



Library 4.0

2009-2013

Message from the Chair on Behalf of the Board

In an era of uncertainty and constant change, it is all the more important to have a sound foundation on which to fact the challenges of tomorrow and to achieve the best outcomes for our diverse communities..

At Eastern Regional Libraries Corporation (ERLC) we have decided to adopt Library 4.0, which is based on the three pillars of social, economic and sustainable outcomes and a fourth pillar which adopts Library 2.0 (the Virtual World) and faces up the rapidly changing landscape of technology. This will guide the Corporation as it moves towards the future on the “**ERLC Way**”




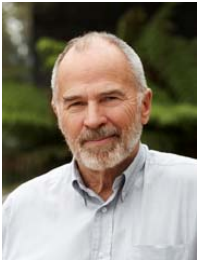


We will never lose sight of our core business which is to deliver excellent customer service in what ever format out customers want. However, to achieve this we must be ever vigilant in relation to the matters that will impact on our four pillars.

Our Plan, Library 4.0, based on our adopted pillars, should provide sustainability in all areas as we face an uncertain and constantly changing future, and help us to keep doing things in the “**ERLC Way**”.

Cr Samantha Dunn

Yarra Ranges Shire Council

ERLC BOARD MEMBERS

 Cr Adam Gill Knox City Council	 Cr Natalie Thomas Maroondah City Council	 Cr Samantha Dunn Yarra Ranges Shire Council
 Cr John Mortimore Knox City Council	 Cr Paul Macdonald Maroondah City Council	 Cr Len Cox Yarra Ranges Shire Council

Deputy Board Members

Knox City Council:

Maroondah City Council:

Cr Sue McMillan

Cr Peter Gurr

FRAMEWORK AND PROCESS

In accordance with the Local Government Act, Eastern Regional Libraries Corporation 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 Plan has taken direction from the following:

- **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.
- **Library Services Reviews**
 - Undertaken by all the Member Councils in 2005
 - A review undertaken by Knox City Council into its provision of library services and infrastructure.

Library 4.0 – The ERLC Way

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

Implementation of strategies within the four 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.

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

BACKGROUND

Eastern Regional Libraries Corporation provides library services to the Cities of Knox, Maroondah and Yarra Ranges Shire Council. Together the three municipalities cover a large geographic area in the outer metropolitan area of Melbourne. There is a diverse range of communities with a combined population of 401,000 people, as follows:

	Population	Area
Knox	153,151	113.8 klms ²
Maroondah	103,005	61.4 klms ²
Yarra Ranges	145,596	2500 klms ²

(Based on population statistics @ 30 June 2007 used by Department of Victorian Communities to calculate State Government Grants)

Significant Features of our Communities

- Family life is highly valued
 - Emphasis is placed on strong and sustainable communities
 - Our communities value their local cultural heritage
 - Leisure and recreation play an important role in the lives of communities
 - Cultural diversity is a feature of the Region
 - Generally our communities are aging and services to seniors are important
 - There are 176 primary, secondary and tertiary institutions
-
- The area is geographically diverse- from urban towns to small rural communities
 - The economy of the region is diverse, from farming and vineyards to retail, large manufacturing and the ever-growing service industry.
-
- Areas of growth and development include the Rowville/Lysterfield area in Knox and also the City of Maroondah
 - Ringwood is the third largest retail precinct in the Melbourne metropolitan area
 - Ringwood will soon become a major transit city with population growth
 - Vibrant retail centres continue to grow at Knox City, Studpark, Chirnside Park and Eastland
-
- Tourism is a vital part of the economic growth of the Shire of Yarra Ranges
 - Significant tourist features include Healesville Sanctuary, The Dandenong Ranges, Puffing Billy Railway and the Yarra Valley Wine areas

ERLC WAY

We aspire to:

- Provide our communities with access to knowledge, experience and ideas
- Being the “third” place for our communities

We undertake to:

- Provide universal and equitable access to library resources and services
- Create opportunities and spaces that will enhance peoples’ lives and community interaction

We value:

- Co-operation, partnerships and alliances
- Social, cultural, environmental and economic sustainability
- Innovation that enhances the opportunities and services for our communities
- Service excellence
- Teamwork and the contribution made by our staff

OUR APPROACH

ERLC is committed to happy and satisfied customers. Through a relevant program of services, events and places, ERLC makes an important contribution to community strengthening and to connecting people.

