

**CORANGAMITE REGIONAL LIBRARY
CORPORATION**

LIBRARY PLAN

2005/06 – 2008/09

Incorporating the 4 year Strategic Resource Plan

INTRODUCTION

The Library Plan is one of the Corporation's major strategic planning and reporting documents in relation to library service delivery. The objectives, strategies and actions for the next four years are based on identified priorities, including the implementation of recommendations from the Library Review 2003, approved by the Library Board. As well the Library Plan establishes the direction for future development and improvement over the next four years.

The Plan's objectives support the key areas in community strengthening identified in the research report *Libraries Building Communities (2005)*:

- overcoming the digital divide
- creating informed communities
- convenient and comfortable places of learning
- building social capital

The Strategic Resource Plan is an important component of the Library Plan. This includes standard statements describing the financial resources required to achieve our objectives. Non-financial resources such as human resources that are needed to achieve our objectives are also detailed.

VISION

- The Corangamite Regional Library Corporation is committed to meeting the challenge of the contemporary information environment by providing quality library and information services through accessible branch, mobile and outreach facilities.

MISSION

- To provide RESOURCES for information, education, recreation and enrichment to all people in our community through the library network and other links.
- To offer SERVICES which are equitable, timely, responsive and efficient.
- To DELIVER service using staff expertise, teamwork and well designed, effective technology and systems

PROFILE

The Corangamite Regional Library Corporation commenced operation January 1 1996. The Regional Library Corporation provides a public library service to four municipalities: the City of Warrnambool, and the Shires of Colac Otway, Corangamite and Moyne.

A new Regional Library Agreement was implemented in May 2003. Library service to the four councils is provided by way of ten static libraries, a Mobile Library, which visits 18 sites over a two-week cycle and home services in Colac and Warrnambool. The traditional library services have expanded to incorporate Internet access and working online.

Population of the regional library catchment is estimated at 85, 381. The region encompasses a total area of 13,800 sq. km, with an average population density of 6.18.

Municipality	Population (June 2004)
Colac Otway	21,495 (June 03 21,316)
Corangamite	17,327 (June 03 17,306)
Moyne	15,851 (June 03 15,851)
Warrnambool	30,708 (June 03 30,708)

The major population centres are Colac and Warrnambool City. Both are major business and service centres.

The region is a popular tourist destination with major attractions such as the Great Ocean Road: towns including Port Fairy, Apollo Bay and others along the Road have large weekend and holiday populations as well as being popular with metropolitan "sea change" life-style people. Small townships are scattered throughout the region from the Otways across to Mortlake and further west

Significant features of the region:

- relatively homogenous population origin
- population over the age of 65 make up a high percentage of the catchment
- education levels vary across the region
- occupations-primary industries, tourism, commercial and community services
- English is the language spoken at home by the majority of residents

Strategic Objectives

To achieve the two key results

- Service meets community needs
- Efficient management

the Corporation has focused on nine areas in the Library Plan 2005-2009:

Access

To enable physical access at times which best suit our communities: to offer online access 24/7 via the web page

Lending services

To ensure procedures and processes provide ready access to library materials

Reference and Information services

To promote the library service as a reliable source of information and knowledge

Online services

Deliver online resources on or off-site

Programs and events

Provide library based programs to support literacy and life long learning: these may be in partnership with other services such as the education sector or community groups

Administration

Efficient administration and good management of financial resources underpins effective service delivery

Information and Communication Technology

Provide reliable network and library management system to enable users seamless access to services and resources

Resource provision

Provide an attractive, current and well presented collection which meets user needs.

