

	Budget 2017-18 \$	Plan 2018-19 \$	Plan 2019-20 \$	Plan 2020-21 \$
Cash Flows from Operating Activities				
Payments				
Employee Costs	(9,763,089)	(10,093,846)	(10,346,192)	(10,563,462)
General Works / Utilities / Disbursements	(1,864,870)	(1,907,392)	(1,955,077)	(2,003,953)
Administration / Professional Services	(799,534)	(819,420)	(839,905)	(860,903)
	(12,427,493)	(12,820,657)	(13,141,174)	(13,428,318)
Receipts				
Member Contributions	11,048,873	11,255,018	11,480,118	11,709,720
Fees and Charges	540,350	595,210	670,210	765,210
Interest & Sundry Income	340,400	460,400	480,400	500,400
Government Grants	1,919,852	1,977,448	2,036,771	2,097,874
	13,849,475	14,288,075	14,667,499	15,073,204
Net Cash from Operating Activities	1,421,982	1,467,418	1,526,325	1,644,886
Cash Flows from Investing Activities				
Capital Expenditure	(1,530,733)	(1,530,733)	(1,530,733)	(1,530,733)
Capital Income	59,102	59,102	59,102	59,102
Proceeds from Sale of Plant and Equipment	15,000	10,000	40,000	-
Net Cash used in Investing Activities	(1,456,631)	(1,461,631)	(1,431,631)	(1,471,631)
Cash Flows from Financing Activities				
Special Member Contributions	-	-	-	-
Defined Superannuation Liability Payments	-	-	-	-
Net Cash used in Financing Activities	-	-	-	-
Net Increase in Cash and Cash Equivalents	(34,649)	5,787	94,694	173,255
Cash and Cash Equivalents at the beginning of the Financial Year	1,185,127	1,150,478	1,156,265	1,250,959
Cash and Cash Equivalents at end of Period	1,150,478	1,156,265	1,250,959	1,424,214

**STATEMENT OF CAPITAL WORKS
FOR THE FOUR YEARS ENDED 30 JUNE 2021**

	Budget 2017-18 \$	Plan 2018-19 \$	Plan 2019-20 \$	Plan 2020-21 \$
Collections	1,130,733	1,195,733	1,090,733	1,230,733
IT Infrastructure	350,000	250,000	250,000	250,000
Branch Furniture, Fittings & Equip	50,000	50,000	50,000	50,000
Vehicle Replacement	-	35,000	140,000	-
Total Capital Expenditure	1,530,733	1,530,733	1,530,733	1,530,733
Represented by:				
New asset expenditure	-	-	-	-
Asset renewal expenditure	1,530,733	1,530,733	1,530,733	1,530,733
Total Capital Expenditure	1,530,733	1,530,733	1,530,733	1,530,733
Funding sources:				
Grants	49,102	49,102	49,102	49,102
GRLC Cash	1,481,631	1,481,631	1,481,631	1,481,631
Total Funding Sources	1,530,733	1,530,733	1,530,733	1,530,733

**STATEMENT OF HUMAN RESOURCES
FOR THE FOUR YEARS ENDED 30 JUNE 2021**

	Budget 2017-18 \$	Plan 2018-19 \$	Plan 2019-20 \$	Plan 2020-21 \$
Staff expenditure				
Salaries - Operating	8,923,998	9,226,299	9,456,957	9,655,553
Salaries - Capital	-	-	-	-
Total staff expenditure	8,923,998	9,226,299	9,456,957	9,655,553
	EFT	EFT	EFT	EFT
Staff EFT *				
Library and Heritage Services	110.6	110.6	110.6	110.6
Total EFT at 30 June	110.6	110.6	110.6	110.6

* EFT = equivalent full time