



EASTERN REGIONAL LIBRARIES CORPORATION

Budget Report - 2008/2009

Background

The Eastern Regional Libraries Corporation (ERLC) was formed under section 196 of the Local Government Act 1989. The member Councils are Knox City Council, Maroondah City Council and the Shire of Yarra Ranges.

The Corporation is administered by a Board comprising two Councillor representatives from each of the member Councils. Council officers from each Council attend Board meetings as advisors. The Corporation's Chief Executive reports to the Board and is responsible for the management of the organization.

Funding is provided by contributions from the Member Councils together with grants from the State Government. The annual funding contributions for each member Council are based on a budget allocation formula basis that includes direct, per capita and usage components.

ERLC's funding is provided as follows:

| Source | Amount | Percentage of Total Revenues | Increase for 2008/2009 | Comments |
|-------------------------------|-------------|------------------------------|------------------------|---|
| Council Contribution | \$7,596,491 | 73% | 6.89% | <ul style="list-style-type: none"> To reflect true costs of operating libraries. |
| State Government Contribution | \$2,179,002 | 20% | 2.5% | <ul style="list-style-type: none"> Does not reflect true escalation costs e.g. salaries are increasing by 4.8% including oncosts. In the 70s, State Government for a period contributed 50% of Operating Costs. |

The Corporation generates 6% (over \$600,000) of its income through User Charges and Fees, Investment Income and Asset Sales and receives other small one-off grants and generates of income from its own operations.

Alternate sources of funding are explored and investigated. ERLC endeavours to make Governments aware of the importance of funding for library services, at both Local and State Government levels.

ERLC delivers financial accountability, is committed to ongoing financial sustainability and takes a strong business approach to the provision of library services.

The Corporation 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 certain information about the fees and charges that the Corporation intends to levy as well as a range of other financial information.

The Budget Report provides key information about revenue, operating result, service levels, cash and investments, capital works, financial position, financial sustainability and key strategic activities of the Corporation.

Budget processes

The preparation of the budget begins with Officers preparing the annual budget in accordance with the Act and submitting the “proposed” budget to the Board for approval “in principle”.

The Corporation is then required to give “public notice” that it intends to “adopt” the budget. It must give 14 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 submissions from interested parties.

The budget is required to be adopted and a copy submitted to the Minister by 31 August each year. The key dates for the budget process are summarised below:

| Budget process | Month |
|---|-----------|
| 1. Proposed budget submitted to the Board for approval | 15 May |
| 2. Public notice advising intention to adopt budget | 20 May |
| 3. Budget available for public inspection & comment until | 10 June |
| 4. Submissions together with budget referred to the Board | 22 August |
| 5. Budget and submissions presented to the Board for adoption | 28 August |
| 6. Copy of adopted budget submitted to the Minister | 31 August |

1. Linkage to the Library Plan

This section describes how the Annual Budget links to the achievement of the library plan within an overall planning framework. This framework guides the Board in identifying community needs and aspirations and then holding itself accountable through the Annual Report and Audited Statements.

1.1 Strategic Planning Framework

In accordance with the Local Government Act, Eastern Regional Libraries Corporation (ERLC) has developed a four year strategic plan. The Corporation reviews its four year plan annually and at the end of each four year cycle. The Plan plays a vital role in shaping library services to the communities served by the Corporation.

The Library Plan has taken direction from the ERLC Best Value Review. The Review was conducted taking into account Best Values Principles-

- Best possible quality and value for money
- Responsive to community needs
- Accessible to the people they are intended for
- Show continuous improvement
- Subjected to regular community consultation
- Reports regularly to community on performance against Best Value principles

Community members were consulted regarding their requirements and aspirations for library services in the three municipalities as part of the Review.

The Library Plan takes also into consideration a Library Services Review undertaken by the Member Councils in 2005.

The City of Knox is currently undertaking a review of its library infrastructure. Depending on the outcomes of the review, there may be impacts on the 2008/2009 budget.

The Library Plan is divided into five Key Strategic Areas which are drivers of the Vision and Mission of ERLC. Each key area has a strategic objective and an action plan with measures and targets.

Achievements and outcomes will be monitored and reported back to Councils and community members in the ERLC Annual Report.

Implementation of strategies within the five Key Areas will be achieved within the context of the ERLC Strategic Resource Plan, the Best Value Continuous Improvement Plan, service plans including the Information and Communications Technology Plan and the Marketing Plan, and policies including Collection Development and Information Services.

1.2 Our purpose

The Corporation delivers library services, activities and initiatives on behalf of the Cities of Knox and Maroonah, and the Shire of Yarra Ranges. Each Strategic Area contributes to the achievement of the Library Plan for the 2006-2010 years. The Annual Budget converts these activities and initiatives into financial terms to ensure that there are sufficient resources for their achievement.

ERLC believes that its key strategic areas and strategic objectives will provide the means to achieving its Vision and Mission:

Vision: Our Communities Connected to Knowledge, Experience and Ideas

Mission: Provide universal and equitable access to library resources and services
Create and enhance opportunities for community interaction

2. Activities, initiatives & key strategic activities

The Action Plans for each of these areas, and specific Council initiatives, are detailed in **Appendix D**.

Good Governance – accountable and responsible management of the community’s library services.

Ensuring conformance with the Library Agreement, Board policies, and legal and ethical frameworks within which the Corporation operates.

Rationale: Community confidence in the management and operation of the Corporation.

Community - strong communities provided with opportunities for connection and interaction.

Our libraries as vibrant and vital community hubs.

Rationale: Striving continuously to find ways for community engagement.

Library Resources and Systems – resources and systems that meet the diverse interests and needs of our communities.

Relevant, accessible collections reflecting community requirements.

Rationale: Community access to the latest information through all forms of media.

Accessibility and Inclusion - universal accessibility for all.

The diverse needs of the community taken into account when planning library services.

Rationale: Constantly reviewing service delivery and infrastructure to achieve Best Value for the community.

Service Excellence – a positive experience for all visitors

Excellent customer service as part of the culture of ERLC.

Rationale: Customers are our “raison d’etre”.

3. Budget influences

In preparing the Budget it has been necessary to make a number of assumptions about the internal and external environment within which the Corporation operates. As there is no internal financial support, assistance has been sought from Knox City Council staff; and the Knox City Council 2008/2009 Annual Budget Guidelines (where relevant) have been used in preparing this budget.

3.1 External Influences

In preparing the 2008/2009 budget, a number of external influences have been taken into consideration, because they are likely to impact significantly on the services delivered by the Corporation in the budget period. These include:

- An escalation factor of 4.8% in employee costs.
- Contacts and Utilities to increase by at least 3%.
- Electricity by 14.80%
- Insurances by 5%.
- Increase of 2.5% in State Government contributions, which is less than the projected cost escalation factor.
- Investment Income Return of 6.73%.

3.2 Internal Influences

As well as external influences, there were also a number of internal influences arising from the 2007/2008 year which have an impact on the setting of the budget for 2008/2009.

The forecast Operating Surplus for the year ending 30 June 2008 remains on target to be in excess of \$15,000. The end of year cash position (\$1,904,132) is estimated to be better because the budgeted opening cash of \$1,807,709 has been adjusted to reflect the cash as per the Statement of Financial Position as at 30 June 2007 (\$2,051,000). The forecast capital performance for the year ending 30 June 2008 shows that the budgeted capital works program for the 2007/2008 year will be achieved.

There would appear not to be any significant variances between the forecast actual and budgeted results for the 2007/2008 year at the time the 2008/2009 Budget was prepared.

Section 8 of this report “Impact of Current Year on 2008/2009 Budget” provides a more detailed analysis of these internal influences.