Marketing

To ensure the community is aware of the regional library service and resources and joins: to provide appropriate services targeted to our communities

STRATEGIC OBJECTIVES

KEY RESULT 1: Service meets community needs

OBJECTIVE	GOAL
<i>ACCESS</i>	Provide convenient services and facilities open at times which meet community requirements
<i>LENDING SERVICES</i>	Facilitate access to and circulation of resources
<i>REFERENCE & INFORMATION SERVICES</i>	Deliver relevant information in any format by friendly and competent staff
<i>ONLINE SERVICES</i>	Provide reliable technology to deliver online resources on or off-site.
<i>PROGRAMS & EVENTS</i>	Provide programs to support reader development, literacy and lifelong learning through the use of library services

KEY RESULT 2: Efficient management

OBJECTIVE	GOAL
<i>ADMINISTRATION</i>	Meet all statutory and financial requirements: manage service delivery professionally and efficiently.
<i>INFORMATION & COMMUNICATION TECHNOLOGY</i>	Develop IT resources and provide a reliable integrated library management system.
<i>RESOURCE PROVISION</i>	Develop a quality, organised and well presented collection in a range of formats which is current and responsive to community needs.
<i>MARKETING</i>	Responding to user feedback provide appropriate library services. Through effective promotion ensure the community is aware of library services and resources.

The Library Plan is reviewed and updated annually. Every financial year it incorporates Key Strategic Activities to be undertaken during the year with performance targets and measures. The Plan is dynamic subject to ongoing review in response to changing circumstances. Input from the Board, member councils, library service staff and members will be sought.

1: Service meets community needs

STRATEGIC OBJECTIVE

STRATEGIES 2005-06 - 2008-09

ACCESS

- In partnership with member councils identify opportunities to improve and develop library facilities
- Ensure library facilities are considered in councils long term planning
- Maximise sustainable hours
- Implement Mobile Library Service Strategic Plan 2004 -2010
- Review Home Library Services

LENDING SERVICES

- Provide a relevant accessible current regional collection
- Improve access to high demand items
- Develop fair and equitable procedures for circulation and management
- Ensure staff develop Information literacy skills

REFERENCE & INFORMATION SERVICES

- Support partnerships with Local History and other community groups for access to specialized collections
- Participate in the Gulliver consortia to maximize access to quality electronic resources

ONLINE SERVICES

- Promote utilization of remote access to library users through the CRLC web site
- Develop easy access to electronic/online resources
- Develop web site to be the "virtual branch"

PROGRAMS & EVENTS

- Plan events targeted at identified demographic groups
- Maximise the use of library facilities
- Develop partnerships and collaboration with council programs, community associations and other library services
- Promote inclusiveness in all programs and events

2. Efficient management

ADMINISTRATION

- Meet legislative and statutory requirements – Local Government Act 1989, Local Government (Democratic Reform) Act 2003, Best Value,
- Operate with sound financial planning and control
- Manage and develop staff in accordance with HR best practice
- Ensure Corporation and council assets are well maintained and managed

RESOURCE PROVISION

- Identify opportunities to improve the Corporation's performance
- Recruit , train and monitor use of volunteers
- Pursue external funding opportunities
- Implement Collection Development Policy
- Review and streamline acquisitions, cataloguing and processing methods

ICT

- Ensure high standard of materials presentation
- Develop ICT Strategic Plan
- Improve ICT equipment and services for staff and public
- Use proven industry standard equipment
- Develop efficient network, intranet and records management
- Provide and maintain efficient reliable equipment for public Internet access

MARKETING

- Undertake appropriate roll over and replacement schedules
- Implement and monitor Marketing Plan
- Participate in state-wide programs such as @yourlibrary, Premier's Reading Challenge, Nestle, Summer Reading
- Update and redevelop website for service promotion
- Promote the full range of services, programs and activities
- Work collaboratively with member councils to market the service

