

**CORANGAMITE REGIONAL LIBRARY  
CORPORATION**

**LIBRARY PLAN**

**2009/10 – 2012/13**

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 Future Directions Workshop, approved by the Library Board in March 2008. 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 2008. Library service to the four councils is provided by way of eleven static libraries, an Outreach Service, which visits 12 sites over a two-week cycle and home services in Colac, Camperdown and Warrnambool. The traditional library services have expanded to incorporate Internet access and working online.

Population of the regional library catchment is estimated at 87,875. The region encompasses a total area of 13,800 sq. km, with an average population density of 6.27.

<b>Municipality</b>	<b>Population (June 2008)</b>
<b>Colac Otway</b>	21,488 (June 03 21,316)
<b>Corangamite</b>	17,270 (June 03 17,306)
<b>Moyne</b>	16,405 (June 03 15,851)
<b>Warrnambool</b>	32,712 (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 2009-2013:

### ***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 systems 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 that all funding bodies and the community are aware of the regional library service, its resources plus the membership and joining procedure: to provide appropriate services targeted to our communities

## STRATEGIC OBJECTIVES

### KEY RESULT 1: Service meets community needs

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

### KEY RESULT 2: Efficient management

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

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 2009-10 – 2012-13

#### ACCESS

- In partnership with member councils identify opportunities to improve and develop library buildings and facilities
- Ensure library facilities are considered in councils long term planning
- Maximise sustainable hours
- Implement Outreach Service Strategic Plan
- 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
- Finalise & Implement Collection Development Policy
- Participate in Collection Consortia arrangements
- 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 Premier's Reading Challenge
- 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 2009-10

### 1. Service meets community needs

Strategic Objective	Key Strategic Activities 2009-10	Strategic Indicators
<b>ACCESS</b>	<ul style="list-style-type: none"> <li>• Work with member councils in improving &amp; upgrading buildings and facilities for OH&amp;S compliance</li> <li>• Monitor opening hours at all locations</li> <li>• Review Home Library Services at Colac, Camperdown and Warrnambool</li> </ul>	<ul style="list-style-type: none"> <li>• Completion of works</li> <li>• Hours open/week</li> <li>• Visits/per capita</li> <li>• Increase membership 3% per annum</li> <li>• Loans per public access staff hour</li> <li>• Customer satisfaction through surveys and focus groups</li> </ul>
<b>LENDING SERVICES</b>	<ul style="list-style-type: none"> <li>• Revise procedures in relation to loan period</li> <li>• Revise fees and charges</li> <li>• Maintain staff training for customer service skills</li> <li>• Streamline and promote policies and procedures for members renewing and reserving online</li> <li>• Monitor cataloguing and processing turnaround times</li> <li>• Where financially appropriate purchase shelf ready materials</li> </ul>	<ul style="list-style-type: none"> <li>• Lending stock turnover per item</li> <li>• Loans per capita</li> <li>• Average loans per visit</li> <li>• Satisfaction with resource availability</li> </ul>
<b>REFERENCE &amp; INFORMATION SERVICE</b>	<ul style="list-style-type: none"> <li>• Participate in Gulliver consortia and workshops</li> <li>• Train all staff to be competent in using online and print reference resources</li> <li>• Participate in digitising Local History materials through local, state and national programs</li> </ul>	<ul style="list-style-type: none"> <li>• Information inquiries per annum</li> <li>• No inquiries in-house and online per annum</li> <li>• Satisfaction with service</li> <li>• Items digitised and catalogued</li> </ul>
<b>ONLINE SERVICES</b>	<ul style="list-style-type: none"> <li>• Revise the CRLC website</li> <li>• Promote services on web site</li> <li>• Conduct regular in-house programs to assist users to access online resources</li> </ul>	<ul style="list-style-type: none"> <li>• Completion of website upgrade</li> <li>• Internet bookings per capita</li> <li>• Visits to web site</li> <li>• Gulliver database usage</li> </ul>
<b>PROGRAMS &amp; EVENTS</b>	<ul style="list-style-type: none"> <li>• Continue to target programs and activities for new parents, toddlers, preschoolers and older members</li> </ul>	<ul style="list-style-type: none"> <li>• Attendance</li> <li>• New memberships</li> <li>• User satisfaction &amp; feed back</li> </ul>