3.3 Budget Principles

The principles include:

- Existing fees and charges to be increased in line with CPI or market levels.
- Contributions and Grants to be proposed funding levels based on advice from Councils and State Government.
- Service levels to be maintained at 2007/2008 levels with an aim to use less resources with an emphasis on innovation and efficiency.
- Expenditure estimated on previous years experience and likely outcomes for 2007/2008.
- Casual labour to be minimised.
- New initiatives or new employee proposals to be cost neutral where practicable.

3.4 Legislative Requirements

Under the Local Government Act 1989 (the Act), ERLC 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 ERLC intends to levy as well as a range of other information required by the Local Government (Finance and Reporting) Regulations 2004 (the Regulations) which support the Act.

The 2008/09 budget, which is included in this report, is for the year 1 July 2008 to 30 June 2009 and is prepared in accordance with the Act and Regulations. The budget includes standard statements being a budgeted Income Statement, Balance Sheet, Cash Flows and Capital Works. These statements have been prepared for the year ended 30 June 2009 in accordance with Accounting Standards and other mandatory professional reporting requirements and in accordance with the Act and Regulations. It also includes detailed information about the fees and charges to be levied, the capital works program to be undertaken and other financial information, which ERLC requires in order to make an informed decision about the adoption of the budget.

The budget includes consideration of a number of long term strategies to assist ERLC in considering the Budget in a proper financial management context. These include a Strategic Resource Plan for the years 2008/09 to 2011/12 (section 9.) and Funding Strategies (section 10.), including infrastructure and service delivery.

4. Analysis of operating budget

This section of the report analyses the expected revenues and expenses of the Corporation for the 2008/2009 year.

4.1 Operating Revenue

| Item | 2007/2008 | 2008/2009 | Variance |
|---|------------------|-------------------|----------------|
| | \$ | \$ | \$ |
| Revenue from Ordinary Activities | | | |
| Grants | 2,127,319 | 2,179,002 | 51,683 |
| Contributions | 7,106,425 | 7,596,491 | 490,066 |
| User Charges & Fees | 396,300 | 410,550 | 14,250 |
| Interest | 94,950 | 125,000 | 30,050 |
| Proceeds from the Disposal of Property, Plant & Equipment | 70,100 | 70,100 | - |
| Total Revenues | 9,795,094 | 10,381,143 | 586,049 |

4.1.1 Council Contributions (\$490,066 increase)

The Corporation has been advised of the Member Council proposed contributions which shows an increase of \$490,066 over 2007/2008 to \$7.59 million. This will ensure that the level of public service will be maintained for 2008/2009.

4.1.2 State Government Grants (\$51,683 increase)

State Government Grants are estimated to grow by 2.5%. The increase is less than the predicted increase in the cost escalation factor for salaries and oncost. This is in contrast to the Member Councils whose increases are an average of 7%. The Grants now also reflect the "Premier's Reading Challenge" grant of \$60,000 for 2008/2009 and assume a similar level of ongoing funding for following years.

4.1.3 User Fees and Charges (\$14,250 increase)

User Fees and Charges have been estimated based on previous years' experiences, likely outcome for 2007/2008 and growth to reflect either CPI or market value.

4.1.4 Interest (\$30,050 increase)

The increase to \$125,000 is due to the estimated increase in the cash reserves and the improving return on investments.

4.1.5 Proceeds from the Disposal of Plant and Equipment (No change)

Proceeds are estimated to be the same as for 2007/2008 based on a sales schedule for motor vehicles (changeover after 40,000 klms) and book sales of \$25,000.

4.2 Operating Expenditure

| Item | 2007/2008 | 2008/2009 | Variance |
|---|------------------|-------------------|----------------|
| | \$ | \$ | \$ |
| Expenses from Ordinary Activities | | | - |
| Employee Expenses | 6,621,072 | 6,865,364 | 244,292 |
| Contract Payments, Materials and Services | 1,920,890 | 1,965,141 | 44,251 |
| Written Down Value of Assets Sold | 35,000 | 45,000 | 10,000 |
| Depreciation | 1,202,967 | 1,500,000 | 297,033 |
| Total Expenses | 9,779,929 | 10,375,505 | 595,576 |

4.2.1 Employee Expenses (\$244,292 increase)

Employee costs comprise approximately 66% of the Corporation's expenditure budget.

The main increase in staffing costs reflects a Collective Agreement increase of 4% and an ensuing oncost escalation. The overall increase has been restricted to 3.68% by predicting savings through a region wide roster review in early 2008/2009 and limiting the casual budget through the introduction of self service technology in branches with loans of at least 250,000 per annum.

The cost of employees that work in branch and or mobile libraries is allocated directly to the respective Member Council as per the budget formula. The cost of the work time of employees employed at the Corporation administration is allocated to the Member Councils on a per capita basis.

Employee costs include all labour related expenditure such as wages and salaries and on-costs such as allowances, leave entitlements, employer superannuation, rostered days off, etc. Long Service leave, Superannuation, and Workcover are all statutory requirements and provision for the payment of these items is included in the budget.

The employee expenses item also includes increases in salaries for some employees due to movement through salary scales due to length of service.

| Type of employment | 2007/08 | 2008/09 |
|-----------------------|------------|--------------|
| | Permanent | 164 |
| Casual | 9 | 22 |
| Total | 173 | 181 |
| Number of EFTs | 99 | 102.4 |

4.2.2 Contract Payments, Materials and Services (\$44,251 increase)

Contract Payments, Materials and Services include the purchases of consumables, payments to contractors for the provision of services and utility costs. Contract Payments, Materials and Services are forecast to increase by 2.3% or \$44,251 compared to 2007/2008.

The overall percentage increase has been contained at 2.3% by allowing no escalation in costs, other than for those contracts and services over which ERLC has no control or influence viz fuel increases and utility costs

These costs are estimated based on previous years' experience, contract escalation factors and likely outcome for 2007/2008.

4.2.3 Written Down Value of Assets Sold (\$10,000 increase)

The estimated written down value is increased by \$10,000 to \$45,000 based on a sales schedule for motor vehicles only (changeover after 40,000 klms). Books are estimated to have a nil written down value on the basis that only the oldest books are "weeded" from the collection.

4.2.4 Depreciation (\$297,033 increase)

Depreciation is an accounting measure which attempts to measure the usage of the Corporation's property, plant and equipment including motor vehicles and books. The increase of \$297,033 for 2008/2009 is based on advice received from the Knox City Council Finance Department.

Refer to section 6. "Analysis of Capital Budget" for a more detailed analysis of the Corporation's capital works program for the 2008/2009 year.

5. Analysis of budgeted cash position

This section of the report analyses the expected cash flows from the operating, investing and financing activities of the Corporation for the 2008/2009 year i.e. the budgeted cash flow position. Budgeting cash flows for the Corporation is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

5.1 Budgeted Standard Cash Flow Statement

| Receipts | 2007/2008 | 2008/2009 | Variance |
|---|--------------------|--------------------|------------------|
| | \$ | \$ | |
| Grants | 2,127,319 | 2,179,002 | 51,683 |
| Contributions | 7,106,425 | 7,596,491 | 490,066 |
| User Charges & Fees | 396,300 | 410,550 | 14,250 |
| Interest | 94,950 | 125,000 | 30,050 |
| | 9,724,994 | 10,311,043 | 586,049 |
| Payments | | | |
| Employee Expenses | 6,621,072 | 6,865,364 | 244,292 |
| Contract Payments, Materials and Services | 1,920,890 | 1,965,141 | 44,251 |
| | 8,541,962 | 8,830,505 | 288,543 |
| Net cash provided by operating activities | 1,183,032 | 1,480,538 | 297,500 |
| Proceeds | | | |
| Proceeds from the Disposal of Property, Plant & Equipment | 70,100 | 70,100 | - |
| | 70,100 | 70,100 | - |
| Expenses | | | |
| Purchase of Property, Plant & Equipment | 110,000 | 140,000 | 30,000 |
| Library Materials | 1,050,000 | 1,100,000 | 50,000 |
| Avs | 115,000 | 115,000 | - |
| New Computer Systems | 75,000 | 100,000 | 25,000 |
| Outreach Vehicle | 50,000 | 50,000 | - |
| | 1,400,000 | 1,505,000 | 105,000 |
| Net Cash provided in Investing Activities | (1,329,900) | (1,434,900) | (105,000) |
| Net Increase/(Decrease) in Cash | (146,868) | 45,638 | 192,506 |
| Cash at beginning of the Financial Year | 2,051,000 | 1,904,132 | (146,868) |
| Cash at end of the Financial Year | 1,904,132 | 1,949,770 | 45,638 |

5.1.1 Revenue from Operating Activities (\$586,049 increase)

Operating activities refer to the cash generated or used in the normal service delivery functions of the Corporation. The increase in cash inflows from operating activities is due mainly to a \$490,000 increase in Council contributions.

