



GEELONG
REGIONAL
LIBRARIES



BUDGET 2024-2025
STRATEGIC RESOURCE PLAN 2024-2028
ADOPTED JUNE 2024



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1 INTRODUCTION

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, Colac Otway Shire, Golden Plains Shire and Surf Coast Shire. The network covers an area of almost 9,000 square kilometres, with 19 libraries located at Apollo Bay, Bannockburn, Barwon Heads, Belmont, Chilwell, Colac, Corio, Borongook Drysdale, Geelong, Geelong West, Highton, Lara, Leopold, Newcomb, Ocean Grove, Queenscliff, Torquay, Waurin Ponds and Western Heights College. There are three mobile libraries, a Home Library Service and an inter library loans service.

Biyal-a Armstrong Creek will become GRLC's 20th library from 1 August 2024. This Budget is inclusive of this new location.

GRLC's annual recurrent income is comprised as follows:

RECURRENT INCOME	ACTUAL 2022-23 \$	BUDGET 2023-24 \$	BUDGET 2024-25 \$	2023-24 to 2024-25 \$ Increase/ (Decrease)	2023-24 to 2024-25 % Increase/ -Decrease	% of 2024-25 Income	Comments
Member Council Contributions	14,744,997	14,882,232	16,724,018	1,841,787	12.4%	85.0%	Based on agreed 2.75% increase across Member Councils.
State Government Grant - Public Libraries Funding Program	2,374,220	2,374,220	2,374,220	-	0.0%	12.1%	No increase in PLFP funding is anticipated for 2024-2025.
Fees & Charges	292,263	254,999	323,276	68,276	26.8%	1.6%	Comprises 50% venue hire income and 50% branch income.
Interest & Sundry Income	373,265	260,200	243,800	(16,400)	-6.3%	1.3%	Includes \$145.0k interest income on cash and term deposits.
TOTAL RECURRENT INCOME	17,784,745	17,771,652	19,665,314	1,893,663	10.7%	100.00%	



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

- Member Council contributions: 85.0% (2023-24: 83.7%)
- State Government Grant – Public Libraries Funding Program: 12.1% (2023-24: 13.4%)
- Fees & Charges: 1.6% (2023-24: 1.3%)
- Interest & Sundry Income: 1.3% (2023-24: 1.6%)

The Library Service is mindful of the cost pressures on Member Councils, in light of the rate cap this coming financial year of 2.75%. We are 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 and continues to attract high levels of engagement. We have developed a business continuity plan for each of our libraries to ensure we were providing a consistent, safe and high-quality service to our customers, in response to any unplanned events or seasonal disruptions. GRLC's 2022-23 Annual Report demonstrated the following:

- 35% or 121,428 people are library members from a total population of 365,405 across the five Member Councils at 30 June 2023;
- There were 1.3 million visits to 19 library libraries and 3 mobile libraries and 1.7 million website and catalogue visits;
- 2.2 million loans of collection items;
- 442,000 eBook and eMagazine loans; and,
- Programs and events attracted 152,000 participants across children's, youth and adult programs.

121K
library members

1.3M
visits to libraries

152K
events & programs
attendees

2 LINK TO THE LIBRARY PLAN

2.1 Library Plan 2021-2025

The Library Plan 2021-25 *Connecting and Thriving* acknowledges and responds to the changes and challenges of the pandemic and post-pandemic environment.

We are entering the last year of this plan.

PURPOSE

A thriving public library service that boosts our communities' health, prosperity, connectedness and belonging. The Plan is built around four interconnected pillars: Community, Places and Spaces, Our People and Regional Leadership. These pillars aim to strengthen and expand what we already do so well as a leading public library service – providing spaces, tools and know-how to help our communities to connect and thrive.

FOUR PILLARS

1. Community

Geelong Regional Libraries is an innovative partner. We are addressing local needs with local solutions. You see us out and about in the region, focusing on vulnerable and hard to reach communities.

2. Places and Spaces

Our spaces are adaptable and democratic; uplifting and sustainable.

3. Our People

Our team is curious, caring and skilled. We exhibit a spirit of experimentation that matches transformative times.

4. Regional Leadership

Geelong Regional Libraries is known for leading regional recovery. We use our core strength for community good.

2.2 Planning and Accountability Framework

BUDGET PROCESSES

The preparation of the Budget begins with library officers preparing the Annual Budget in accordance with the *Local Government Act 1989* and submitting the Draft Budget to the Board for approval in principle.

GRLC 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 for Local Government within 28 days of adoption each year. The key dates for the budget process are summarised below:

Action	Description	Date
1	Preliminary Budget presentation at Board Meeting	15 February 2024
2	Proposed Budget submitted to the Board for approval	18 April 2024
4	Public notice advising intention to adopt Budget	19 April 2024
5	Budget available for public inspection and comment for at least 28 days	17 May 2024
6	Meeting to consider public submissions (no submissions, not required)	6 June 2024
7	Budget and submissions presented to the Board for adoption (subject to final adopted Budgets of Member Councils)	20 June 2024
8	Copy of Adopted Budget submitted to the Minister for Local Government within 28 days of adoption	18 July 2024

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 2014* which support the Act. The 2024-25 Budget, which is included in this report, is for the year 1 July 2024 to 30 June 2025 and is prepared in accordance with the Act and Regulations.