## 2. Efficient management

Strategic Objective	Key Strategic Activities 2009-10	Strategic Indicators
<b>ADMINISTRATION</b>	<ul style="list-style-type: none"> <li>• Monitor Service Level Agreements/report to member councils</li> <li>• Review Budget</li> <li>• Induct Board</li> <li>• Brief Board and Council members regularly on Library Corporation activities</li> <li>• Implement annual staff training and development plan</li> </ul>	<ul style="list-style-type: none"> <li>• Timely completion and lodgement of reports, Library plan and Budget to councils, DPCD and other government bodies</li> </ul>
<b>RESOURCE PROVISION</b>	<ul style="list-style-type: none"> <li>• Implement Collection Development Policy</li> <li>• Continue to improve branch presentation, signage and layout</li> </ul>	<ul style="list-style-type: none"> <li>• Items per capita</li> <li>• % of collection on loan</li> <li>• % of collection less than 5 years old</li> <li>• collection as a % of overall budget</li> </ul>
<b>ICT</b>	<ul style="list-style-type: none"> <li>• Monitor Civica managed Services agreement</li> <li>• LMS software upgrade</li> <li>• Monitor ICT strategy</li> <li>• Undertake staff training for LMS and network upgrade</li> <li>• Commence development of staff Intranet</li> </ul>	<ul style="list-style-type: none"> <li>• No of Internet uses</li> <li>• Implementation of library management system upgrade</li> <li>• Equipment is maintained cost effectively</li> </ul>
<b>MARKETING</b>	<ul style="list-style-type: none"> <li>• Implement Marketing Plan</li> <li>• Use website to promote services, programs and activities</li> </ul>	<ul style="list-style-type: none"> <li>• Media coverage</li> <li>• Attendance</li> <li>• New memberships</li> <li>• Survey and feedback forms</li> </ul>

## Overall Performance Indicators

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

<b>Performance Indicator (2008)</b>	
Loans	508,169
Loans per capita	5.8
Loans per staff	22,788
Loans per member	17
No of reservations	Not in annual survey
Information queries per capita	"
Information requests per member	"
Membership	29,898
Population	87,875
Membership % of population	34.2
Total stock	111,832
Stock per capita	1.4
No of items acquired annually	10,198
Visits	252,417
Visits per member	8.5
Total weekly opening hours	203
Internet access/10,000 population	2.2
Visits to web site	89,655

# STRATEGIC RESOURCE PLAN 2009-10 – 2012-13

## 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 2009/10 to 2012/13 Library Plan and the 2009/10 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.

Improving operating results.

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 2009/10.

Improve liquidity position.

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 improve Auditor General rating.
- Increase funding for bookstock renewal.
- Maintain staff levels.

### 1.6 Conclusion

The Corporation's SRP aims to achieve a breakeven operational result by 2009/10. 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 not increase in the 2009/10 financial year – this is 0.5 less than indicated in the Strategic Plan of 2008/09 and approved by the CRLC Board in 2008. If as a result of any service delivery reviews and the Corporation determined to change service delivery models, the number of staff employed by the Corporation would need to be reviewed.

	<b>Projected 2008/09</b>	<b>Budget 2009/10</b>	<b>Forecast 2010/11</b>	<b>Forecast 2011/12</b>	<b>Forecast 2012/13</b>
Projected staffing costs	\$1,308,106	\$1,363,046	\$1,420,294	\$1,479,947	\$1,542,105
Projected staff (EFT)	24.1	24.1	24.1	24.1	24.1

The Corporation employs full-time, part-time and casual staff, with budgeted staff in 2008/09 equivalent to 24.1 full time positions. Staff numbers were forecast to increase by 0.5 eft however staff numbers are not budgeted to increase in 2009/10 as the CEO was budgeted as full-time. The CEO has been engaged at 0.6 and a new staff member working 0.4 will be engaged to undertake extra administration. Any other adjustments to meet demand will be negotiated with individual municipalities.