5.1.2 Revenue from Investing Activities (No change)

This income is estimated to remain at \$70,100 based on a sales schedule for motor vehicles (changeover after 40,000 klms) and book sales of \$25,000.

5.1.3 Expenses from Operating Activities (\$288,543 increase)

These costs are estimated based on previous years' experience and likely outcome for 2007/2008.

The main increase is staffing costs by \$244,292 which reflects the increases of the Collective Agreement and ensuing oncost escalation. The overall increase has been restricted to 3.68% by predicting savings through a region wide roster review in early 2008/2009 and limiting the casual budget through the introduction of self service technology in branches with loans of at least 250,000 per annum.

Employee costs comprise approximately 66% of the expenditure budget

5.1.4 Expenses from Investing Activities (\$105,000 increase)

The main impacts on Expenses from Investing Activities are:

- Investment in Library Materials up by \$50,000.
- Roll over from 2007/2008 of a proposed expenditure on a Regional Outreach Vehicle (\$50,000)
- Further Information and Communication Technology (ICT) improvements (\$100,000) for Self Checkout.

5.1.5 Cash at End of the Year (\$45,638 increase)

Overall, total cash is forecast to increase only by \$45,638 to \$1,949,770 million as at 30 June 2009.

5.2 Restricted Funds and Working Capital

The cash flow statement above indicates that The Corporation is estimating at 30 June, 2009 it will have cash and investments of \$1.94 million which has been restricted as follows:

- **Employee Benefits (Current) (\$1,459,000)** – These funds must be applied for specified statutory purposes in accordance with various legislative and contractual requirements. Whilst these funds earn interest revenues for the Corporation, they are not available for other purposes.
- **Employee Benefits (Non-current) (\$119,700)** – These funds are separately identified as restricted to ensure there is sufficient funds to meet the Corporation's obligations as set out in the Local Government (Long Service Leave) Regulations 2002.

5.3 Cash Flows from Operating Activities (\$297,500 increase)

Cash flows from Operating Activities for capital works is expected to increase by \$297,500 to \$1.48 million during the 2008/2009 year.

6. Analysis of capital budget

This section of the report analyses the planned capital expenditure budget for the 2008/2009 year and the sources of funding for the capital budget.

6.1 Budgeted Standard Capital Works Statement

| | 2007/2008 | 2008/2009 | Variance |
|-------------------------------|------------------|------------------|----------------|
| | \$ | \$ | |
| Capital Works Area | | | |
| Books | 1,050,000 | 1,100,000 | 50,000 |
| Audiovisual Materials | 115,000 | 115,000 | - |
| Motor Vehicles | 60,000 | 90,000 | 30,000 |
| Equipment | 50,000 | 50,000 | - |
| IT&C Developments | 75,000 | 100,000 | 25,000 |
| New Regional Outreach Vehicle | 50,000 | 50,000 | - |
| Total | 1,400,000 | 1,505,000 | 105,000 |
| Sources of Funds | | | |
| Proceeds | 70,100 | 70,100 | - |
| Receipts | 1,183,032 | 1,480,538 | 297,506 |
| Total Sources of Funds | 1,253,132 | 1,550,638 | 297,506 |

6.1.1 Net Cash Inflow from Operating Activities (\$1.48m)

The Corporation generates cash from its operating activities, which is used as a funding source for the capital works program. It is forecast that \$1.48m will be generated from operations to fund the 2008/2009 capital works program.

6.1.2 Proceeds from Disposal of Property, Plant & Equipment (\$70,100)

The estimated income is \$70,100 based on a sales schedule for motor vehicles (changeover after 40,000 klms) and book sales of \$25,000.

6.1.3 Cash Reserve (\$1.94 million)

The Corporation has cash reserves which it does not require to fund its proposed capital works.

6.1.4 Library Materials (\$1.21 million)

For the 2008/2009 year, \$1.21 million will be expended on Library Materials. This is based on the budgeted levels of Contributions and Grants and other estimated income.

6.1.5 Motor Vehicles (\$90,000)

For the 2008/2009 year, \$90,000 has been budgeted to be expended on vehicles. This represents the changeover of two vehicles which form part of a total fleet of four cars.

6.1.6 New I.C.T Developments (\$100,000)

It is part of the Corporation's strategy to acquire software and hardware to keep abreast of I.C.T developments which will improve customer service and achieve productivity gains. This year Self Checkout will be introduced in some branches which have loans in excess of 250,000.

7. Analysis of budgeted financial position

This section of the budget report analyses the movements in assets, liabilities and equity between 2007/2008 and 2008/2009.

7.1 Budgeted Standard Balance Sheet

| | 2007/2008 | 2008/2009 | Variance |
|--------------------------------------|------------------|------------------|-----------------|
| | \$ | \$ | |
| CURRENT ASSETS | | | |
| Cash Assets | 1,904,132 | 1,949,770 | 45,638 |
| Prepayments | | | |
| Receivables | 70,000 | 71,000 | 1,000 |
| TOTAL CURRENT ASSETS | 1,974,132 | 2,020,770 | 46,638 |
| NON-CURRENT ASSETS | | | |
| Property, Plant and Equipment | 5,890,445 | 5,850,445 | (40,000) |
| TOTAL NON-CURRENT ASSETS | 5,890,445 | 5,850,445 | (40,000) |
| TOTAL ASSETS | 7,864,577 | 7,871,215 | 6,638 |
| CURRENT LIABILITIES | | | |
| Payables | 516,412 | 442,212 | (74,200) |
| Employee Benefits | 1,390,000 | 1,459,500 | 69,500 |
| TOTAL CURRENT LIABILITIES | 1,906,412 | 1,901,712 | (4,700) |
| NON-CURRENT LIABILITIES | | | |
| Employee Benefits | 114,000 | 119,700 | 5,700 |
| TOTAL NON-CURRENT LIABILITIES | 114,000 | 119,700 | 5,700 |
| TOTAL LIABILITIES | 2,020,412 | 2,021,412 | 1,000 |
| NET ASSETS | 5,844,165 | 5,849,803 | 5,638 |
| REPRESENTED BY: | | | |
| Members' Equity | 3,689,000 | 3,689,000 | - |
| Accumulated Surplus | 2,155,165 | 2,160,803 | 5,638 |
| EQUITY | 5,844,165 | 5,849,803 | 5,638 |

7.1.1 Current Assets (\$46,638 increase)

The increase in current assets is due to not expending the total funds available from Net Cash Inflows and revenue from Investing Activities.

7.1.2 Current liabilities (\$4,700 decrease)

There is a decrease in current liabilities (obligations the Corporation may have to pay within the next year). Amounts owed to suppliers are expected to decrease by \$74,200 based on previous years. Annual leave entitlements for staff are expected to increase by \$69,500.

7.1.3 Non current assets (\$40,000 decrease)

The decrease in non-current assets is the net result of the capital works program (\$1.5 million of new assets), the depreciation of non-current assets (\$1.5 million) and the disposal through sale of property, plant and equipment (\$70,100).