ERLC partners with Councils, community groups and other organizations to ensure that our communities and visitors to our region can participate in and enjoy local libraries. Partnerships with Councils reflect the aims and objectives of individual Council Plans.

Libraries play a vital role in lifelong learning through the provision of facilities, resources, training and programs. ERLC has a strong philosophical commitment to encourage and support lifelong learning in our communities.

We strive for continuous improvement and innovation that will enhance the experiences of, and services to, our communities..

The Library Plan encompasses the ***ERLC Way*** by focusing on four key areas – **Social, Economic, Environmental, Web 2.0**.

CHALLENGES FACING THE CORPORATION

- Changing patterns of visitor access to and usage of library services
- The rapidly changing virtual world and technology, and the costs of keeping up to date e.g. RFID
- Reducing expenditure in today’s dollars on library materials which has an impact on the range and quality of library lending materials and consequently usage
- Upgrading and developing the library management system and associated information and communications technology infrastructure
- The mix of outer urban and rural communities across the Region
- Lack of a financial agreement with the member Councils

KEY STRATEGIC AREAS and OBJECTIVES

ERLC believes that the following key strategic areas and strategic objectives will provide the means to sustaining the **ERLC Way**.

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

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

Environmental – accountable and responsible management of the Corporation’s impact on our environment.

Web 2.0 – resources and systems that meet the diverse interests and needs of our communities.

ACTION PLAN

Social Objectives - strong communities provided with opportunities for connection and interaction

<u>Key Strategic Activities</u>	<u>Tasks & Actions</u>	<u>Partnerships</u>	<u>Success Indicators</u>	<u>Performance Measures</u>	<u>Target 2009/10</u>	<u>Target 2010/11</u>	<u>Target 2011/12</u>	<u>Target 2012/13</u>
Recruit Volunteers	Develop a Volunteer Policy Develop Position Descriptions Develop a training program	Volunteers	Recommendations adopted by Board Roles clearly defined Trainees on board Accumulated increase of 20 in number of library volunteers	PDs available Training Program organized	Oct 2009 Nov 2009 Nov 2009	10	15	20
Annual partnership with a community/charitable organization	Develop a working relationship with a charitable/community organization to cross promote each other's services for that year	Charitable /Community Service Organization	New partnership established each year Links between websites Cross promotion of activities and services	MOU Functioning links Joint activities	Approach potential partners	1 in place 2 co-hosted events	1 in place 2 co-hosted events	1 in place 2 co-hosted events
Further literacy and reader development	Continue with Baby Book Bag Program subject to funding from Councils or Sponsorship	Council MC&H Centres SLV	All new parents receive a Baby Book Bag Bags funded and distributed	5,000 Bags distributed	5,000	5,000	5,000	5,000
Develop Homework Groups	Establish new Groups in each Council area Review success of Groups	Councils Schools	3 new Groups	Group established	1	1	1	Oct 2012
CALD Communities	Continue to develop multi-cultural links through focused information sessions	Councils	Sessions well attended	Sessions run	12	12	12	12

<u>Key Strategic Activities</u>	<u>Tasks & Actions</u>	<u>Partnerships</u>	<u>Success Indicators</u>	<u>Performance Measures</u>	<u>Target 2009/10</u>	<u>Target 2010/11</u>	<u>Target 2011/12</u>	<u>Target 2012/13</u>
Co-location with Council and other services	Pursue opportunities to co-locate and integrate with Council and other services, in particular Council customer services	Councils	Services co-located in Rowville, Healesville, Monbulk, Ringwood and Mt Evelyn	Council agreement Co-location	Agreements reached Mt Evelyn	Healesville Monbulk (limited)	Rowville	Ringwood
Outreach Services	Review existing services to reflect introduction of new Knox outreach vehicle and industry developments	Councils	Recommendations adopted by Board	Board Report	Feb 2010			
Bag-a- Book	Organize an annual “shop” where library members can select materials for their local branches	Book Shop	Number of attendees	Reach 250 attendees over 4 years (currently 150)	175	200	225	250
Business links	Develop a business partnership with companies that share the same ethical and sustainable principles Develop a Blog, Facebook and Twitter presence	Regional businesses Council Economic Development and Sustainability Units	3 to 7 partners agree to participate	MOU signed by partners Number of partners Web 2 presence “live”	Oct 2009 3 Oct 2009	4	5	6
Genre Collections for Branches	Survey customers in branches with Genre based collections to prepare SWOT and assess acceptance Survey customers in other branches to assess likelihood of success of genre based collections Prepare report for Board Implement for branches that Board adopts	Survey Contractor	Survey well received by customers and at least 100 surveys completed Recommendations adopted by Board	Survey developed Survey and SWOT completed Board Report	August 2009 Sept/Oct 2009 Feb 2010			
					1 branch	2 branches	2 branches	2 branches