KEY STRATEGIC ACTIVITIES 2005-06

1. Service meets community needs

Strategic Objective	Key Strategic Activities 2005-06	Strategic Indicators
ACCESS	<ul style="list-style-type: none"> • Work with member councils in improving & upgrading facilities for OH&S compliance • Monitor opening hours at all locations • Commence Stage 1 Mobile Library Service Strategy 2004 -2010 • Review Home Library Services at Colac and Warrnambool 	<ul style="list-style-type: none"> • Completion of works • Hours open/week • Visits/per capita • Increase membership 3% per annum • Loans per public access staff hour • Customer satisfaction through surveys and focus groups
LENDING SERVICES	<ul style="list-style-type: none"> • Revise procedures in relation to loan period • Revise fees and charges • Maintain staff training for customer service skills • Streamline and promote policies and procedures for members renewing and reserving online • Monitor cataloguing and processing turnaround times • Where financially appropriate purchase shelf ready materials 	<ul style="list-style-type: none"> • Lending stock turnover per item • Loans per capita • Average loans per visit • Satisfaction with resource availability
REFERENCE & INFORMATION SERVICE	<ul style="list-style-type: none"> • Participate in Gulliver consortia and workshops • Train all staff to be competent in using online and print reference resources • Participate in digitising Local History materials through local, state and national programs 	<ul style="list-style-type: none"> • Information inquiries per annum • No inquiries in-house and online per annum • Satisfaction with service • Items digitised and catalogued
ONLINE SERVICES	<ul style="list-style-type: none"> • Complete upgrade of CRLC website • Promote services on web site • Conduct regular in-house programs to assist users to access online resources 	<ul style="list-style-type: none"> • Completion of website upgrade • Internet bookings per capita • Visits to web site • Gulliver database usage
PROGRAMS & EVENTS	<ul style="list-style-type: none"> • Target programs and activities for new parents, toddlers, preschoolers and older members 	<ul style="list-style-type: none"> • Attendance • New memberships • User satisfaction & feed back

2. Efficient management

Strategic Objective	Key Strategic Activities 2005-06	Strategic Indicators
ADMINISTRATION	<ul style="list-style-type: none"> • Implement EBA No 3 • Monitor Service Level Agreements/report to member councils • Review Budget • Brief Board and Council members regularly on Library Corporation activities • Implement annual staff training and development plan 	<ul style="list-style-type: none"> • Timely completion and lodgement of reports, Library plan and Budget to councils , DVC and other government bodies
RESOURCE PROVISION	<ul style="list-style-type: none"> • Implement Collection Development Policy • Complete Library purchasing Plan • Streamline branch exchange program • Continue to improve branch presentation, signage and layout 	<ul style="list-style-type: none"> • Items per capita • % of collection on loan • % of collection less than 5 years old • collection as a % of overall budget
ICT	<ul style="list-style-type: none"> • Monitor Civica managed Services agreement • LMS software upgrade • Complete ICT strategy • Undertake staff training for LMS and network upgrade • Commence development of staff Intranet 	<ul style="list-style-type: none"> • No of Internet uses • Implementation of library management system upgrade • Equipment is maintained cost effectively
MARKETING	<ul style="list-style-type: none"> • Implement Marketing Plan • Participate in statewide programs @ your library • Use website to promote services, programs and activities 	<ul style="list-style-type: none"> • Media coverage • Attendance • New memberships • Survey and feedback forms

Overall Performance Indicators

(Data collected for the *Annual Survey of Victorian Public Libraries*)

Performance Indicator	
Loans	520,416
Loans per capita	6.1
Loans per staff	27,416
Loans per member	14.5
No of reservations	22,750
No of Information queries	57,051
Information queries per capita	.67
Information requests per member	1.6
Membership	33,827
Population	84,781
Membership % of population	40%
Total stock	137,159
Stock per capita	1.6
No of items acquired annually	16,771
Visits	276,445
Visits per member	8.1
Total weekly opening hours	215
Internet access/10,000 population	1.9
Visits to web site	
Use of Gulliver databases	

STRATEGIC RESOURCE PLAN 2005-06 – 2008-09

1.0 Executive Summary

1.1 Introduction

The Corangamite Regional Library Corporation Strategic Resource Plan (SRP) provides a high-level, medium term view of how the Corporation intends to use its resources to achieve best value for the regional library service. It serves as the link between the 2005/06 to 2008/09 Library Plan and the 2005/06 Budget, which is available from July, after undergoing a process of community consultation.