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 2009/10 to 2012/13. 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

		2008/09	2009/10	2010/11	2011/12	2012/13
	NOTES	PROJECTED	BUDGET	FORECAST	FORECAST	FORECAST
<b>OPERATING REVENUE</b>						
Contributions	1	\$1,420,000	\$1,483,900	\$1,550,676	\$1,620,456	\$1,693,376
Operating Grants	2	\$625,574	\$644,341	\$663,671	\$683,582	\$704,089
Library Fees	3	\$36,500	\$37,595	\$38,723	\$39,885	\$41,081
Other	4	\$27,808	\$28,642	\$29,502	\$30,387	\$31,298
Proceeds from Asset Sales	5	\$0	\$0	\$0	\$0	\$0
TOTAL OPERATING REVENUE		\$2,109,882	\$2,194,478	\$2,282,571	\$2,374,309	\$2,469,845
<b>OPERATING EXPENSES</b>						
Employee Expenses	6	\$1,308,106	\$1,363,046	\$1,420,294	\$1,479,947	\$1,542,105
Depreciation	7	\$411,145	\$393,000	\$419,300	\$451,900	\$487,100
Borrowing Costs	8	\$919	\$0	\$0	\$0	\$0
Materials & Services	9	\$363,891	\$374,808	\$386,052	\$397,634	\$409,563
Plant Expenses	10	\$16,000	\$16,480	\$16,974	\$17,484	\$18,008
Written Down Value of Assets Sold	11	\$0	\$0	\$0	\$0	\$0
Property, Plant & Equipment Write Off	12	\$2,000	\$15,000	\$10,000	\$5,000	\$0
TOTAL OPERATING EXPENSES		\$2,102,061	\$2,162,334	\$2,252,621	\$2,351,964	\$2,456,775
<b>NET SURPLUS/(DEFICIT)</b>		<b>\$7,821</b>	<b>\$32,144</b>	<b>\$29,951</b>	<b>\$22,345</b>	<b>\$13,069</b>

### 3.2.1 Notes (Supporting Projected Statement of Financial Performance)

#### Income:

##### 1. Contributions:

Contributions are assumed to increase for each of the forecast years by 4.5%. These increases have been levied to cover increased costs and increase collection expenditure. The operation and impact of joint-use library projects have not been factored into these calculations.

##### 2. Operating Grants & Subsidies:

A 3% increase in Grants and Subsidies funding from 2009 onwards has been assumed.

##### 3. Library Fees:

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

##### 4. Other Fees:

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

5. Proceeds from Asset Sales:  
There are no proceeds from plant sales.

### **Expenses:**

6. Employee Expenses:  
Employee expenses are forecast to increase by 4.2% per annum based on the new Enterprise Bargaining Agreement implemented on 1 July 2008 & movements within Bands.

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 occur in 2011/2012. Asset revaluations can alter the asset valuation base upon which the annual depreciation charges are based. The most appropriate depreciation method for the collection is still under discussion with CRLC Auditors.

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 2009/2010 onwards Materials and Services increase between 3% p.a. based on an assumed inflation rate.

10. Plant Expenses:  
Plant expenses will increase by 3% p.a.

11. Written Down Value of Assets Sold:  
There is no Written Down Value of Assets.

12. Property, Plant and Equipment Write Off:  
There is minimal Write Off of Fixed Assets 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:

<b>Year</b>	<b>Operating Revenue '000</b>	<b>Operating Expenditure '000</b>	<b>Operating Surplus/(Deficit) '000</b>
2008/09	\$2,109,882	\$2,102,061	\$7,821
2009/10	\$2,194,478	\$2,162,334	\$32,144
2010/11	\$2,282,571	\$2,252,621	\$29,951
2011/12	\$2,374,309	\$2,351,964	\$22,345
2012/13	\$2,469,845	\$2,456,775	\$13,069

### Observations

As a result of continuing efficiency gains, cost controls and revenue maximisation (where practicable), the LTFP provides for an operating surplus from 2008/09 onwards – this is believed to be the first time in the history of the CRLC & has resulted from the increased contribution by the municipal members councils.