This Budget incorporates the Strategic Resource Plan (SRP) for the 3 years to 2027-28. The SRP takes the strategic objectives and strategies as specified in the Library Plan and expresses them in financial terms.

In preparing the SRP, the GRLC has complied 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; and,
- Provide full, accurate and timely disclosure of financial information.

2.3 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 into consideration. These include:

- The Victorian State Government rate cap is 2.75% for the 2024-25 financial year (2023-24: 3.5%). GRLC and the Member Councils have aligned on a 2.75% increase; and,
- Funding from the State Government public library recurrent grant has increased at an average of 2.0% per year since July 2019. This funding has not kept pace with GRLC's expanding network and the increase in employee costs over that time.

2.4 Budget Principles

The 2024-25 Budget intends to achieve a recurrent surplus (prior to depreciation) that is sufficient to meet capital expenditure requirements. A decrease in overall cash is acceptable when a temporary expenditure increase is approved by the GRLC Board for special projects.

The 2024-25 Budget has also included the principles contained in the Draft 2024-2025 City of Greater Geelong Budget. The contribution required from CoGG to cover the additional costs for Biyal-a Armstrong Creek Library has been included in this Budget and SRP.

The operating model and costs to run Biyal-a Armstrong Creek Library have been agreed with the City of Greater Geelong. The cost in the first year will be \$981,251.

The following principles have also been incorporated in the 2024-25 Budget:

SERVICE LEVELS

- Library services are following the Business Continuity Plan and responding to the needs of the community and any post pandemic government health advice.

BUDGET PARAMETERS

- Achieving a recurrent surplus (prior to depreciation) that is sufficient to meet capital expenditure requirements.
- Maintaining 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.
- Maintaining a capital expenditure program on the library collection and technology.
- Set income budgets that are realistic and continue the achievement of the Library Plan.
- Regional costs across the network are distributed to Member Councils in accordance with the cost allocation formula detailed in the Library Agreement between the five Member Councils.

2.5 Budget and Strategic Resource Plan Assumptions

INCOME

- Member Council contributions for 2024-25 reflect an overall increase of 12.4%, of which a base increase of 2.75% has been applied by all Member Councils. The City of Greater Geelong contribution includes the new Biyal-a Armstrong Creek Library, both recurrent and capital costs, and the first full year of operating Boronggook Drysdale Library.
- State Government Grants - Public Libraries Funding Program grants to Member Councils are estimated to be the same as 2023-24. The Department of Government Services will confirm these grants in mid-late 2024.
- Interest income is estimated at \$145,250, which is a small increase on the prior year budget.
- User Fees & Charges – no significant change from the prior year Budget.
- Sundry Income – the realignment of our Grants process continues as we build on the successes of recent years.

- The 2023-24 confirmed level of capital grants for collections of \$66,417 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.

SALARIES

The current Enterprise Agreement Number 8 2020 (EA) will expire on 20 June 2024. At the time of preparation of the Draft Budget the EA is due for commencement of negotiations and the quantum of any increases are unknown. Included in the salaries is an assumed annual EA increase.

The legislated rate of superannuation will increase from 11.0% to 11.5% from 1 July 2024. This will increase the budgeted expense by \$58.8k.

The Workcover insurance premium rose by over 50% in 2023-24. The 2024-25 Preliminary Budget assumes a further increase of almost 60%.

Also included in salaries are banding increments, Fringe Benefits Tax and the additional expense to cover the new Biyal-a Armstrong Creek Library, and the first full year for the new Boronggook Drysdale Library.

The overall result is an increase in salary costs of 12.0% when compared to the 2023-24 Adopted Budget.

OTHER EXPENDITURE

- Specific expenditure line items relating to existing contracts such as courier services and digital communications agreements are based on known costs.
- Depreciation costs are estimated to be almost 3% higher than the 2022-23 actual result, as discussed in sections 4.1.7 'Depreciation' and 4.5 'Financial Resources'.

BALANCE SHEET

The 2024-25 budgeted balance sheet is based on the most recently completed financial year (2022-23), and the current projection of the 2023-24 balance sheet. This will enable the budgeted balance sheet to more closely reflect the expected actual balance sheet at 30 June 2025. The calculation is as follows:

Actual 2022-23 Balance Sheet

+ Projected 2023-24 Income Statement & Capital Expenditure

+ Budgeted 2024-25 Income Statement & Capital Expenditure

= **Budgeted 2024-25 Balance Sheet**

The result is a decreasing net asset value over the four years of the SRP, which is mainly due to a continuing net deficit after depreciation over the SRP.

CAPITAL EXPENDITURE

- Capital expenditure will see no increase in Collections spending across the four years of the SRP;
- The Library Plan includes the adoption of:
 - A digital services strategy;
 - Investment in the technology in Wurdi Youang to unlock further revenue opportunities; and,
 - A furniture, fittings and equipment review, that will provide recommendations for future levels of investment commitment. Annual expenditure will increase across the four years of the SRP.



3 FINANCIAL STATEMENTS

This section presents information in regards to the Financial Statements and Statement of Human Resources. The Budget information for the year 2024-25 incorporates the Strategic Resource Plan for the three years ending 30 June 2028.