7.1.4 Non current liabilities (\$5,700 increase)

The increase in non current liabilities (obligations the Corporation must pay beyond the next year) is in respect of long service leave entitlements of staff.

7.1.5 Equity (\$5,638 increase)

The net increase in equity (or net assets) of \$5,638 results directly from the operating surplus.

7.2 Key assumptions

In preparing the Budgeted Standard Balance Sheet for the year ended 30 June 2009 it was necessary to make a number of assumptions about assets, liabilities and equity balances. The key assumptions are as follows:

- All Council contributions and State Government Grants will be received.
- Other debtors and creditors to remain consistent with previous years' levels.
- Employee entitlements to be increased by the terms of the Collective Agreement only.
- No increase in the average rate of leave taken.

8. Impact of current year on 2007/08 budget

This section of the report analyses the variances from the current budget year and assesses whether there will be any significant impacts on the 2008/2009 budget.

| Item | 2007/2008 |
|---|------------------|
| | \$ |
| Revenue from Operating Activities | |
| Grants | 2,127,319 |
| Contributions | 7,106,425 |
| User Charges & Fees | 396,300 |
| Interest | 94,950 |
| Proceeds from the Disposal of Property, Plant & Equipment | 70,100 |
| Total Operating Revenue | 9,795,094 |
| Expenses from Operating Activities | |
| Employee Expenses | 6,621,072 |
| Contract Payments, Materials and Services | 1,920,890 |
| Written Down Value of Assets Sold | 35,000 |
| Depreciation | 1,202,967 |
| Total Operating Expenses | 9,779,929 |
| | |
| Surplus/(Deficit) for the year | 15,165 |

8.1 Operating Performance

The forecast Operating Surplus for the year ending 30 June 2008 remains on target to be in the range of \$15,000. This is critical to sustain the cash reserves for 2008/2009 and following years.

8.2 Cash Performance

The end of year cash position (\$1,904,000) is estimated to be better because the budgeted opening cash of \$1,945,000 has been adjusted to reflect the cash as per the Statement of Financial Position as at 30 June 2007(\$2,051,000).

8.3 Capital Performance

The forecast capital performance for the year ending 30 June 2008 indicates at the time of this budget preparation that the budgeted capital works program for the 2007/2008 year will be achieved.

8.4 Matters Significant to the 2008/2009 budget

There would appear not to be any significant variances between the forecast actual and budgeted results for the 2007/2008 year at the time the 2008/2009 Budget was prepared.

9. Strategic resource plan & key financial indicators

The Corporation 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

9.1 Plan Development

The Corporation has prepared a Strategic Resource Plan for the four years 2008/2009 to 2011/2012 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 four years.

The key objective, which underlines the development of the Plan, is financial sustainability in the medium to long term, whilst still achieving the Corporation's strategic objectives as specified in the Library Plan. The key financial objectives, which underpin the Long Term Financial Plan, are:

- Maintain existing service levels, some of which will be in new programs.
- Achieve a surplus each year.
- Maintain a capital expenditure program on library materials of at least \$1.2 million per annum.
- Achieve a balanced budget on a cash basis.

In preparing the SRP, the Corporation 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 Corporation's decisions on future generations.
- Provide full, accurate and timely disclosure of financial information.

9.2 Financial Resources

The following table summaries the key financial results for the next four years as set out in the Plan for years 2008/2009 to 2011/2012. Appendix A includes a more detailed analysis of the financial resources to be used over the four year period.

| Indicator | Forecast | Budget | Strategic Resource Plan | | | Trend |
|---------------------------|-----------|-----------|-------------------------|-----------|-----------|-------|
| | Actual | | Projections | | | |
| | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | +/- |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | |
| Operating result | 15,165 | 5,638 | 9,358 | 14,381 | 20,833 | - |
| Cash and investments | 1,904,132 | 1,949,770 | 2,069,128 | 2,222,259 | 2,414,529 | o |
| Cash flow from operations | 1,183,032 | 1,480,538 | 1,559,258 | 1,643,031 | 1,732,170 | o |
| Capital works | 1,400,000 | 1,505,000 | 1,510,000 | 1,560,000 | 1,610,000 | o |

Key to Forecast Trend:

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

The key outcomes of the Plan are as follows:

- **Financial Sustainability**

Cash and investments is forecast to increase over the four year period from \$1.9 million to \$2.4 million, which indicates a finely tuned balanced budget on a cash basis in each of the years.

- **Contributions Strategy (section 10.1)**

Council contribution increases are forecast for 2009/2010 and following years at a rate of 5%.

- **Capital Works Strategy (section 10.2)**

Capital expenditure over the four year period will total \$6.1m at an average of \$1.54m. This does not allow for any growth in collection size.

- **Service Delivery Strategy (section 10.3)**

Services levels by way of opening hours, events, etc have been maintained throughout the four year period on the assumption that Council contributions will be at least 5% for 2009/2010 and following years, self checkout is introduced in larger branches and a major roster review in 2008/2009 yields additional savings.

9.3 Non-financial resources

In addition to the financial resources to be consumed over the planning period, the Corporation will also consume non-financial resources, in particular human resources. The following table summaries the non-financial resources for the next four years.

| Indicator | Forecast | | Strategic Resource Plan | | |
|------------------|----------|---------|-------------------------|---------|---------|
| | Actual | Budget | Projections | | |
| | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Employee costs | 6,621 | 6,865 | 7,174 | 7,497 | 7,834 |
| Employee numbers | 173 | 181 | 181 | 181 | 181 |

Overall increases in employees' costs have been capped for 2009/2010 and following at 4.5% which will only be achievable through self checkout being introduced in larger branches and a major roster review in 2008/2009 yielding additional savings.

10. FUNDING STRATEGIES

In developing the Strategic Resource Plan, strategies have been developed for revenue, infrastructure and service delivery.

10.1 Revenue

The 2008/2009 Budget has been developed using preliminary advice from Council Officers as to the estimated Council contributions for this year. Council increases in total contributions are forecast for the year from 2009/2010 and following at a rate of 5% per annum. User Charges and Fees to rise by at least 3% per annum or market rate for the service provided.

10.2 Capital Works

A key objective will be to try and maintain or preserve the Corporation's existing assets at desired condition levels. If sufficient funds are not allocated to asset preservation then the Corporation's investment in those assets will reduce, along with the capacity to deliver services to the community.

The following influences had a significant impact on Capital Works for the 2008/2009 and following years:

- The budgeted Councils' contributions.
- State Government Grants increase of only 2.5%.
- The level of cash and investment reserves to fund future capital expenditure programs.

10.3 Service delivery

The key objectives included in the Corporation's Strategic Resource Plan (referred to in Section 9) which directly impact the future service delivery strategy are to maintain existing service levels and to achieve a reasonable operating result over the four years. The Revenue Strategy refers to contributions increases into the future, approximating 5% per annum for Member Councils for 2009/2010 and following.

With these key objectives as a basis, a number of internal and external influences have been identified through discussions with Knox City Council management which will have a significant impact on the scope and level of services to be provided over the next four years.

The service delivery outcomes measured in financial terms are shown in the following table.

| Year | Net Surplus (Deficit) \$'000 |
|------|---------------------------------------|
| 2008 | 15,165 |
| 2009 | 5,638 |
| 2010 | 9,358 |
| 2011 | 14,381 |
| 2012 | 20,833 |

Services levels have been maintained throughout the four year period with operating surpluses forecast the years 2008/2009 to 2012/2012, subject to overall increases in employees' costs being capped for 2009/2010 and following at 4.5% which will only be achievable through self checkout being introduced in larger branches and a major roster review in 2008/2009 yielding additional savings.