1.2 Financial Challenges

Challenges facing the Corporation are:

- Insufficient capital expenditure investment.
- Continuing operating deficits.
- Improving liquidity levels.
- Managing financial risks prudently in regard to debts, assets and liabilities.

1.3 Targets

Targets to be achieved to address the challenges are:

- ICT upgrade: standardise network and upgrade library management system
- Increase bookstock renewal spending in real terms for each year of the SRP.
- Operating surplus by 2008/09.
- Improve liquidity position (working capital ratio 200%).
- Conduct service reviews to improve efficiencies.
- Consider options for more efficient utilisation of assets.

1.4 Results

The results will:

- Meet the strategic objectives proposed in the Library Plan.
- Address identified service deficiencies.
- Enhance financial viability.

1.5 Budget Principles

It is recommended that future annual budgets be based on the following principles:

- ICT development and maintenance
- Continue to reduce debt.
- Increase funding for bookstock renewal.
- Maintain staff levels.

1.6 Conclusion

The Corporation's SRP aims to achieve a breakeven operational result by 2008/09. The Corporation's long term financial viability, continuous improvement and bookstock renewal are the overriding themes of the Plan.

2.0 Human Resources

The table below indicates that staff levels will remain constant in the 2005/06 financial year. If as a result of service delivery reviews, the Corporation determined to change service delivery models, the number of staff employed by the Corporation would need to be reviewed.

	Projected 2004/05	Forecast 2005/06	Forecast 2006/07	Forecast 2007/08	Forecast 2008/09
Projected staffing costs	\$971,000	\$994,000	\$1,033,800	\$1,075,200	\$1,118,200
Projected staff (EFT)	23.0	23.0	23.0	23.0	23.0

The Corporation employs full-time, part-time and casual staff, with budgeted staff in 2005/06 equivalent to 23 full time positions. Staff numbers are not expected to rise but adjustments to meet demand are anticipated.

The Corporation will:

- Continue to provide its employees with a safe working environment where everyone is treated with respect and dignity.
- Continue to provide employees through staff development and training programs with the opportunities to develop to their full potential
- Provide special programs to improve staff performance, management skills and customer service; and
- Provide its employees with recognition for the excellent work they do servicing the needs of their communities.

3.0 Long Term Financial Plan (LTFP)

3.1 Introduction

The following section includes the Corporation's forecast financial performance, financial position, cash position and capital works needs for the four years 2005/06 to 2008/09. The section is inclusive of notes providing brief explanations of the assumptions and parameters underpinning the key elements of the financial statements.

The Corporation's LTFP will be reviewed annually to ensure it reflects accurately all matters pertaining to the Corporation's ongoing financial position over a four year outlook period.

3.2 Statement of Financial Performance

The Statement of Financial Performance (often referred to as a Profit and Loss Statement) discloses revenues, expenses and sometimes other transactions (donated assets, written down value of assets sold, etc) which have occurred in a given accounting period. For budgetary and strategic financial planning purposes this period will generally be a particular financial year.

Major categories of revenues and expenses are aggregated within the Statement of Financial Performance in order to itemise and disclose major line items of both revenue and expenses.

The Statement is prepared and presented on an accrual basis, or the 'matching principle', whereby expenditure and revenue is recognised when it is incurred or earned, but not necessarily paid or receipted.

Movements in the Corporation's equity are also disclosed, such as changes in the value of the Corporation's asset revaluation reserves due to asset revaluation.

The Statement of Financial Performance is the Statement intrinsically closest to the Corporation's Annual Budget but is also strategically linked to the Statement of Financial Position and Cash Flow Statement.