This section includes the following financial statements prepared in accordance with the *Local Government Act 1989* and the Local Government Model Financial Report:

- Comprehensive Income Statement
- Balance Sheet
- Statement of Cash Flows
- Statement of Capital Works
- Statement of Human Resources

3.1 COMPREHENSIVE INCOME STATEMENT FOR THE FOUR YEARS ENDING 30 JUNE 2028

	NOTES	BUDGET 2024-25 \$	PLAN 2025-26 \$	PLAN 2026-27 \$	PLAN 2027-28 \$
Income					
Member Council Contributions	4.1.2	16,724,018	17,058,499	17,399,669	17,747,662
State Govt Grants	4.1.3	2,374,220	2,421,705	2,470,139	2,519,542
User Fees	4.1.1	323,276	323,276	323,276	323,276
Other Income	4.1.1	243,800	232,067	212,720	182,300
Grants - Capital	4.1.3	186,417	66,417	66,417	66,417
Total Income	4.1.1	19,851,731	20,101,964	20,472,221	20,839,196
Expenditure					
Employee costs	4.1.5	15,237,603	15,849,792	16,354,304	16,832,348
Materials & Services	4.1.6	2,740,225	2,822,431	2,907,104	2,994,317
Depreciation	4.1.7	1,886,578	1,905,444	1,924,498	1,943,743
Book value of items written off	4.1.7	242,193	242,193	242,193	242,193
Amortisation - ROU assets		78,912	78,912	78,912	78,912
Finance costs - leases	4.1.6	3,034	964	8,886	7,021
Other expenses	4.1.6	30,000	30,100	30,100	30,100
Total Expenditure		20,218,545	20,929,836	21,545,997	22,128,633
NET SURPLUS / (DEFICIT)					
		(366,813)	(827,872)	(1,073,776)	(1,289,437)

3.2 BALANCE SHEET FOR THE FOUR YEARS ENDING 30 JUNE 2028

	NOTES	BUDGET 2024-25 \$	PLAN 2025-26 \$	PLAN 2026-27 \$	PLAN 2027-28 \$
Current Assets					
Cash and Investments	4.3	1,547,794	1,064,125	303,605	346,670
Other Financial Assets		2,000,000	2,000,000	2,000,000	1,000,000
Receivables		1,455	1,455	1,455	1,455
Prepayments		319,313	319,313	319,313	319,313
Inventory		26,447	26,447	26,447	26,447
Total Current Assets		3,895,009	3,411,340	2,650,820	1,693,885
Non-Current Assets					
Property, Plant & Equipment	4.2.2	9,551,837	9,286,545	9,052,200	8,798,609
Right of Use Assets		78,913	394,564	315,652	236,740
Total Non-Current Assets		9,630,750	9,681,109	9,367,852	9,035,349
TOTAL ASSETS		13,525,759	13,092,449	12,018,672	10,729,234
Current Liabilities					
Payables		567,759	651,675	651,675	651,675
Provisions		1,952,379	1,952,379	1,952,379	1,952,379
Lease Liabilities		83,916	71,114	77,859	77,859
Total Current Liabilities		2,604,054	2,675,168	2,681,913	2,681,913
Non-Current Liabilities					
Provisions		162,391	162,391	162,391	162,391
Lease Liabilities		-	323,449	316,704	316,704
Total Non-Current Liabilities		162,391	485,840	479,095	479,095
TOTAL LIABILITIES		2,766,445	3,161,008	3,161,008	3,161,008
NET ASSETS	4.2	10,759,314	9,931,440	8,857,663	7,568,225
Equity					
Members Contribution		3,886,011	3,886,011	3,886,011	3,886,011
Accumulated Surplus		6,873,303	6,045,429	4,971,652	3,682,214
TOTAL EQUITY	4.2	10,759,314	9,931,440	8,857,663	7,568,225

3.3 STATEMENT OF CASH FLOWS FOR THE FOUR YEARS ENDING 30 JUNE 2028

	BUDGET 2024-25 \$	PLAN 2025-26 \$	PLAN 2026-27 \$	PLAN 2027-28 \$
Cash Flows from Operating Activities				
Receipts				
Member Council Contributions	16,960,852	17,300,069	17,646,071	17,998,992
Grants - Operating	2,374,220	2,421,705	2,470,139	2,519,542
User Fees	355,603	355,603	355,603	355,603
Interest Received	145,250	141,912	122,565	92,144
Capital Income	130,000	10,000	10,000	10,000
Grants - Capital	56,417	56,417	56,417	56,417
Other Income	108,405	99,171	99,171	99,171
Total Receipts	20,130,748	20,384,877	20,759,966	21,131,870
Payments				
Employee Costs	(15,237,603)	(15,849,792)	(16,354,304)	(16,832,348)
Materials & Services	(3,014,248)	(3,012,367)	(3,119,589)	(3,208,104)
Other Payments	(33,000)	(33,110)	(33,110)	(33,110)
Net GST Refund / (Payment)	203,240	182,182	192,098	195,217
Total Payments	(18,081,611)	(18,713,087)	(19,314,905)	(19,878,345)
Net Cash Inflow from Operating Activities	2,049,137	1,671,790	1,445,061	1,253,525
Cash Flows from Investing Activities				
Payments for/proceeds from investments	-	-	-	-
Capital Expenditure	(2,257,580)	(2,070,580)	(2,125,580)	(2,125,580)
Net Cash Outflow from Investing Activities	(2,257,580)	(2,070,580)	(2,125,580)	(2,125,580)
Cash Flows from Financing Activities				
Interest Paid - Lease Liability	(3,034)	(964)	(8,886)	(7,021)
Repayment of Lease Liability	(81,846)	(83,916)	(71,114)	(77,859)
Net Cash used in Financing Activities	(84,880)	(84,880)	(80,000)	(84,880)
Net Increase / (Decrease) in Cash Held	(293,323)	(483,670)	(760,519)	(956,935)
Cash at the Beginning of the Financial Year	3,841,117	3,547,794	3,064,125	2,303,605
CASH AT THE END OF THE FINANCIAL YEAR	3,547,794	3,064,125	2,303,605	1,346,670