10.4 Matters that Impact on the Strategies

The general influences affecting all operating revenue and expenditure include the following:

| | 2008/09 | 2009/10 | 2010/11 | 2011/12 |
|------------------------|----------------|----------------|----------------|----------------|
| | % | % | % | % |
| Contribution increases | 7.0 | 5.0 | 5.0 | 5.0 |
| Government funding | 2.5 | 2.5 | 2.5 | 2.5 |
| Wages growth | 4.8 | 4.5 | 4.5 | 4.5 |
| Fees & Charges | 3.0 | 3.0 | 3.0 | 3.0 |
| Investment return | 6.73 | 6.73 | 6.73 | 6.73 |

Appendices

The following appendices include voluntary and statutory disclosures of information which provide support for the analysis contained in sections 1 to 11 of this report.

This information has not been included in the main body of the budget report in the interests of clarity and conciseness. Council has decided that whilst the budget report needs to focus on the important elements of the budget and provide appropriate analysis, the detail upon which the annual budget is based should be provided in the interests of open and transparent local government.

The contents of the appendices are summarised below:

| Appendix | Nature of information |
|----------|------------------------------|
| A | Budgeted standard statements |
| B | Statutory disclosures |
| C | Capital works program |
| D | Key strategic activities |

Appendix A

Budgeted standard statements

This appendix presents information in regard to the Budgeted Standard Statements. The budget information for the years 2008/09 to 2011/12 has been extracted from the Strategic Resource Plan.

The appendix includes the following budgeted information:

- Budgeted Standard Income Statement
- Budgeted Standard Balance Sheet
- Budgeted Standard Cash Flow Statement
- Budgeted Standard Capital Works Statement

Budgeted Standard Income Statement

For the four years ending 30 June 2012

| Item | 2007/2008 | 2008/2009 | 2009/2010 | 2010/2011 | 2011/2012 |
|---|------------------|-------------------|-------------------|-------------------|-------------------|
| | \$ | \$ | | | |
| Revenues from Ordinary Activities | | | | | |
| Grants | 2,127,319 | 2,179,002 | 2,233,477 | 2,289,314 | 2,346,547 |
| Contributions | 7,106,425 | 7,596,491 | 7,976,316 | 8,375,131 | 8,793,888 |
| User Charges & Fees | 396,300 | 410,550 | 422,867 | 435,552 | 448,619 |
| Interest | 94,950 | 125,000 | 125,000 | 125,000 | 125,000 |
| Proceeds from the Disposal of Property, Plant & Equipment | 70,100 | 70,100 | 70,100 | 70,100 | 70,100 |
| Total Revenues | 9,795,094 | 10,381,143 | 10,827,759 | 11,295,098 | 11,784,154 |
| Expenses from Ordinary Activities | | | | | |
| Employee Expenses | 6,621,072 | 6,865,364 | 7,174,305 | 7,497,149 | 7,834,521 |
| Contract Payments, Materials and Services | 1,920,890 | 1,965,141 | 2,024,095 | 2,084,818 | 2,147,363 |
| Written Down Value of Assets Sold | 35,000 | 45,000 | 45,000 | 45,000 | 45,000 |
| Depreciation | 1,202,967 | 1,500,000 | 1,575,000 | 1,653,750 | 1,736,438 |
| Total Expenses | 9,779,929 | 10,375,505 | 10,818,401 | 11,280,717 | 11,763,321 |
| Surplus/(Deficit) for the year | 15,165 | 5,638 | 9,358 | 14,381 | 20,833 |

Budgeted Standard Balance Sheet

For the four years ending 30 June 2012

| | 2007/2008 | 2008/2009 | 2009/2010 | 2010/2011 | 2011/2012 |
|--------------------------------------|------------------|------------------|------------------|------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| CURRENT ASSETS | | | | | |
| Cash Assets | 1,904,132 | 1,949,770 | 2,069,128 | 2,222,259 | 2,414,529 |
| Prepayments | | | | | |
| Receivables | 70,000 | 71,000 | 71,000 | 71,000 | 71,000 |
| TOTAL CURRENT ASSETS | 1,974,132 | 2,020,770 | 2,140,128 | 2,293,259 | 2,485,529 |
| NON-CURRENT ASSETS | | | | | |
| Property, Plant and Equipment | 5,890,445 | 5,850,445 | 5,740,445 | 5,601,695 | 5,430,258 |
| TOTAL NON-CURRENT ASSETS | 5,890,445 | 5,850,445 | 5,740,445 | 5,601,695 | 5,430,258 |
| TOTAL ASSETS | 7,864,577 | 7,871,215 | 7,880,573 | 7,894,954 | 7,915,787 |
| CURRENT LIABILITIES | | | | | |
| Payables | 516,412 | 442,212 | 377,847 | 310,848 | 241,105 |
| Employee Benefits | 1,390,000 | 1,459,500 | 1,517,880 | 1,578,595 | 1,641,739 |
| TOTAL CURRENT LIABILITIES | 1,906,412 | 1,901,712 | 1,895,727 | 1,889,443 | 1,882,844 |
| NON-CURRENT LIABILITIES | | | | | |
| Employee Benefits | 114,000 | 119,700 | 125,685 | 131,969 | 138,568 |
| TOTAL NON CURRENT LIABILITIES | 114,000 | 119,700 | 125,685 | 131,969 | 138,568 |
| TOTAL LIABILITIES | 2,020,412 | 2,021,412 | 2,021,412 | 2,021,412 | 2,021,412 |
| NET ASSETS | 5,844,165 | 5,849,803 | 5,859,161 | 5,873,542 | 5,894,375 |
| REPRESENTED BY: | | | | | |
| Members' Equity | 3,689,000 | 3,689,000 | 3,689,000 | 3,689,000 | 3,689,000 |
| Accumulated Surplus | 2,155,165 | 2,160,803 | 2,170,161 | 2,184,542 | 2,205,375 |
| EQUITY | 5,844,165 | 5,849,803 | 5,859,161 | 5,873,542 | 5,894,375 |

Budgeted Standard Cash Flow Statement

For the four years ending 30 June 2012

| Item | 2007/2008 | 2008/2009 | 2009/2010 | 2010/2011 | 2011/2012 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Receipts | | | | | |
| Grants | 2,127,319 | 2,179,002 | 2,233,477 | 2,289,314 | 2,346,547 |
| Contributions | 7,106,425 | 7,596,491 | 7,976,316 | 8,375,131 | 8,793,888 |
| User Charges & Fees | 396,300 | 410,550 | 422,867 | 435,552 | 448,619 |
| Interest | 94,950 | 125,000 | 125,000 | 125,000 | 125,000 |
| | 9,724,994 | 10,311,043 | 10,757,659 | 11,224,998 | 11,714,054 |
| Payments | | | | | |
| Employee Expenses | 6,621,072 | 6,865,364 | 7,174,305 | 7,497,149 | 7,834,521 |
| Contract Payments, Materials and Services | 1,920,890 | 1,965,141 | 2,024,095 | 2,084,818 | 2,147,363 |
| | 8,541,962 | 8,830,505 | 9,198,401 | 9,581,967 | 9,981,883 |
| Net Cash provided by Operating Activities | 1,183,032 | 1,480,538 | 1,559,258 | 1,643,031 | 1,732,170 |
| Proceeds | | | | | |
| Proceeds from the Disposal of Property, Plant & Equipment | 70,100 | 70,100 | 70,100 | 70,100 | 70,100 |
| | 70,100 | 70,100 | 70,100 | 70,100 | 70,100 |
| Expenses | | | | | |
| Purchase of Property, Plant & Equipment | 110,000 | 140,000 | 140,000 | 140,000 | 140,000 |
| Library Materials | 1,050,000 | 1,100,000 | 1,150,000 | 1,200,000 | 1,250,000 |
| AVs | 115,000 | 115,000 | 120,000 | 120,000 | 120,000 |
| New Computer Systems | 75,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Outreach Vehicle | 50,000 | 50,000 | | | |
| | 1,400,000 | 1,505,000 | 1,510,000 | 1,560,000 | 1,610,000 |
| Net Cash provided in Investing Activities | (1,329,900) | (1,434,900) | (1,439,900) | (1,489,900) | (1,539,900) |
| Net Increase/(Decrease) in Cash | (146,868) | 45,638 | 119,358 | 153,131 | 192,270 |
| Cash at beginning of the Financial Year | 2,051,000 | 1,904,132 | 1,949,770 | 2,069,128 | 2,222,259 |
| Cash at end of the Financial Year | 1,904,132 | 1,949,770 | 2,069,128 | 2,222,259 | 2,414,529 |