The following table presents the Corporation's projected statement of financial performance for each year of the LTFP.

STANDARD STATEMENT OF FINANCIAL PERFORMANCE

		2004/05	2005/06	2006/07	2007/08	2008/09
	NOTES	PROJECTED	FORECAST	FORECAST	FORECAST	FORECAST
OPERATING REVENUE						
Contributions	1	\$1,495,500	\$1,506,500	\$1,589,400	\$1,676,800	\$1,777,400
Operating Grants	2	\$105,800	\$111,500	\$113,700	\$116,000	\$118,300
Library Fees	3	\$39,500	\$42,500	\$43,800	\$45,100	\$46,500
Other	4	\$19,000	\$18,000	\$18,500	\$19,100	\$19,700
Proceeds from Asset Sales	5	\$18,000	\$0	\$20,000	\$0	\$0
TOTAL OPERATING REVENUE		\$1,677,800	\$1,678,500	\$1,785,400	\$1,857,000	\$1,961,900
OPERATING EXPENSES						
Employee Expenses	6	\$971,000	\$994,000	\$1,033,800	\$1,075,200	\$1,118,200
Depreciation	7	\$369,000	\$393,000	\$419,300	\$451,900	\$487,100
Borrowing Costs	8	\$6,100	\$4,900	\$3,700	\$2,400	\$1,000
Materials & Services	9	\$268,500	\$281,500	\$289,900	\$298,600	\$307,600
Plant Expenses	10	\$41,900	\$35,000	\$36,100	\$37,200	\$38,300
Written Down Value of Assets Sold	11	\$20,000	\$0	\$22,000	\$0	\$0
Property, Plant & Equipment Write Off	12	\$12,000	\$5,000	\$5,000	\$5,000	\$5,000
TOTAL OPERATING EXPENSES		\$1,688,500	\$1,713,400	\$1,809,800	\$1,870,300	\$1,957,200
NET SURPLUS/(DEFICIT)		(\$10,700)	(\$34,900)	(\$24,400)	(\$13,300)	\$4,700

3.2.1 Notes (Supporting Projected Statement of Financial Performance)

Income:

1. Contributions:

Contributions are assumed to increase for each of the future years by 5.5% per annum with a 6% increase in 2008/09.

These increases have been levied to increase capital expenditure.

2. Operating Grants & Subsidies:

A 2% increase in Grants and Subsidies funding from 2005/06 onwards has been assumed.

3. Library Fees:

Library Fees are forecast to increase by 3% each year in line with inflation.

4. Other Fees:

Library Fees are forecast to increase by 3% each year in line with inflation.

5. Proceeds from Asset Sales:
 Proceeds from plant sales are projected to be \$20,000 in 2006/07.

Expenses:

6. Employee Expenses:
 Employee expenses are forecast to increase by 5% per annum in the first year then 4% per annum for the following two years based on the new Enterprise Bargaining Agreement to be implemented 1 July 2005.

7. Depreciation:
 Depreciation forecasts are based on current asset valuations and future levels of capital expenditure but may be influenced by future asset revaluations which are expected to happen in 2005/2006. Asset revaluations can alter the asset valuation base upon which the annual depreciation charges are based.

8. Borrowing Costs:
 No new loans are projected in the next four years. Borrowing costs are in line with the Corporation's current loan repayment schedules.

9. Materials and Services:
 From 2005/2006 onwards Materials and Services increase between 3% p.a. based on an assumed inflation rate.

10. Plant Expenses:
 Plant expenses will increase in line with materials and services, which will be between 3% p.a.

11. Written Down Value of Assets Sold:
 The Written Down Value of Assets Sold is expected occur in 2006/07 for a vehicle replacement.

12. Property, Plant and Equipment Write Off:
 A conservative estimate for the Write Off of Fixed Assets of \$5,000 for 2005/2006 has been forecast. This item will vary depending on the capital works program.