<u>Key Strategic Activities</u>	<u>Tasks & Actions</u>	<u>Partnerships</u>	<u>Success Indicators</u>	<u>Performance Measures</u>	<u>Target 2009/10</u>	<u>Target 2010/11</u>	<u>Target 2011/12</u>	<u>Target 2012/13</u>
Community Living Rooms- social connection in the 'third place'	Draw up an Implementation Plan to introduce Community Living Room spaces in to all branches	All Councils	Recommendations adopted by Board	Board Report	Feb 2010	Implement subject to funding	Implement subject to funding	Implement subject to funding
	Seek Living Libraries and other grants for program		Grants received	Applications lodged when grants available	Lodged	Lodged	Lodged	Lodged
Support for indigenous community/indigenous art and culture	Work with YRSC and the Wurundjeri Tribe Land Compensation and Cultural Heritage Council to support and promote indigenous art and culture	Wurundjeri Tribe Land Compensation and Cultural Heritage Council	Displays of indigenous art and culture	Displays of indigenous art and culture in "new" Healesville Arts & Culture Precinct		June 2011	Ongoing	Ongoing
	Work with YRSC to have parts of its indigenous collection on display in new Healesville Library	YRSC	Art work on display	Council agreement	April 2010	Ongoing	Ongoing	Ongoing

ACTION PLAN

Economic Objective - *accountable and responsible management of the community's library services.*

<u>Key Strategic Activities</u>	<u>Tasks & Actions</u>	<u>Partnerships</u>	<u>Success Indicators</u>	<u>Performance Measure</u>	<u>Target 2009/10</u>	<u>Target 2010/11</u>	<u>Target 2011/12</u>	<u>Target 2012/13</u>
Adoption of a Funding Model by Councils	<p>Establish a Working Group consisting of Board Chair, another Board Member, CE and Council Officers to prepare the Funding Model</p> <p>Funding Model referred to all Councils for feedback</p> <p>Funding Model implemented</p> <p>Funding Model reviewed</p>	All Councils	<p>Recommendations adopted by Board</p> <p>Councils accept a Funding Model</p> <p>Councils and Corporation have a sound basis on which to prepare forward budgets</p>	<p>Board Report</p> <p>Council agreement</p> <p>Annual contributions based on Model</p>	<p>Oct 2009</p> <p>Feb 2010</p>		<p>Model used</p> <p>Model used</p>	<p>Model used</p> <p>Oct 2012</p>
Collective Agreement	Negotiate a new Collective Agreement with a 5.5% increase in salaries per annum for 4 years	Staff ASU	<p>Staff acceptance</p> <p>Productivity gains, or improved work practices, for increase in salaries</p>	Agreement certified	March 2010	In place	In place	In place
Self-Check Out and RFID	Implement Self-Checkout on a rolling basis to branches where feasible – demand/cost/budget	Staff Councils Vendors Sirsi Dynix	<p>Collection tagged</p> <p>RFID Kiosks, staff pads, etc</p>	<p>Entire collection RFID tagged</p> <p>Rolled out</p>	<p>Dec 2009</p> <p>June 2010</p>			