Budgeted Standard Capital Works Statement
For the four years ending 30 June 2012

| | 2007/2008 | 2008/2009 | 2009/2010 | 2010/2011 | 2011/2012 |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Capital Works Areas | | | | | |
| Books | 1,050,000 | 1,100,000 | 1,150,000 | 1,200,000 | 1,250,000 |
| Audiovisual Materials | 115,000 | 115,000 | 120,000 | 120,000 | 120,000 |
| Motor Vehicles | 60,000 | 90,000 | 90,000 | 90,000 | 90,000 |
| Equipment | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| IC&T Developments | 75,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| New Regional Outreach Vehicle | 50,000 | 50,000 | | | |
| Total Capital Works | 1,400,000 | 1,505,000 | 1,510,000 | 1,560,000 | 1,610,000 |

Reconciliation of net movement in property, plant and equipment

| | | | | | |
|-----------------------------------|------------------|------------------|------------------|------------------|------------------|
| Total Capital Works | 1,400,000 | 1,505,000 | 1,510,000 | 1,560,000 | 1,610,000 |
| Depreciation | 1,202,967 | 1,500,000 | 1,575,000 | 1,653,750 | 1,736,438 |
| Written Down Value of Assets Sold | 35,000 | 45,000 | 45,000 | 45,000 | 45,000 |
| Net Movement in PP&E | 162,033 | (40,000) | (110,000) | (138,750) | (171,438) |

Appendix B

Statutory disclosures

This appendix presents information required pursuant to the Act and the Regulations to be disclosed in the Council's annual budget.

The appendix includes the following budgeted information:

- Borrowings
- Fees and Charges

Statutory disclosures

1. Borrowings

| | 2007/08 | 2008/09 |
|---|---------|---------|
| | \$ | \$ |
| New borrowings (other than refinancing) | 0 | 0 |
| Debt redemption | 0 | 0 |

2. Fees and Charges

2.1 The proposed Fees and Charges to be levied:

| Products and Services | 2007/ 2008 |
|---|--|
| Overdue Material Per Item Per Day Up to a maximum of \$10 – Adult Up to a maximum of \$ 5 – Child | \$0.30 |
| Lost items | System Cost & Processing Fee |
| Replacement cards | \$3.00 |
| Printing per page | \$0.20 |
| Photocopying - Colour (A4) and (A3) - B&W (A4) and (A3) | \$0.60 and \$1.40 \$0.20 and \$0.40 |
| Inter Library Loan - non public library | \$15.00 |
| Book sale - adult fiction (Minimum) | \$1.00 |
| - junior material (Minimum) | \$1.00 |
| - paperbacks (Minimum) | \$0.50 |
| Book clubs per annum | \$190.00 |
| Library bags | \$1.50 |
| Faxing | |
| Victoria - per fax (includes multiple pages) | \$2.20 |
| Australia - per minute | \$3.30 |
| Overseas - per minute | \$5.50 |
| Receiving - per page printing | \$0.20 |
| Training Internet & Genealogy (each) | \$30.00 |
| Activities - adult | Variable |
| - junior | Variable |
| Meeting Room - Boronia - Rowville - Belgrave - Mt Evelyn - Yarra Junction | As per Councils' Fees and Charges |

Notes: Fees and Charges inclusive of GST as it applies.

Appendix C

Capital works program

This appendix presents a listing of the capital works projects that will be undertaken for the 2008/09 and following years.

| | 2008/2009 | 2009/2010 | 2010/2011 | 2011/2012 |
|-------------------------------|------------------|------------------|------------------|------------------|
| | \$ | \$ | \$ | \$ |
| Capital Works Areas | | | | |
| Books | 1,100,000 | 1,150,000 | 1,200,000 | 1,250,000 |
| Audiovisual Materials | 115,000 | 120,000 | 120,000 | 120,000 |
| Motor Vehicles | 90,000 | 90,000 | 90,000 | 90,000 |
| Equipment | 50,000 | 50,000 | 50,000 | 50,000 |
| IC&T Developments | 100,000 | 100,000 | 100,000 | 100,000 |
| New Regional Outreach Vehicle | 50,000 | | | |
| Total Capital Works | 1,505,000 | 1,510,000 | 1,560,000 | 1,610,000 |

| Sources of Funds | | | | |
|--------------------------------|------------------|------------------|------------------|------------------|
| Proceeds from Investments | 70,100 | 70,100 | 70,100 | 70,100 |
| Receipts | 1,480,538 | 1,559,258 | 1,643,031 | 1,732,170 |
| Total Sources of Funds | 1,550,638 | 1,629,358 | 1,713,131 | 1,802,270 |
| | | | | |
| Net Movement Cash Flows | 45,638 | 119,358 | 153,131 | 192,270 |

Appendix D

Key strategic activities

This appendix presents a number of key strategic activities to be undertaken during the 2008/09 year and performance targets and measures in relation to these.

Good Governance – accountable and responsible management of the community’s library services.

Ensuring conformance with the Library Agreement, Board Policies and legal and ethical frameworks within which the Corporation operates.

| <u>Key Strategic Activities</u> | <u>Partnerships</u> | <u>Success Indicators</u> | <u>Performance Measure</u> | <u>Target 2006/7</u> | <u>Target 2007/8</u> | <u>Target 2008/9</u> | <u>Target 2009/10</u> | <u>Links to Council Plans</u> |
|---|----------------------------------|---|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|--|
| Create a Library Plan that reflects individual Council aspirations | Councillors and Council Officers | Plan better reflects individual Council aspirations | Plan will include agreed initiatives for individual Councils | Ongoing | Ongoing | Ongoing | Ongoing | <u>Knox City Council</u> Sound stewardship |
| Hold quarterly Board Meetings | Councillors and Council Officers | Full attendance | Board Meeting attendance for Members and Officers | 4 | 4 | 4 | 4 | <u>Maroondah City Council</u> Governance and Corporate Support |
| | | All statutory milestones achieved | Library Plan, Budget, Annual Report all meet statutory milestones | 30 June 31 August 30 Sept | 30 June 31 August 30 Sept | 30 June 31 August 30 Sept | 30 June 31 August 30 Sept | <u>Shire of Yarra Ranges</u> Good Governance |
| Provide comprehensive quarterly analysis of operations, including finances and progress against the Library Plan Individual | | Board and Councils satisfied with the level of information provided | Number of Reports and indication of satisfaction via Board and Councillor feedback | Ongoing | Ongoing | Ongoing | Ongoing | |
| Publish Council | | Councillors satisfied with | | 12 | 12 | 12 | 12 | |

| | | | | | | | | |
|--|----------|--|---|--------------|---------------------------|-------------------|-------------------|--|
| tailored monthly newsletter to all Councillors | | level of information provided | Number of monthly newsletters | | | | | |
| Finalise the new Library Agreement, incorporating a 3 year funding model | Councils | Councils approve the new Library Agreement | New Agreement ratified by Member Councils | | Finalised by 30 June 2008 | Agreement ongoing | Agreement ongoing | |
| Chief Executive will participate, by invitation, on major strategic planning projects, eg Maroondah Community Plan | Councils | Libraries are considered as a major component of Council policies and projects | Meetings attended | TBA | TBA | TBA | TBA | |
| Manager – Community Liaison will be the contact point for each Council | Councils | Manager invited to relevant departmental / organisational meetings | Meetings attended and joint ventures/projects initiated | TBA | TBA | TBA | TBA | |
| Badging of Councils will be prominent to reflect their position as the primary funding source | Councils | Council logos used on all promotional material, website, library cards, etc. | All promotional opportunities reflect Council logos Distinctive Library Cards developed for each Council | 30 June 2007 | Ongoing | Ongoing | Ongoing | |

Community – strong communities provided with opportunities for connection and interaction.