3.2.2 Summary

The Operating Statements in the Strategic Resource Plan demonstrate the following annual operating results:

Year	Operating Revenue '000	Operating Expenditure '000	Operating Surplus/(Deficit) '000
2004/05	\$1,677,800	\$1,688,500	(\$10,700)
2005/06	\$1,678,500	\$1,713,400	(\$34,900)
2006/07	\$1,785,400	\$1,809,700	(\$24,300)
2007/08	\$1,857,000	\$1,870,200	(\$13,200)
2008/09	\$1,961,900	\$1,957,200	\$4,700

Observations

- As a result of continuing efficiency gains, cost controls and revenue maximisation (where practicable), the LTFP provides for an operating surplus by 2008/09.

3.3 Statement of Financial Position

STANDARD STATEMENT OF FINANCIAL POSITION

		2004/05	2005/06	2006/07	2007/08	2008/09
		PROJECTED	FORECAST	FORECAST	FORECAST	FORECAST
CURRENT ASSETS						
Cash	13	\$114,500	\$145,500	\$181,500	\$218,100	\$261,700
Receivables	14	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800
TOTAL CURRENT ASSETS		\$119,300	\$150,300	\$186,300	\$222,900	\$266,500
NON-CURRENT ASSETS						
Fixed Assets	15	\$2,202,300	\$2,121,500	\$2,045,200	\$1,978,300	\$1,921,300
TOTAL NON-CURRENT ASSETS		\$2,202,300	\$2,121,500	\$2,045,200	\$1,978,300	\$1,921,300
TOTAL ASSETS		\$2,321,600	\$2,271,800	\$2,231,500	\$2,201,200	\$2,187,800
CURRENT LIABILITIES						
Payables	16	\$23,400	\$23,200	\$23,000	\$22,800	\$22,600
Employee Entitlements	17	\$84,000	\$87,300	\$90,800	\$94,400	\$98,100
Interest Bearing Liabilities	18	\$20,000	\$21,600	\$22,900	\$24,200	\$0
TOTAL CURRENT LIABILITIES		\$127,400	\$132,100	\$136,700	\$141,400	\$120,700
NON-CURRENT LIABILITIES						
Employee Entitlements		\$58,000	\$60,300	\$62,700	\$65,200	\$67,800
Interest Bearing Liabilities	18	\$69,000	\$47,100	\$24,200	\$0	\$0
TOTAL NON-CURRENT LIABILITIES		\$127,000	\$107,400	\$86,900	\$65,200	\$67,800
TOTAL LIABILITIES		\$254,400	\$239,500	\$223,600	\$206,600	\$188,500
NET ASSETS		\$2,067,200	\$2,032,300	\$2,007,900	\$1,994,600	\$1,999,300
EQUITY						
Accumulated Funds	19	(\$57,900)	(\$92,800)	(\$117,200)	(\$130,500)	(\$125,800)
Reserves	20	\$2,125,100	\$2,125,100	\$2,125,100	\$2,125,100	\$2,125,100
TOTAL EQUITY		\$2,067,200	\$2,032,300	\$2,007,900	\$1,994,600	\$1,999,300

3.3.1 Notes (Supporting Projected Financial Position Statement)

13. Cash:

Cash is forecast to increase over the next four years with the working capital position increasing to 220%. These indicators of liquidity are considered adequate and comfortable.

14. Receivables:

Receivables relate to outstanding Goods and Services Tax at June 30 each year

15. Fixed Assets:

The values for Fixed Assets are expected to decline in future periods. This is the combined result of Capital Expenditure, Depreciation, Asset Sales and Property, Plant and Equipment Write Offs. The values aggregating to this category have been carefully analysed to arrive at these projections. However, it should be noted that asset revaluations can materially impact on the net value of bookstock assets. The LTFP will be reviewed annually and reflect any such changes.