Key Strategic Activities	Tasks & Actions	Partnerships	Success Indicators	Performance Measure	Target 2009/10	Target 2010/11	Target 2011/12	Target 2012/13
Shelf ready collections	Participate in the statewide collaborative purchasing tender	MAV PLVN Staff	Tender recommendations adopted by Board Reduction in acquisition and processing costs	Board Report	Oct 2009	Ongoing	Ongoing	Ongoing
Library Foundation to support the work of the library and to help raise funds	Prepare a Business Case for consideration by the Board	Corporate Management Team	Recommendations adopted by Board Foundation Board appointed Programs initiated by Foundation Funds raised	Board Report Foundation established Events/function organized Additional revenue for library service	Oct 2009 Feb 2010	 Ongoing First Event Ongoing	 Ongoing Ongoing Ongoing	 Ongoing Ongoing Ongoing
Funding Advocacy	ERLC becomes a leading advocate for improved public library funding Participate in: Statewide Project on Library Advocacy MAV State Forum	MAV Councils PLVN	Improved State and Federal funding for public libraries	 CE participates in Project Board Members attend	Ongoing Feb 2010 Oct 2009	Ongoing Ongoing	Ongoing Ongoing	Ongoing Ongoing
Electricity Costs	Transfer cost of electricity supply back to Councils as the building owners	Councils	Reduced costs through Councils bulk and green buying schemes	Councils agree to transfer	Feb 2010			

ACTION PLAN

Environmental Objective - *responsible management of the Corporation's impact on our environment.*

<u>Key Strategic Activities</u>	<u>Tasks & Actions</u>	<u>Partnerships</u>	<u>Success Indicators</u>	<u>Performance Measures</u>	<u>Target 2009/10</u>	<u>Target 2010/11</u>	<u>Target 2011/12</u>	<u>Target 2012/13</u>
Maintenance and 'renewal' of libraries-physical aspects	Obtain copies of Council Asset Maintenance Plans for libraries	Councils State Govt Federal Govt	Corporation in a position to apply for \$ for \$ grants	Copies received	Oct 2009	Ongoing	Ongoing	Ongoing
	Agree a program where feasible that coincides with Corporation enhancements (self-checkout, etc)		Better planning for library refurbishments		Ongoing	Ongoing	Ongoing	Ongoing
	Pursue Living Libraries and other grants to maximize refurbishment opportunities		Grants received	Applications lodged when grants available	Lodged	Lodged	Lodged	Lodged
Green buildings-recycling-green materials	Obtain copies of any previous green audits and facilitate and participate in upcoming green audits.	Councils State Government Federal Government	Corporation in a position to work with councils to green libraries	Copies received	Feb 2010	Ongoing	Ongoing	Ongoing
	Pursue through a MOU opportunities with Councils to 'green' libraries and to ensure that all products/materials used in new buildings/ refurbishments are where practicable and feasible environmentally friendly		MOU signed off by both parties	MOU	Feb 2010	Ongoing	Ongoing	Ongoing
	Pursue grants to maximize greening opportunities		Grants received	Applications lodged when grants available	Lodged	Lodged	Lodged	Lodged

<u>Key Strategic Activities</u>	<u>Tasks & Actions</u>	<u>Partnerships</u>	<u>Success Indicators</u>	<u>Performance Measures</u>	<u>Target 2009/10</u>	<u>Target 2010/11</u>	<u>Target 2011/12</u>	<u>Target 2012/13</u>	
Reduce our carbon footprint	Calculate our carbon footprint:	Council Suppliers Contractors Library members	Monitored reduction in carbon footprint	Board report	May 2010	Ongoing	Ongoing	Ongoing	
	Establish an acceptable methodology to calculate the embedded carbon in library materials.								
	Calculate the impact of staff and library users on the environment viz travelling by car to library branches and work								
	Purchase green energy if Councils do not agree to transfer of electricity costs		Gradual purchase of Green energy subject to budget	Green energy supply contracted	Contract signed	Ongoing	Ongoing	Ongoing	
	Use where practicable and feasible contractors/suppliers who carry on business in an ethically and environmentally sound manner				Include questions addressing this issue in EOI, RFP and RFT documentation	Implemented	Ongoing	Ongoing	Ongoing
	Join Greenfleet				Membership	June 2010	Ongoing	Ongoing	Ongoing
	Offer Green (paid) Memberships to assist in reducing individual carbon footprint of using library: materials, travel to/from; etc				Board agrees to proposals	Board Report	Oct 2009		
			Green Members	1000 members over 4 years	100	400	700	1000	
			Councils agree	1000 Trees Planted	100	400	700	1000	
Ethical Investments	Invest in ethical sustainable investments	Knox City Council	To accumulate \$40,000 in sustainable investments by 2012/13	\$10,000 accumulated each year	\$10,000	\$20,000	\$30,000	\$40,000	