3.4 STATEMENT OF CAPITAL WORKS FOR THE FOUR YEARS ENDING 30 JUNE 2028

	BUDGET 2024-25 \$	PLAN 2025-26 \$	PLAN 2026-27 \$	PLAN 2027-28 \$
Collections	1,627,345	1,507,345	1,507,345	1,507,345
IT Infrastructure	300,000	200,000	200,000	200,000
Furniture, Fittings & Equipment	125,000	175,000	225,000	225,000
Vehicle Replacement	-	-	-	-
TOTAL CAPITAL EXPENDITURE	2,052,345	1,882,345	1,932,345	1,932,345
Represented By:				
New Asset Expenditure	120,000	-	-	-
Asset Renewal Expenditure	1,932,345	1,882,345	1,932,345	1,932,345
Asset Upgrade Expenditure	-	-	-	-
TOTAL CAPITAL EXPENDITURE	2,052,345	1,882,345	1,932,345	1,932,345
Funding Sources:				
Grants	56,417	56,417	56,417	56,417
GRLC	1,995,928	1,825,928	1,875,928	1,875,928
TOTAL FUNDING SOURCES	2,052,345	1,882,345	1,932,345	1,932,345

3.5 STATEMENT OF HUMAN RESOURCES FOR THE FOUR YEARS ENDING 30 JUNE 2028

	BUDGET 2024-25 \$	PLAN 2025-26 \$	PLAN 2026-27 \$	PLAN 2027-28 \$
Staff Expenditure				
Salaries - Operating	15,237,603	15,849,792	16,354,304	16,832,348
Salaries - Capital	-	-	-	-
TOTAL STAFF EXPENDITURE	15,237,603	15,849,792	16,354,304	16,832,348
Staff FTE (Full Time Equivalent)	FTE	FTE	FTE	FTE
Library & Heritage Services	148.9	148.9	148.9	148.9
TOTAL FTE AT 30 JUNE	148.9	148.9	148.9	148.9

4 NOTES TO THE FINANCIAL STATEMENTS

This section presents detailed information on material components of the financial statements.

4.1 Comprehensive Income Statement

4.1.1 TOTAL OPERATING AND CAPITAL REVENUE

RECURRENT INCOME	ACTUAL 2022-23 \$	BUDGET 2023-24 \$	BUDGET 2024-25 \$	2023-24 to 2024-25 \$ Increase/ (Decrease)	2023-24 to 2024-25 % Increase/ -Decrease
OPERATING					
Member Council Contributions	14,744,997	14,882,232	16,724,018	1,841,787	12.4%
State Government Grants - PLFP	2,374,220	2,374,220	2,374,220	-	0.0%
Fees & Charges	292,263	254,999	323,276	68,276	26.8%
Interest & Sundry Income	354,130	260,200	243,800	(16,400)	-6.3%
Total - Operating	17,765,610	17,771,652	19,665,314	1,893,663	10.7%
CAPITAL					
State Government Grants	56,417	56,981	56,417	(564)	-1.0%
City of Greater Geelong	10,000	10,000	130,000	120,000	1200.0%
Other	9,071	-	-	-	0.0%
Total - Capital	75,488	66,981	186,417	119,436	178.3%
TOTAL OPERATING & CAPITAL REVENUE	17,841,098	17,838,633	19,851,731	2,013,099	11.3%

4.1.2 MEMBER COUNCIL CONTRIBUTIONS

According to the Library Agreement between the five 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	ACTUAL 2022-23 \$	BUDGET 2023-24 \$	BUDGET 2024-25 \$	2023-24 to 2024-25 \$ Increase/ (Decrease)	2023-24 to 2024-25 % Increase/ -Decrease
Golden Plains Shire	433,581	434,899	446,859	11,960	2.75%
City of Greater Geelong	12,501,001	12,600,000	14,338,025	1,738,025	13.79%
City of Greater Geelong – Western Heights Library recurrent	16,148	17,180	17,653	473	2.75%
Borough of Queenscliffe	225,844	230,361	236,696	6,335	2.75%
Surf Coast Shire	748,722	763,696	825,698	62,002	8.12%
Colac Otway Shire	819,701	836,095	859,088	22,993	2.75%
Member Council Contributions - Annual Operating Allocations	14,744,997	14,882,232	16,724,018	1,841,787	12.38%
City of Greater Geelong – Western Heights Library capital	10,000	10,000	10,000	-	0.00%
City of Greater Geelong – Armstrong Creek Collection	-	-	120,000	120,000	0.00%
TOTAL MEMBER COUNCIL CONTRIBUTIONS	14,754,997	14,892,232	16,854,018	1,961,787	13.17%

MEMBER COUNCIL CONTRIBUTION	RECURRENT	CAPITAL	TOTAL
Golden Plains Shire	446,859	-	446,859
City of Greater Geelong	14,355,678	130,000	14,485,678
Borough of Queenscliffe	236,696	-	236,696
Surf Coast Shire	825,698	-	825,698
Colac Otway Shire	859,088	-	859,088
TOTAL MEMBER COUNCIL CONTRIBUTIONS	16,724,018	130,000	16,854,018

The increase in Member Council contributions has been set in line with the 2.75% rate cap for 2024-25.