### 3.3 Statement of Financial Position

#### STANDARD STATEMENT OF FINANCIAL POSITION

		2008/09 PROJECTED	2009/10 FORECAST	2010/11 FORECAST	2011/12 FORECAST	2012/13 FORECAST
<b>CURRENT ASSETS</b>						
Cash	13	\$333,393	\$384,693	\$442,293	\$501,793	\$569,593
Receivables	14	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800
<b>TOTAL CURRENT ASSETS</b>		<b>\$338,193</b>	<b>\$389,493</b>	<b>\$447,093</b>	<b>\$506,593</b>	<b>\$574,393</b>
<b>NON-CURRENT ASSETS</b>						
Fixed Assets	15	\$2,202,300	\$2,225,147	\$2,279,159	\$2,320,281	\$2,342,616
<b>TOTAL NON-CURRENT ASSETS</b>		<b>\$2,202,300</b>	<b>\$2,225,147</b>	<b>\$2,279,159</b>	<b>\$2,320,281</b>	<b>\$2,342,616</b>
<b>TOTAL ASSETS</b>		<b>\$2,540,493</b>	<b>\$2,614,640</b>	<b>\$2,726,252</b>	<b>\$2,826,874</b>	<b>\$2,917,009</b>
<b>CURRENT LIABILITIES</b>						
Payables	16	\$23,400	\$23,200	\$23,000	\$22,800	\$22,600
Employee Entitlements	17	\$211,532	\$239,325	\$268,369	\$268,369	\$301,513
Interest Bearing Liabilities	18	\$0	\$0	\$0	\$0	\$0
<b>TOTAL CURRENT LIABILITIES</b>		<b>\$234,932</b>	<b>\$262,525</b>	<b>\$291,369</b>	<b>\$291,169</b>	<b>\$324,113</b>
<b>NON-CURRENT LIABILITIES</b>						
Employee Entitlements		\$6,033	\$6,033	\$6,033	\$6,033	\$6,033
Interest Bearing Liabilities	18	\$0	\$0	\$0	\$0	\$0
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>\$6,033</b>	<b>\$6,033</b>	<b>\$6,033</b>	<b>\$6,033</b>	<b>\$6,033</b>
<b>TOTAL LIABILITIES</b>		<b>\$240,965</b>	<b>\$268,558</b>	<b>\$297,402</b>	<b>\$297,202</b>	<b>\$330,146</b>
<b>NET ASSETS</b>		<b>\$2,299,528</b>	<b>\$2,346,082</b>	<b>\$2,428,850</b>	<b>\$2,529,672</b>	<b>\$2,586,863</b>
<b>EQUITY</b>						
Accumulated Funds	19	\$174,428	\$220,982	\$303,750	\$404,572	\$461,763
Reserves	20	\$2,125,100	\$2,125,100	\$2,125,100	\$2,125,100	\$2,125,100
<b>TOTAL EQUITY</b>		<b>\$2,299,528</b>	<b>\$2,346,082</b>	<b>\$2,428,850</b>	<b>\$2,529,672</b>	<b>\$2,586,863</b>

### ***3.3.1 Notes (Supporting Projected Financial Position Statement)***

13. Cash:

Cash is forecast to increase over each of the next four years with the working capital position increasing. This liquidity is 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 marginally increase 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. This account 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 profits in future years will progressively increase 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.

	<b>2008/09 PROJECTED '000</b>	<b>2009/10 FORECAST '000</b>	<b>2010/11 FORECAST '000</b>	<b>2011/12 FORECAST '000</b>	<b>2012/13 FORECAST '000</b>
Current Assets	\$338,193	\$389,493	\$447,093	\$506,593	\$574,393
Current Liabilities	\$234,932	\$262,525	\$291,369	\$291,169	\$324,113
Net Current Assets	\$103,261	\$126,968	\$155,724	\$215,424	\$250,280
Non Current Assets	\$2,202,300	\$2,225,147	\$2,279,159	\$2,320,281	\$2,342,616
Non Current Liabilities	\$6,033	\$6,033	\$6,033	\$6,033	\$6,033
Net Non Current Assets	\$2,196,267	\$2,219,114	\$2,273,126	\$2,314,248	\$2,336,583
<b>NET ASSETS</b>	<b>\$2,299,528</b>	<b>\$2,346,082</b>	<b>\$2,428,850</b>	<b>\$2,529,672</b>	<b>\$2,586,863</b>

#### **Observations**

The Corporation's ongoing financial position will improve with working capital ratios (net current asset position), and total equity (net assets) remaining at substantial levels.