Our libraries as vibrant and vital community hubs.

| <u>Key Strategic Activities</u> | <u>Partnerships</u> | <u>Success Indicators</u> | <u>Performance Measure</u> | <u>Target 2006/7</u> | <u>Target 2007/8</u> | <u>Target 2008/9</u> | <u>Target 2009/10</u> | <u>Links to Council Plans</u> |
|---|---|---|--|---------------------------------------|----------------------------------|----------------------------------|----------------------------------|---|
| Further enhance a positive image of libraries to the community | Community Houses Community Organisations | Ongoing customer satisfaction levels | Nexus Survey 2005 Rating of 8.27 | Achieve a Nexus Survey Rating of 8.3 | Ongoing a Rating of 7.9 or above | Ongoing a Rating of 8.0 or above | Ongoing a Rating of 8.1 or above | <u>Maroondah City Council</u> Leisure & Culture Strategies 2005-09 |
| Liaise with member Councils and community organisations to develop partnerships | Councils | Develop one new partnership with each member Council | One partnership with each Council area | Three collaborative projects annually | Ongoing | Ongoing | Ongoing | <u>Knox City Council</u> Caring & Safe Communities Vibrant and Connected Communities |
| Encourage participation in lifelong learning opportunities | Community Houses Schools SYR Learning Alliance | Provide activities and ongoing opportunities that contribute to lifelong learning | 2005 100 events | 105 events | Ongoing 105 events | Ongoing 105 events | Ongoing 105 events | <u>Shire of Yarra Ranges</u> A Living & Learning Community |
| Produce a Reader Development Strategy | Councils State Government Community Organisations | Implementation of Strategy | Launched in May 2007 | Ongoing | Ongoing | Ongoing | Ongoing | |
| Develop library as a vital and important Council service | Councils | Community awareness of Councils as providers of a library service | Community survey regarding awareness | Ongoing | Ongoing | Ongoing | Ongoing | |

| | | | | | | | | |
|--|------------------|--|---|----------|----------|----------|----------|--|
| Connect Council services, projects and initiatives to the community through libraries | Councils | Community awareness of Council activities | Survey of users | Ongoing | Ongoing | Ongoing | Ongoing | |
| Create opportunities for community groups to promote their activities and services through libraries | Community groups | Use of noticeboards, display cases, distribution of publicity material | Number of group utilising libraries | Ongoing | Ongoing | Ongoing | Ongoing | |
| Participate in Council planning processes to ensure ERLC responds to community needs and aspirations | Councils | Involvement in Council planning processes | Maintain customer satisfaction – Nexus Survey | Maintain | Maintain | Maintain | Maintain | |

Library Resources and Systems – *resources and systems that meet the diverse interest and needs of our communities.*

Relevant, accessible collections reflecting community requirements.

| <u>Key Strategic Activities</u> | <u>Partnerships</u> | <u>Success Indicators</u> | <u>Performance Measure</u> | <u>Target 2006/7</u> | <u>Target 2007/8</u> | <u>Target 2008/9</u> | <u>Target 2009/10</u> | <u>Links to Council Plans</u> |
|--|---------------------------------------|---|--------------------------------|----------------------|----------------------|----------------------|-----------------------|---|
| Provide a diverse range of books, CDs, DVDs, magazines, e-books, etc. | State Government Councils | Customer levels of satisfaction with the range and quality of books | Achieve a rating of 7.8 (2005) | Rating of 8 | 7.8 | 7.9 | 8 | <u>Maroondah City Council</u> Leisure & Culture Strategies 2005-09 |
| Provide relevant databases and links via the ERL website | Viclink – Gulliver Steering Committee | Increased usage of website and databases | 31,000 database queries | 5% increase | 3% increase | Ongoing increase | Ongoing increase | <u>Knox City Council</u> Caring & Safe Communities |
| Produce quarterly circulation statistics by branch/genre to ensure purchasing reflects customer demand | | All sections of the collection well-used | | | Ongoing | Ongoing | Ongoing | Vibrant and Connected Communities <u>Shire of Yarra Ranges</u> A Living & Learning Community |
| Organise and maintain the collection efficiently | | Stock turnover rate maintained | Rate of turnover 6.2 | Ongoing | Ongoing | Ongoing | Ongoing | |
| | | | | | | | | |

| | | | | | | | | |
|--|----------------------------------|---|--|------------------------|---------------------------------|---------------------------------|---------------------------------|--|
| Develop a Collection Revitalisation Strategy to ensure the collection meets the demands of the users | | Strategy developed | | | Develop strategy | Implement Strategy | Ongoing | |
| Ensure the ease of use and access to the collection | State Government Swift MAV | Introduction of new library system with enhanced features to benefit the community | Nexus rating 2005 8.24 | Ongoing survey average | Ongoing survey average | Ongoing survey average | Ongoing survey average | |
| Review the average age of the book collection to ensure its relevance | | Average age of the collection should be 8 years or less | Statewide Project in 2006 has determined this standard | | Annual Stock Replacement 55,000 | Annual Stock Replacement 61,875 | Annual Stock Replacement 68,750 | |
| Over the life of this Library Plan increase audio visual holdings to 55,000 items | | With alterations to budget allocation, build on the current stock to achieve the increase | | | Increase to 51,000 items | Increase to 53,000 items | Increase to 55,000 items | |
| Collect and develop resources relating to local culture, history and environment | Local societies | Provision of a Local Studies Collection in each branch library | Ongoing development of the collection | Ongoing | Ongoing | Ongoing | Ongoing | |

| | | | | | | | | |
|---|----------------------------------|--|-----------------------|-------------|-------------|-------------|-------------|--|
| in collaboration with local groups | | | | | | | | |
| Foster new ideas and interest in online resources and services | | Provide Internet/electronic resource education for the community | 2005 79 sessions | 80 sessions | 80 sessions | 80 sessions | 80 sessions | |
| Respond to researched community needs by establishing new collections, dependent on funding | State Government Councils | Establishment of new collections | Use of new collection | Ongoing | Ongoing | Ongoing | Ongoing | |
| Investigate new formats and technologies to establish viability for the collection | | Report on new formats | Ongoing | Ongoing | Ongoing | Ongoing | Ongoing | |

Accessibility and Inclusion – *universal accessibility for all.*

The diverse needs of the community taken into account when planning library services.