16. Payables:

Payables are based on past trends. They are projected to remain relatively constant as it is difficult to predict what invoices and accounts will be outstanding as of 30th of June each financial year.

17. Employee Entitlements:

The trend for Employee Entitlements is for marginal increases each financial year. Long Service Leave and Annual Leave are projected to increase in line with projected increases to salaries.

18. Interest Bearing Liabilities:

Interest Bearing Liabilities will be extinguished by 2008/09 in line with the Corporation's current repayment schedule.

19. Accumulated Funds:

The projected operating losses in future years will progressively decrease the Accumulated Funds.

20. Reserves:

Changes in Reserves from Asset Revaluations have not been taken into account due to the uncertainty of revaluations. Consequently the quantum of reserves has been kept static.

3.3.2 Summary

The Corporation's projected financial position for each year of the LTFP is presented below.

	Projected	Forecast	Forecast	Forecast	Forecast
	2004/05	2005/06	2006/07	2007/08	2008/09
	'000	'000	'000	'000	'000
Current Assets	\$119,300	\$150,300	\$188,300	\$224,900	\$268,600
Current Liabilities	\$127,400	\$132,100	\$136,700	\$141,400	\$120,700
Net Current Assets	(\$8,100)	\$18,200	\$51,600	\$83,500	\$147,900
Non Current Assets	\$2,202,300	\$2,121,500	\$2,043,300	\$1,976,500	\$1,919,400
Non Current Liabilities	\$127,000	\$107,400	\$86,900	\$65,200	\$67,800
Net Non Current Assets	\$2,075,300	\$2,014,100	\$1,956,400	\$1,911,300	\$1,851,600
NET ASSETS	\$2,067,200	\$2,032,300	\$2,008,000	\$1,994,800	\$1,999,500

Observations

- The Corporation's ongoing financial position will improve with working capital ratios (net current asset position) reaching approximating 220% by 2008/09, and total equity (net assets) remaining at substantial levels, albeit marginally declining.
- Borrowings will be extinguished over the life of the plan.
- Given that the overall financial position of the Corporation is dominated by the value of bookstock assets, it should be noted that such values can alter substantially as a result of required regular asset revaluation.

3.4 Statement of Cash Flows

STANDARD STATEMENT OF CASHFLOWS

		2004/05	2005/06	2006/07	2007/08	2008/09
	NOTES	PROJECTED	FORECAST	FORECAST	FORECAST	FORECAST
CASH FLOWS FROM OPERATING ACTIVITIES						
Grants		\$105,800	\$111,500	\$113,700	\$116,000	\$118,300
Library Fees		\$39,500	\$42,500	\$43,800	\$45,100	\$46,500
Contributions and donations received		\$1,495,500	\$1,506,500	\$1,589,400	\$1,676,800	\$1,777,400
Payments to employees		(\$965,400)	(\$988,400)	(\$1,027,900)	(\$1,069,100)	(\$1,111,900)
Payments to suppliers		(\$310,400)	(\$316,700)	(\$326,200)	(\$336,000)	(\$346,100)
Interest paid		(\$6,100)	(\$4,900)	(\$3,700)	(\$2,400)	(\$1,000)
Other Receipts		\$19,000	\$18,000	\$18,500	\$19,100	\$19,700
Net cash provided by operating activities		\$377,900	\$368,500	\$407,600	\$449,500	\$502,900
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments for asset acquisition	23	(\$304,600)	(\$317,200)	(\$370,000)	(\$390,000)	(\$435,100)
Proceeds from disposal of assets	24	\$18,000	\$0	\$20,000	\$0	\$0
Net cash used in investing activities		(\$286,600)	(\$317,200)	(\$350,000)	(\$390,000)	(\$435,100)
CASH FLOWS FROM FINANCING ACTIVITIES						
Repayment of borrowings	25	(\$100,700)	(\$20,300)	(\$21,600)	(\$22,900)	(\$24,200)
Proceeds from borrowings	26	\$0	\$0	\$0	\$0	\$0
Net cash used in financing activities		(\$100,700)	(\$20,300)	(\$21,600)	(\$22,900)	(\$24,200)
Net increase/(decrease) in cash held	27	(\$9,400)	\$31,000	\$36,000	\$36,600	\$43,600
Cash at the beginning of the financial year		\$123,900	\$114,500	\$145,500	\$181,500	\$218,100
CASH AT THE END OF THE FINANCIAL YEAR	28	\$114,500	\$145,500	\$181,500	\$218,100	\$261,700