There are additional increases to reflect the following:

- City of Greater Geelong – additional operating costs for the first full year of Boronggook Drysdale library \$410.0k, the first 11 months of the new Biyal-a Armstrong Creek Library \$981.3k, along with its furnishings and lending collection \$120.0k.
- Surf Coast Shire – \$41k to cover the additional resourcing required by Torquay library to meet the growing needs of the community.

4.1.3 STATE GOVERNMENT GRANTS

State Government grants are received from two funding programs:

- Public Libraries Funding Program – Grants to Member Councils are estimated to be the same as 2023-24. The Department of Government Services will confirm these grants in mid-late 2024; and,
- Premier's Reading Challenge Book Fund –The funding per municipality is expected to remain unchanged throughout the SRP.

STATE GOVERNMENT GRANT PER MEMBER COUNCIL	ACTUAL 2022-23 \$	BUDGET 2023-24 \$	BUDGET 2024-25 \$	2023-24 to 2024-25 \$ Increase/ (Decrease)	2023-24 to 2024-25 % Increase/ -Decrease
Golden Plains Shire	210,060	210,060	210,060	-	0.0%
City of Greater Geelong	1,613,050	1,613,050	1,613,050	-	0.0%
Borough of Queenscliffe	80,579	80,580	80,580	-	0.0%
Surf Coast Shire	261,327	261,327	261,327	-	0.0%
Colac Otway Shire	209,203	209,203	209,203	-	0.0%
Total - Public Libraries Funding Program	2,374,220	2,374,220	2,374,220	-	0.0%
STATE GOVERNMENT GRANTS RECURRENT	2,374,220	2,374,220	2,374,220	-	0.0%
Capital Grant - Premiers Reading Challenge Book Fund	56,417	56,981	56,417	(564)	-1.0%
Other Capital Grants	9,071	-	-	-	0.0%
TOTAL STATE GOVERNMENT GRANTS	2,439,708	2,431,201	2,430,637	(564)	0.0%

DISTRIBUTION OF PLFP FUNDING

The allocation of funding is based on a two-component formula:

- 87.5% is based on the size of the municipal population
- 12.5% is based on five Council factors:
 - Percentage of population with low English proficiency
 - Rate of population dispersion
 - Level of remoteness from metropolitan or regional centres
 - Level of socio-economic disadvantage
 - Percentage of population over 60 years of age.

4.1.4 BUDGETED COMPREHENSIVE INCOME STATEMENT

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

COMPREHENSIVE INCOME STATEMENT	ACTUAL 2022-23 \$	BUDGET 2023-24 \$	BUDGET 2024-25 \$	2023-24 to 2024-25 \$ Increase/ (Decrease)	2023-24 to 2024-25 % Increase/ -Decrease
RECURRENT INCOME					
Member Council Contributions	14,728,849	14,865,052	16,706,365	1,841,314	12.4%
COGG - Western Heights	16,148	17,180	17,653	473	2.8%
State Government Grant - PLFP	2,374,220	2,374,220	2,374,220	-	0.0%
User Fees					
Venue Hire	148,186	150,000	155,827	5,826	3.9%
Business Service Fees	-	74,999	84,249	9,250	12.3%
Photocopying Revenue	21,116	20,000	23,200	3,200	16.0%
Other User Fees	122,961	10,000	60,000	50,000	500.0%
Total User Fees	292,263	254,999	323,276	68,276	26.8%
Other Income					
Fines	13,633	-	-	-	0.0%
Literary & Other Event Income	9,037	-	-	-	0.0%
Interest on Investments	218,327	131,250	145,250	14,000	10.7%
Other Income	113,133	128,950	98,550	(30,400)	-23.6%
Total Other Income	354,130	260,200	243,800	(16,400)	-6.3%
Gain on Sale of Plant & Equipment	19,135	-	-	-	0.0%
Total Recurrent Income	17,784,745	17,771,652	19,665,314	1,893,663	10.7%
RECURRENT EXPENDITURE					
Employee Related					
Salaries	10,968,539	12,302,997	13,655,757	1,352,760	11.0%
Superannuation & Workcover	1,091,822	1,300,738	1,581,846	281,109	21.6%
Total Employee Expenses	12,060,361	13,603,735	15,237,603	1,633,869	12.0%
Materials & Services					
Contract Payments	921,203	439,439	532,382	92,943	21.2%
Building Maintenance	9,934	35,022	35,142	120	0.3%
General Maintenance	88,378	63,299	57,929	(5,370)	-8.5%
Utilities	290,725	250,000	224,551	(25,449)	-10.2%
Office Administration	902,552	802,253	883,963	81,711	10.2%
Information Technology	701,470	695,032	846,370	151,338	21.8%
Insurance	42,460	38,780	47,887	9,107	23.5%
Consultants	147,499	100,000	112,000	12,000	12.0%
Materials & Services Total	3,104,221	2,423,825	2,740,225	316,400	13.1%
Finance Costs - Leases	7,480	2,850	3,034	184	6.5%
Other Expenses	15,178	12,000	30,000	18,000	150.0%
Total Recurrent Expenditure	15,187,240	16,042,409	18,010,862	1,968,453	12.3%
Recurrent Surplus / (Deficit) Before Depreciation	2,597,505	1,729,242	1,654,453	(74,790)	-4.3%
Depreciation	1,829,943	1,903,855	1,886,578	(17,277)	-0.9%
Book Value of Assets Written Off	237,965	299,462	242,193	(57,269)	-19.1%
Amortisation - Right of Use Assets	82,540	100,288	78,912	(21,376)	-21.3%
Recurrent Surplus / (Deficit) after Depreciation	447,057	(574,363)	(553,230)	21,132	3.7%
Non Recurrent Income					
Capital Grants & Income	75,488	66,981	186,417	119,436	178.3%
NET SURPLUS / (DEFICIT)	522,545	(507,382)	(366,813)	140,568	27.7%