Borrowings will be extinguished in the 2008/09 year and there will be no new borrowings 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

	NOTES	2008/09 PROJECTED	2009/10 FORECAST	2010/11 FORECAST	2011/12 FORECAST	2012/13 FORECAST
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Grants		\$625,574	\$644,341	\$663,671	\$683,582	\$704,089
Library Fees		\$36,500	\$37,595	\$38,723	\$39,885	\$41,081
Contributions and donations received		\$1,420,000	\$1,483,900	\$1,550,676	\$1,620,456	\$1,693,376
Payments to employees		-\$1,308,106	\$1,363,046	-\$1,420,294	-\$1,479,947	-\$1,542,105
Payments to suppliers		-\$363,891	-\$374,808	-\$386,052	-\$397,634	-\$409,563
Interest paid		-\$919	\$0	\$0	\$0	\$0
Other Receipts		\$27,808	\$28,642	\$29,502	\$30,387	\$31,298
Net cash provided by operating activities		\$436,966	\$368,500	\$407,600	\$449,500	\$502,900
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Payments for asset acquisition	21	-\$433,992	-\$447,012	-\$460,422	-\$474,235	-\$488,462
Proceeds from disposal of assets	22	\$2,000	\$15,000	\$10,000	\$5,000	\$0
Net cash used in investing activities		-\$431,992	-\$317,200	-\$350,000	-\$390,000	-\$435,100
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Repayment of borrowings	23	\$0	\$0	\$0	\$0	\$0
Proceeds from borrowings	23	\$0	\$0	\$0	\$0	\$0
Net cash used in financing activities		\$0	\$0	\$0	\$0	\$0
Net increase/(decrease) in cash held	24	\$4,974	\$51,300	\$57,600	\$59,500	\$67,800
Cash at the beginning of the financial year		\$328,419	\$333,393	\$384,693	\$442,293	\$501,793
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	<b>25</b>	<b>\$333,393</b>	<b>\$384,693</b>	<b>\$442,293</b>	<b>\$501,793</b>	<b>\$569,593</b>

### **3.4.1 Notes (Supporting Projected Cash Flow Statement)**

21. Capital Expenditure

An increase in Capital Expenditure 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:

There is minimal disposal of assets predicted during the forecast period.

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:

There will be an increase in cash held over the life of the plan.

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.

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 result indicates that the Corporation will generate adequate cash flows to meet its financial commitments as they fall due 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	2008/09	2009/10	2010/11	2011/12	2012/13
		PROJECTED '000	FORECAST '000	FORECAST '000	FORECAST '000	FORECAST '000
Furniture	26	\$15,811	\$15,000	\$15,000	\$15,000	\$15,000
Bookstock	27	\$385,110	\$396,663	\$408,563	\$420,820	\$433,445
Plant	28	\$10,224	\$10,000	\$10,000	\$10,000	\$10,000
<b>Total Capital Works</b>		<b>\$411,145</b>	<b>\$421,663</b>	<b>\$433,563</b>	<b>\$445,820</b>	<b>\$458,445</b>
<b>Represented by:</b>						
Renewal		\$385,110	\$396,663	\$408,563	\$420,820	\$433,445
Upgrade		\$26,035	\$25,000	\$25,000	\$25,000	\$25,000
<b>Total Capital Works</b>		<b>\$411,145</b>	<b>\$421,663</b>	<b>\$433,563</b>	<b>\$445,820</b>	<b>\$458,445</b>

#### Notes:

26. Additional furniture will be required to upgrade the Libraries each year.
27. Increases in funds allocated to bookstock with capital expenditure to increase by 12.5% in this area over the term of the LTFP.
28. The Plant replacement is expected to be consistent over the term of the LTFP.

### 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 \$47,300 or 11.5% in capital expenditure over the 4 year period to 2008/09.

The implementation of this Long Term Financial Plan for the Corangamite Regional Library Corporation will place the corporation in a very strong financial position while maximizing the expenditure on capital items.