<u>Key Strategic Activities</u>	<u>Tasks & Actions</u>	<u>Partnerships</u>	<u>Success Indicators</u>	<u>Performance Measures</u>	<u>Target 2009/10</u>	<u>Target 2010/11</u>	<u>Target 2011/12</u>	<u>Target 2012/13</u>
Partnerships around educating community for a sustainable future	6 monthly meetings with Council s' Sustainability Units	Councils Local Environmental Groups	Joint promotion of a sustainability project	Program supported	1	1	1	1
Mobile Libraries (see also Social Objective)	Replace existing vehicles with smaller more environmentally friendly vehicles Provide detailed specifications to Knox Participate in tender preparation and evaluation	Councils Corporate Management Team	Council agreement Reduction in fuel consumption Reduction in carbon emissions Reduced replacement costs compared to old vehicles Access to more "sites"	3 vehicles replaced Specs supplied	Feb 2010 - Knox July 2009 Sept 2009	Feb 2011 - YRSC	Ongoing	Ongoing

Web 2.0 - resources and systems that meet the diverse interests and needs of our communities.

Key Strategic Activities	Tasks & Actions	Partnerships	Success Indicators	Performance Measures	Target 2009/10	Target 2010/11	Target 2011/12	Target 2012/13
Training and Learning Programs	Analyse current training offered for customers and staff Survey potential trainees/staff	Councils Staff	Needs based training provided	SWOT completed	Oct 2009			
				Survey undertaken	Oct 2009			
				New Program in place	Feb 2010	Ongoing	Ongoing	Ongoing
Virtual Social Networking	Establish a presence on Wikipedia, Facebook, Twitter, etc	Staff	Level of Customer uptake viz hits, etc	Presence established	June 2010	Ongoing	Ongoing	Ongoing
Introduce Electronic Gaming to branches	Install gaming consoles and associated peripherals in key branches subject to funding	Communities Staff	Number of branches equipped	Gaming consoles and associated peripherals installed	2 branches	2 branches	2 branches	2 branches
				Level of Customer uptake	1,000 hours accumulated over 4 years	250	500	750
On-line databases	Review current suppliers and subscriptions Annual review	Board Staff	Recommendations adopted by Board	Board report	Oct 2009	Ongoing	Ongoing	Ongoing
Web Page	Launch new Web Page	Staff	Level of Customer uptake viz hits, etc	Page launched	June 2010	Ongoing	Ongoing	Ongoing
WiFi (Wireless Technology)	Undertake with other library services an RFP to ascertain best value WiFi system Install WiFi System in key branches subject to funding	Other library services Vendors	WiFi introduced to key branches	RFP completed	Aug 2009			
				Tender completed	Oct 2009			
				System installed	Dec 2009			
			Level of customer uptake	Up to 5,000 hours over 4 years		2,000	3,500	5,000
Downloadable Materials (E-Books, etc)	Undertake with other library services an RFP to ascertain best value	Other library services Vendors	Downloadable materials on-line	On-line	Dec 2009			
				Up to 2,000 downloads over 4 years	500	1,000	1,500	2,000

KNOX CITY COUNCIL INITIATIVES

MAROONDAH CITY COUNCIL INITIATIVES

YARRA RANGES SHIRE COUNCIL INITIATIVES

Specific initiatives to be agreed with Member Councils

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STRATEGIC RESOURCE PLAN

2009 - 2013

Introduction

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

Plan Development

The Corporation has prepared a Strategic Resource Plan for the four years 2009/2010 to 2012/2013 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.

Financial Resources

The following table summarizes the key financial results for the next four years as set out in the Plan for years 2009/2010 to 2012/2013. 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			
	2008/09	2009/10	2010/11	2011/12	2012/13	+/-
	\$'000	\$'000	\$'000	\$'000	\$'000	
Operating result	5	3	18	30	38	o
Cash and investments	1,949	1,838	1,827	1,877	1,988	o
Cash flow from operations	1,480	1,528	1,529	1,589	1,647	o
Capital works	1,505	1,710	1,610	1,610	1,610	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 maintain constant over the four year period, which indicates a finely tuned balanced budget on a cash basis in each of the years.

- **Contributions Strategy**

Council contribution increases are forecast for 2010/2011 and following years at a rate of 5%.