4.1.5 EMPLOYEE EXPENSES

Employee costs comprise 76.4% of total cash expenditure for 2024-25. This is slightly higher than the 76.0% in the prior year Budget.

Employee costs include all labour related expenditure such as salary and wages, and on-costs such as allowances, leave entitlements, employer superannuation, WorkCover insurance and Fringe Benefits Tax. Long service and annual leave are statutory requirements and provisions for the payments of these items are included in the Budget. Salaries and wages are reflective of salary banding increments. Employer superannuation includes the increase in the statutory Superannuation Guarantee Charge from 11.0% to 11.5% from 1 July 2024.

The salaries of employees working in libraries 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 expenses are expected to increase by 12.0% in 2024-25. Refer to 'Salaries' in Section 2.5 'Budget and Strategic Resource Plan Assumptions' for further discussion.

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

	BUDGET 2024-25 \$	COMPRISES:		BUDGET 2024-25 FTE	COMPRISES:	
		FULL TIME \$	PART TIME \$		FULL TIME FTE	PART TIME FTE
Permanent Staff	13,838,898	7,423,561	6,415,337	134.7	64.8	69.9
Casual and Other Staff	1,398,705			14.2		
TOTAL ¹	15,237,603			148.9		

¹ Includes Superannuation, WorkCover Insurance and Fringe Benefits Tax

4.1.6 OTHER EXPENDITURE

Contract Payments

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 and security services. Increases only where contractually required.

Maintenance and General Maintenance

This expenditure includes minor plant, furniture and equipment, and the running costs of GRLC vehicles and mobile libraries.

Utilities

Utilities largely reflect library communications costs as indicated by Telstra for 2024-25 and contract with AARNET for internet communications at the Geelong Library and Heritage Centre.

Office Administration

This category of expenditure includes eCollection subscriptions, health and safety items, printing, office stationery, photocopier/printer costs, minor IT upgrades, staff training and development, bank fees, corporate advertising and marketing, recruitment advertising, events and programming costs.

Information Technology

IT comprises computer support, and minor hardware and software.

Insurance

GRLC incurs a direct expense for Directors and Officers Liability insurance, Commercial Crime insurance and Industrial Special Risks insurance. Other insurance coverages are included in policies held and paid by City of Greater Geelong: Public and Products Liability, Professional Indemnity, coverage of lending materials and heritage items.

Consultants

This category also includes legal expenses.

4.1.7 DEPRECIATION

Depreciation is the decrease in value of the current library collection and equipment due to usage. GRLC's capital expenditure seeks to replenish the collection as obsolete items are withdrawn, in order to maintain a high-quality collection which meets the needs of the communities we serve.

The depreciation expense has increased significantly over the last ten years due to the expansion of the library network, and subsequent increase in the size of the library collection and equipment.

For 2024-25, the depreciation expense is budgeted to be slightly higher than the actual expense for the 2022-23 financial year.

4.2 Balance Sheet

The following table represents a summary of the Corporation's assets, liabilities and equity:

BALANCE SHEET	ACTUAL 2022-23 \$	BUDGET 2023-24 \$	BUDGET 2024-25 \$
Assets and Liabilities			
Total Assets	15,767,660	13,607,262	13,525,759
Total Liabilities	4,928,120	3,292,612	2,766,445
NET ASSETS	10,839,541	10,314,650	10,759,314
EQUITY	10,839,541	10,314,650	10,759,314

The Corporation's major assets comprise its bank balance, the lending collection, vehicles, furniture and office equipment. GRLC does not own any land or buildings. The major liability is employee provisions. Equity consists of Member Council contributions and the accumulated accounting surplus.

4.2.1 BORROWINGS

GRLC had no borrowings during the financial year 2023-24 and will not be taking out any borrowings for the 2024-25 financial year.

4.2.2 PROPERTY, PLANT AND EQUIPMENT

The value of GRLC assets is expected to decline as the rate of depreciation (\$2.1m-\$2.2m) continues to exceed capital expenditure (\$1.9-\$2.0m).

The investment gap ratios in section 5 'Financial Indicators' provide further detail.

4.3 Cash

The following table represents a summary of the Cash Flow Statement and indicates the cash results from the operating, investing and financing activities for the 2024-25 financial year.