| <u>Key Strategic Activities</u> | <u>Partnerships</u> | <u>Success Indicators</u> | <u>Performance Measure</u> | <u>Target 2006/7</u> | <u>Target 2007/8</u> | <u>Target 2008/9</u> | <u>Target 2009/10</u> | <u>Links to Council Plans</u> |
|--|----------------------------------|--|--|----------------------|---|------------------------|------------------------|--|
| Review opening hours to meet customer expectations, subject to Council financial constraints | Councils State Government | Ongoing customer satisfaction with opening hours | 7.5 Nexus Survey – 2005 Implement a Traffic Management System analysis | Ongoing 7.5 | Ongoing Survey Average By 30 September | Ongoing Survey Average | Ongoing Survey Average | <u>Maroondah City Council</u> Leisure & Culture Strategies 2005-09 |
| Continually improve the ERLC website to maximise accessibility | | Measure external usage of the ERLC home page | 172,000 external visits annually 2005 | 4% increase | 4% increase | 3% increase | 2% increase | <u>Knox City Council</u> Vibrant and Connected Communities |
| Provide an efficient and accessible loans service | | Achieve a high level of customer satisfaction with the loans service | 8.1 Nexus Survey 2005 Introduce a new Traffic Management System by Sept. 30 | Achieve 8.2 rating | Ongoing Survey average | Ongoing Survey average | Ongoing Survey average | <u>Shire of Yarra Ranges</u> Social Fabric & Quality of Life |
| Investigate the needs of identified CALD communities | Councils | In partnership with Councils respond to identified needs | Resources and programs agreed | Ongoing | Ongoing | Ongoing | Ongoing | Living & Learning Community |
| Improved signage (internal and external) | Councils | Improvement Plan to be developed | Plan developed | | Quarter 2 | Ongoing | Ongoing | Safe and Accessible Shire |

| | | | | | | | | |
|---|---------------------------------|--|--|---------|------------------------|----------------------------|---------|--|
| Identify the library needs and service requirements of the ageing population | Councils and other stakeholders | Development of a strategy for the ageing | Strategies identified and implementation plan developed | | Strategy Produced 2008 | Implementation of Strategy | | |
| Review of library infrastructure across the region to establish current and future requirements | Councils | Review conducted | Recognition of review recommendations in future Council planning | Ongoing | Ongoing | Ongoing | Ongoing | |

Service Excellence – a positive experience for all visitors.

Embedding excellent customer service as part of the culture of ERLC.

| <u>Key Strategic Activities</u> | <u>Partnerships</u> | <u>Success Indicators</u> | <u>Performance Measure for all key Strategic Activities</u> | <u>Target 2006/7</u> | <u>Target 2007/8</u> | <u>Target 2008/9</u> | <u>Target 2009/10</u> | <u>Links to Council Plans</u> |
|--|---------------------|--|---|----------------------|------------------------|----------------------|------------------------|---|
| Ensure staff are customer focused | Viclink | Conduct training and professional development programs | Performance measured by Mystery Shopper Survey | | Mystery Shopper Survey | | Mystery Shopper Survey | <u>Maroondah City Council</u> Governance & Corporate Support <u>Knox City Council</u> People & Organisational excellence <u>Shire of Yarra Ranges</u> Organisational Health |
| Continue to provide staff who are well trained to answer enquiries effectively | Viclink | Conduct training and professional development programs | Overall satisfaction – Nexus 8.24 (2005) | Ongoing | Ongoing | Ongoing | Ongoing | |
| Recruit and retain specialist staff in key areas eg Children and Youth | | Specialist staff available in the region | | Ongoing | Ongoing | Ongoing | Ongoing | |
| Continue to implement 'First Impressions Count' training to optimise the induction process for new members | | Better informed library users | New members survey after 3 months after joining | Ongoing | Ongoing | Ongoing | Ongoing | |
| Create library environment that is inviting and attractive | Councils | Annual Branch Improvement Audit conducted | Improvement Program agreed to by Councils | Ongoing | Ongoing | Ongoing | Ongoing | |

| | | | | | | | | |
|----------------------------|---------------------------|--|--|-----------------|---|---------|---------|--|
| | | Conduct Loose Furnishings Audit | | Audit Completed | Adoption of recommendations by Councils | | | |
| Respond to community needs | State Government Councils | Respond to customer feedback, subject to Corporation and Council constraints | Respond to feedback in a timely and appropriate manger | Ongoing | Ongoing | Ongoing | Ongoing | |

KNOX CITY COUNCIL INITIATIVES

| Initiatives | 2007/8 | 2008/2009 |
|---|-------------------------------------|-----------|
| Review of library services and infrastructure in Knox including : <ul style="list-style-type: none"> • Work with Council to consider the options as set out in the Mobile Library Service Review • Review opening hours in all Knox branches to recognise and maximise usage • Review library infrastructure in Knox | Quarter 2 Quarter 3 Quarter 4 | Ongoing |
| Work with Council, community houses and other interested parties to develop a life-long learning framework | Quarter 3 | Ongoing |
| Continue to develop CALD programs – Chinese and Sudanese – based on advice from relevant Council departments | Ongoing | Ongoing |
| Continue the Knox Homework Support Group in collaboration with Knox Youth Services | Ongoing | Ongoing |
| Develop a strategy for provision of library services to the ageing population. This strategy will be considered in relation to the Knox City Council's Healthy Ageing Plan. | Quarter 1 | Ongoing |
| Establish an Espresso collection at Knox Library | Quarter 1 | Ongoing |
| Support two community events or activities of Council's choice | Ongoing | Ongoing |

MAROONDAH CITY COUNCIL INITIATIVES

| Initiatives | 2007/8 | 2008/9 |
|--|---------------|---------------|
| Participate in and support the development of the Maroondah City Council Community Plan | Quarter 4 | Ongoing |
| Work with Council on the role of Ringwood Library in relationship to the development of Ringwood as a transit city. Research trends in library services that will provide background for this project. Organise fact finding visits to other relevant libraries. | Quarter 4 | Ongoing |
| Work with Council to develop a life-long learning strategy | Quarter 2 | Ongoing |
| Develop relevant partnerships with Council's Early Childhood and Youth departments as appropriate projects arise. | Ongoing | Ongoing |
| Develop a strategy for provision of library services to the ageing population. This strategy should be considered in relation to the Maroondah City Council's Healthy Ageing, Healthy Future Plan. | Quarter 1 | Ongoing |
| Investigate the opportunities for hosting a writers festival in Maroondah | Quarter 1 | Ongoing |
| Support two community events or activities of Council's choice | Ongoing | Ongoing |
| Work with council and the Migrant Information Centre to learn more about the library needs of emerging CALD communities within Maroondah | Ongoing | Ongoing |

SHIRE OF YARRA RANGES INITIATIVES

| Initiatives | 2007/8 | 2008/09 |
|--|-----------|---------|
| Work with Council to achieve a successful outcome regarding the development of the Monbulk Living and Learning Centre incorporating a public library function in association with the Monbulk Primary School | Quarter 1 | Ongoing |
| Participate on the working groups with Council regarding the development of the Healesville Memorial Hall community hub precinct and the development of a new public library | Quarter 1 | Ongoing |
| Continue to support Council with the Community Hub Project and on-going work to develop community hub facilities especially where they involve integration with ERL services | Quarter 1 | Ongoing |
| In conjunction with Council, review Mobile Library services within the Shire and investigate the development of alternative services that integrate Council customer services or provide more diverse services... | Ongoing | Ongoing |
| Awaiting Council decision regarding the provision library services from Belgrave Railway Station and to caravan park residents | Quarter 4 | Ongoing |
| Work with Council to develop questions to be incorporated into the Community Pulse Survey, or a similar approach , which will facilitate community consultation and feedback on library services | Annually | Ongoing |
| Continue to participate in programs that increase literacy within the Shire. These programs will usually be conducted in partnership with other organisations and departments of Council (Best Start). ERLC will continue to be an integral part of the Shire's Learning Alliance. | Ongoing | Ongoing |
| Collaborate wherever appropriate with community and neighbourhood houses within the Shire, within the context of the Shire of Yarra Ranges Neighbourhood House Strategy | Ongoing | Ongoing |
| Develop a strategy for provision of library services to the ageing population, working with Council's Aged and Disability Services Department | Quarter 1 | Ongoing |
| Develop partnerships with Council's Early Years and Youth departments as relevant projects arise | Ongoing | Ongoing |
| Establish an Espresso Collection at Lilydale Library | Quarter 1 | Ongoing |
| Support two community activities and events of Council's choice | Ongoing | Ongoing |