- **Capital Works Strategy**

Capital expenditure over the four year period will total \$6.5 m at an average of \$1.63 m. This does not allow for any growth in collection size.

- **Service Delivery Strategy**

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 2010/2011 and following years, self checkout is introduced in larger branches and there is no increase in staffing numbers.

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 summarizes the non-financial resources for the next four years.

Indicator	Forecast		Strategic Resource Plan		
	Actual	Budget	Projections		
	2008/09	2009/10	2010/11	2011/12	2012/13
	\$'000	\$'000	\$'000	\$'000	\$'000
Employee costs	6,865	7,067	7,406	7,766	8,149
Employee numbers	181	178	178	178	178

Overall increases in employees' costs have been capped for 2010/2011 and following at 5.5% which will only be achievable through limiting the casual budget and overall staff numbers with the proposed introduction of self service technology in branches with loans of at least 250,000 per annum.

FUNDING STRATEGIES

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

Revenue

The 2009/2010 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 2010/2011 and following at a rate of 5% per annum. User Charges and Fees to rise where appropriate by at least 3% per annum or market rate for the service provided.

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 2009/2010 and following years:

- The budgeted Councils' contributions.
- State Government Grants increase of only 2.75%.
- The level of cash and investment reserves to fund future capital expenditure programs.

Service delivery

The key objectives included in the Corporation's Strategic Resource Plan 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 2010/2011 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	5638
2009	3,318
2010	18,364
2011	30,324
2012	38,790

Services levels have been maintained throughout the four year period with operating surpluses forecast the years 2009/2010 to 2012/2013, subject to overall increases in employees' costs being capped for 2009/2010 and following at 5.5% which will only be achievable through limiting the casual budget and overall staff numbers with the proposed introduction of self service technology in branches with loans of at least 250,000 per annum.

Matters that Impact on the Strategies

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

	2009/10	2010/11	2011/12	2012/13
	%	%	%	%
Contribution increases	4.0	5.0	5.0	5.0
Government funding	2.75	2.5	2.5	2.5
Wages growth	5.5	5.5	5.5	5.5
Fees & Charges	3.0	3.0	3.0	3.0
Investment return	4.0	4.0	4.0	4.0

The following appendix provide support for the analysis contained in the Strategic Resources Plan.

Appendix A

Budgeted Standard Statements

This appendix presents information in regard to the Budgeted Standard Statements.

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 2013

Item	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013
	\$	\$	\$	\$	\$
Revenues from Ordinary Activities					
Grants	2,179,002	2,208,808	2,264,028	2,320,629	2,378,645
Premier's Reading Challenge		60,000	60,000	60,000	60,000
Contributions	7,596,491	7,923,028	8,319,179	8,735,138	9,171,895
User Charges & Fees	410,550	410,550	422,867	435,552	448,619
Interest	125,000	100,000	100,000	100,000	100,000
Proceeds from the Disposal of Property, Plant & Equipment	70,100	70,100	70,100	70,100	70,100
Total Revenues	10,381,143	10,772,486	11,236,174	11,721,420	12,229,259
Expenses from Ordinary Activities					
Employee Expenses	6,865,364	7,067,173	7,406,105	7,766,390	8,149,372
Contract Payments, Materials and Services	1,965,141	2,106,995	2,170,205	2,235,311	2,302,370
Written Down Value of Assets Sold	45,000	45,000	45,000	45,000	45,000
Depreciation	1,500,000	1,550,000	1,596,500	1,644,395	1,693,727
Total Operating Expenses	10,375,505	10,769,168	11,217,810	11,691,096	12,190,469
Surplus/(Deficit) for the year	5,638	3,318	18,364	30,324	38,790