CASH FLOWS	ACTUAL 2022-23 \$	BUDGET 2023-24 \$	BUDGET 2024-25 \$
Operating Activities	4,236,906	2,063,880	2,049,137
Investing Activities	(5,928,981)	(2,125,580)	(2,257,580)
Financing Activities	(84,877)	(74,422)	(84,880)
Net Increase/(Decrease) in Cash Held	(1,776,953)	(136,122)	(293,323)
Cash at Beginning of Financial Year	3,034,378	4,722,438	3,841,117
CASH AT END OF FINANCIAL YEAR	1,257,425	4,586,316	3,547,794

CASH AT END OF THE YEAR

Overall, total cash and term deposits are forecast to be \$3.7m as at 30 June 2025 which is sufficient to cover the budgeted current employee entitlements expected to be settled within 12 months.

Cash reserves are not impacted by the depreciation expense and subsequent budgeted deficit. Please refer to the Statement of Cash Flows in section 3.

4.4 Capital Expenditure

Capital expenditure over the 4 year period (2024-25 to 2027-28) will total \$7.7m.

The following table outlines the capital expenditure budget for 2024-25 and associated sources of funding.

CAPITAL EXPENDITURE	ACTUAL 2022-23 \$	BUDGET 2023-24 \$	BUDGET 2024-25 \$	2023-24 to 2024-25 \$ Increase/ (Decrease)	2023-24 to 2024-25 % Increase/ -Decrease
Collections	1,714,155	1,507,345	1,627,345	120,000	8.0%
IT Infrastructure	570,721	350,000	300,000	(50,000)	-14.3%
Branch Furniture, Fittings & Equipment	151,754	75,000	125,000	50,000	66.7%
Vehicle Replacement	-	-	-	-	0.0%
TOTAL CAPITAL EXPENDITURE	2,436,630	1,932,345	2,052,345	120,000	6.2%

FUNDING SOURCES	GRLC \$	GRANTS \$	TOTAL \$
Collections	1,570,928	56,417	1,627,345
IT Infrastructure	300,000	-	300,000
Branch Furniture, Fittings & Equipment	125,000	-	125,000
Vehicle Replacement	-	-	-
TOTAL CAPITAL EXPENDITURE	1,995,928	56,417	2,052,345

4.5 Financial Resources

The following table summarises the key financial results for the Budget years 2023-24 and proposed 2024-25, plus the next 3 years as set out in the Strategic Resource Plan for 2025-26 to 2027-28.

KEY FINANCIAL RESULTS	BUDGET 2023-24 \$	BUDGET 2024-25 \$	PLAN 2025-26 \$	PLAN 2026-27 \$	PLAN 2027-28 \$
Operating Result - Surplus / (Deficit)	(507,382)	(366,813)	(827,872)	(1,073,776)	(1,289,437)
Cash & Investments	4,586,316	3,547,794	3,064,125	2,303,605	1,346,670
Net Increase / (Decrease) in Cash	(136,122)	(293,323)	(483,670)	(760,519)	(956,935)
Capital Expenditure	1,932,345	2,052,345	1,882,345	1,932,345	1,932,345

The key outcomes of the Plan are as follows:

- Financial sustainability**
 While the operating result is a deficit from 2024-25 onwards, it is noted that this is mainly due to the cost of depreciation. Given the current rate capping environment, Member Council contributions are not sufficient to cover the depreciation expense and achieve a net surplus/deficit of zero. The increase in the size of the library network and collection requires a subsequent increase in capital expenditure to maintain the collection. 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**
 The cash balance is expected to decline across most of the SRP. Over the last 4 financial years, GRLC has had an average cash balance of \$4.4m. Current surplus funds are invested in Term Deposits, which achieve an interest rate higher than the standard rate on the daily transaction account; and,
- 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.

5 FINANCIAL INDICATORS

The following table is a summary of budgeted financial ratios for the years 2024-25 to 2027-28. These ratios are used as a guide to assess trends in GRLC's financial health. They show that the Corporation 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	BUDGET 2024-25 \$	PLAN 2025-26 \$	PLAN 2026-27 \$	PLAN 2027-28 \$
UNDERLYING RESULT %	-2%	-4%	-5%	-6%
Recurrent Surplus-Deficit / Total Recurrent Income				
Measures surplus/-deficit as a % of revenue.				
WORKING CAPITAL OR LIQUIDITY	1.50	1.28	0.99	0.63
Current Assets / Current Liabilities				
Assesses GRLC's ability to meet current commitments.				
ADJUSTED WORKING CAPITAL OR ADJUSTED LIQUIDITY	2.88	2.52	1.95	1.25
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 RATIOS				
TOTAL - Capital Expenditure / Depreciation	0.96	0.88	0.89	0.88
COLLECTIONS - Collection Expenditure / Collection Depreciation	1.17	1.07	1.06	1.06
IT, FURNITURE, FITTINGS & EQUIPMENT - IT, FF&E Expenditure / IT, FF&E Depreciation	0.61	0.54	0.61	0.61
Measuring GRLC's rate of replacement of assets.				

At 30 June 2025, GRLC will have \$1.50 cents of current assets for every \$1.00 of current liabilities. This increases to \$2.88 cents when adjusted for expected long service leave payments.