3.4.1 Notes (Supporting Projected Cash Flow Statement)

21. Capital Expenditure

An increase in Capital Expenditure to \$435,000 by 2008/09 is provided to fund the Corporation's bookstock renewal, which progressively increases the net cash used for investing activities.

22. Proceeds from disposal of assets:

The only disposal of plant is a plant sales expected occur in 2006/07.

23. Repayments/Proceeds of borrowings:

Borrowings will be extinguished over the life of the plan. No new loans are proposed.

24. Change in Level of Cash Held:

The net change in cash held will increase from 2005/06 onwards, as the Corporation funds a Plant Replacement Reserve.

25. Cash at End of Financial Year:

As reflected in the Statements of Financial Position, cash held at the end of each financial year will increase each year, leaving the Corporation with a comfortable liquidity position.

3.4.2 Summary:

The following points summarise the Corporation's cash flow statement position.

- The cash flow statement presented in the LTFP indicates that the Corporation's total cash generated from operating activities or used in normal service delivery functions increases for each year of the plan.
- Similarly, cash generated or used in the enhancement or creation of bookstock and other assets (investing activities) also increases for each year of the plan.
- Cash flows from financing activities remain relatively static for each year of the plan.
- Effectively the cash flow statement results indicates that the Corporation will generate adequate cash flows to meet its financial commitments as they fall due, including the servicing of borrowings and to fund its functions and activities.

4.0 Statement of Capital Works

4.1 Introduction

The Statement of Capital Works is designed to demonstrate the overall total of capital expenditure and the types of capital expenditure to be undertaken during each year of the LTFP. Capital expenditure is defined as expenditure that either creates a new asset or improves the current function of an existing asset. Capital expenditure is distinct from maintenance expenditure.

4.2 Capital Works Program

The table below sets out the proposed level and nature of capital expenditure proposed throughout this plan.

STANDARD STATEMENT OF CAPITAL WORKS

Projects	Note	2004/05	2005/06	2006/07	2007/08	2008/09
		Projected '000	Estimated '000	Estimated '000	Estimated '000	Estimated '000
Furniture	25	\$15,000	\$40,000	\$15,000	\$15,000	\$15,000
Bookstock	26	\$289,100	\$277,500	\$325,000	\$375,000	\$420,000
Plant	27	\$0	\$0	\$28,000	\$0	\$0
Total Capital Works		\$304,100	\$317,500	\$368,000	\$390,000	\$435,000
Represented by:						
Renewal		\$304,100	\$292,500	\$368,000	\$390,000	\$435,000
Upgrade		\$0	\$25,000	\$0	\$0	\$0
Total Capital Works		\$304,100	\$317,500	\$368,000	\$390,000	\$435,000

Notes:

25. Additional furniture will be required to upgrade the Regional Offices in Colac in 2005/06.
26. Significant increases in funds allocated to bookstock with capital expenditure to increase by 45% in this area over the term of the LTFP.
27. The only Plant replacement is expected to occur in 2006/07.

4.3 Summary:

As previously indicated the key strategic financial challenge to the Corporation into the future is to increase bookstock renewal spending.

The proposed four year capital works program endeavours to achieve an increase of \$130,900 or 43% in capital expenditure over the 4 year period to 2008/09.