Budgeted Standard Balance Sheet
For the four years ending 30 June 2013

	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013
	\$	\$	\$	\$	\$
CURRENT ASSETS					
Cash Assets	1,949,770	1,838,088	1,827,952	1,877,672	1,985,188
Prepayments		40,000	40,000	40,000	40,000
Receivables	71,000	40,000	40,000	40,000	40,000
TOTAL CURRENT ASSETS	2,020,770	1,918,088	1,907,952	1,957,672	2,065,188
NON-CURRENT ASSETS					
Property, Plant and Equipment	5,850,445	5,965,445	5,933,945	5,854,550	5,725,823
TOTAL NON-CURRENT ASSETS	5,850,445	5,965,445	5,933,945	5,854,550	5,725,823
TOTAL ASSETS	7,871,215	7,883,533	7,841,897	7,812,222	7,791,011
CURRENT LIABILITIES					
Payables	442,212	430,412	305,412	177,762	47,354
Employee Benefits	1,459,500	1,500,000	1,560,000	1,622,400	1,687,296
TOTAL CURRENT LIABILITIES	1,901,712	1,930,412	1,865,412	1,800,162	1,734,650
NON-CURRENT LIABILITIES					
Employee Benefits	119,700	100,000	105,000	110,250	115,763
TOTAL NON CURRENT LIABILITIES	119,700	100,000	105,000	110,250	115,763
TOTAL LIABILITIES	2,021,412	2,030,412	1,970,412	1,910,412	1,850,412
NET ASSETS	5,849,803	5,853,121	5,871,485	5,901,810	5,940,599
REPRESENTED BY:					
Members' Equity	3,689,000	3,689,000	3,689,000	3,689,000	3,689,000
Accumulated Surplus	2,160,803	2,164,121	2,182,485	2,212,810	2,251,599
EQUITY	5,849,803	5,853,121	5,871,485	5,901,810	5,940,599

Budgeted Standard Cash Flow Statement
For the four years ending 30 June 2013

Item	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013
	\$	\$	\$	\$	\$
Receipts					
Grants	2,179,002	2,268,808	2,264,028	2,320,629	2,378,645
Contributions	7,596,491	7,923,028	8,319,179	8,735,138	9,171,895
User Charges & Fees	410,550	410,550	422,867	435,552	448,619
Interest	125,000	100,000	100,000	100,000	100,000
	10,311,043	10,702,386	11,106,074	11,591,320	12,099,159
Payments					
Employee Expenses	6,865,364	7,067,173	7,406,105	7,766,390	8,149,372
Contract Payments, Materials and Services	1,965,141	2,106,995	2,170,205	2,235,311	2,302,370
	8,830,505	9,174,168	9,576,310	10,001,701	10,451,742
Net Cash provided by Operating Activities	1,480,538	1,528,218	1,529,764	1,589,619	1,647,417
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	140,000	140,000	140,000	140,000	140,000
Library Materials	1,100,000	1,150,000	1,200,000	1,250,000	1,250,000
Avs	115,000	120,000	120,000	120,000	120,000
IT&C Developments	100,000	250,000	100,000	100,000	100,000
Outreach Vehicle	50,000	50,000	50,000		
	1,505,000	1,710,000	1,610,000	1,610,000	1,610,000
Net Cash provided in Investing Activities	-1,434,900	-1,639,900	-1,539,900	-1,539,900	-1,539,900
Net Increase/(Decrease) in Cash	45,638	-111,682	-10,136	49,719	107,517
Cash at beginning of the Financial Year	1,904,132	1,949,770	1,838,088	1,827,952	1,877,672
Cash at end of the Financial Year	1,949,770	1,838,088	1,827,952	1,877,672	1,985,188

Budgeted Standard Capital Works Statement
For the four years ending 30 June 2013

	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013
	\$	\$	\$	\$	\$
Capital Works Areas					
Books	1,100,000	1,150,000	1,200,000	1,250,000	1,250,000
Audiovisual Materials	115,000	120,000	120,000	120,000	120,000
Motor Vehicles	90,000	90,000	90,000	90,000	90,000
Equipment	50,000	50,000	50,000	50,000	50,000
IT&C Developments	100,000	250,000	100,000	100,000	100,000
New Regional Outreach Vehicle	50,000	50,000	50,000		
Total Capital Works	1,505,000	1,710,000	1,610,000	1,610,000	1,610,000

Reconciliation of net movement in property, plant and equipment

	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013
	\$	\$	\$	\$	\$
Total Capital Works	1,505,000	1,710,000	1,610,000	1,610,000	1,610,000
Depreciation	1,500,000	1,550,000	1,596,500	1,644,395	1,693,727
Written Down Value of Assets Sold	45,000	45,000	45,000	45,000	45,000
Net Movement in PP&E	-40,000	115,000	-31,500	-79,395	-128,727