The investment gap ratio highlights that GRLC is investing \$1.17 cents on collection items to replace every \$1.00 of items written down or withdrawn. For IT, furniture and other equipment, the investment in 2024-25 is 61 cents for every \$1.00 of value written down or written off.

6 FEES AND CHARGES SCHEDULE

User fees and charges are comprehensively reviewed and benchmarked with public libraries and other local businesses offering similar services.

Overdue fees were removed during the 2021-22 financial year.

Fees for inter-library loans and charges for damaged materials have been increased to cover the associated costs incurred.

Replacement membership cards will be provided for no fee, so as not to disadvantage members who cannot access a digital card that is now available on the GRLC mobile app.

No changes are proposed for photocopying, printing and all other branch services not mentioned above in 2024-25.

PROPOSED 2024-25	
INTER LIBRARY LOANS (ILL)	
From non-GRLC public libraries	\$3.00
Where an ILL cost is charged by a non-GRLC lending library - will be charged to the library member plus postage	\$35.50 plus postage
Loans from interstate libraries	\$3.00
Book Club Kit Loans	\$10.00 per kit
CHARGES FOR DAMAGED MATERIALS*	
Rejacketing	\$8.50
CD & DVD case or slick replacement	\$8.50
RFID tags and barcode replacement	\$8.50
CHARGES FOR LOST/TOTALLY DAMAGED ITEMS*	Item cost plus \$8.50 admin fee
REPLACEMENT MEMBERSHIP CARDS	No fee
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
WITHDRAWN COLLECTION ITEMS FOR SALE	
Adult fiction and non-fiction	\$2.00
Children's materials and magazines	\$1.00
PROFESSIONAL HERITAGE RESEARCH	
Professional Research by Heritage Centre staff	\$50.00 per hour
High resolution digital or hard copy prints images from heritage collection	\$20 per image

MEETING ROOMS:

BANNOCKBURN, BELMONT, COLAC, CORIO, NEWCOMB & WAURN PONDS

SEMINAR ROOM, LECTURE THEATRE:

COLAC

Commercial/Professional user – per hour	\$55.00
Commercial/Professional user – per day	\$310.00
Not for Profit – per hour	\$40.00
Not for Profit – per day	\$235.00
Community user – per hour	\$10.00
Community user– per day	\$60.00
Audio visual equipment – commercial/professional user	Included in room hire rates
Audio visual equipment – community user	Included in room hire rates

Items marked (*) are GST free

All other fees and charges are 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 2024-25

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+)	\$190.00	\$705.00	\$1,405.00	\$1,855.00
Level 5 - High Ground <i>Wurdi Youang North</i> (min 3 hrs M-F)	\$125.00	\$515.00	\$890.00	\$1,445.00
Level 5 - High Ground <i>Wurdi Youang South</i> (min 3 hrs M-F)	\$105.00	\$435.00	\$825.00	n/a
Level 4 - Board Room (special requests only)	\$75.00	\$290.00	\$425.00	
Level 2 - Meeting Room	\$45.00	\$165.00	\$310.00	
Level 2 - Discussion Rooms (1,2,3,4)	\$35.00	\$125.00	\$250.00	
Level 1 - Activities Room (limited availability)	\$75.00	\$325.00	\$520.00	
DISCOUNTS				
Commercial/Business	0%			
Government/Not for Profit	25%			
Community	50%			
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, Cultural Precinct and other such as the Geelong Gallery.				



**Geelong Library
& Heritage Centre**
51 Little Malop Street
T 4201 0600

Apollo Bay
6 Pengilley Avenue
T 5237 1013x

Bannockburn
25-27 High Street
T 5281 2367

Barwon Heads
Barwon Heads Primary School,
Golf Links Road
T 5254 2143

Belmont
163 High Street
T 5243 2655

Chilwell
51 Russell Street, Newtown
T 5221 5129

Colac
173 Queen Street, Colac
T 5231 4613

Corio
Cox Road (cnr Moa Street) Norlane
T 5275 2388

Borongook Drysdale
2-8 Wyndham Street
T 5251 3855

Geelong West
153A Pakington Street
T 5229 1939

Highton
Roslyn Road (cnr Belle Vue Avenue)
T 5243 4864

Lara
5 Walkers Road
T 5282 4182

Leopold
Leopold Community Hub
31-39 Kensington Road
T 4201 0675

Newcomb
cnr Bellarine Highway & Wilsons Road
T 5248 1802

Ocean Grove
Presidents Avenue (cnr The Avenue)
T 5255 4218

Queenscliff
55 Hesse Street
T 5258 2017

Torquay
Surf City Plaza, Beach Road
T 5261 3049

Wauron Ponds
140 Pioneer Road
T 5244 0048

Western Heights
Western Heights College,
Vines Road, Hamlyn Heights
T 5277 1177

Mobile Library Stops

Aireys Inlet	Gellibrand
Anakie	Grenville
Anglesea	Haddon
Beeac	Lavers Hill
Beech Forest	Linton
Birregurra	Lorne
Cape Clear	Meredith
Coragulac	Portarlington
Cressy	Rokewood
Deans Marsh	Smythesdale
Dereel	St Leonards
Enfield	Winchelsea
Forrest	

GEELONG
REGIONAL
LIBRARIES



**Geelong Library &
Heritage Centre**
51 Little Malop Street
Geelong Victoria 3220
T 4201 0600

www.grlc.vic.gov.au



Colac Otway
SHIRE