

Adopted 2024/25 Budget

Introduction

The Goulburn Valley Regional Library Corporation, trading as Goulburn Valley Libraries from 1 July 2015, provides Library services to the communities in the municipalities of Greater Shepparton City Council, Moira Shire and Strathbogie Shire. We serve a population of 108,0801 people over an area of 9,7721 square kilometres.

Council/Shire	Population	Area km2	Density Pop/km2	24/25 contributions
Greater Shepparton	68,409	2,422.0	27.7	\$1,823,465.45
Moira	30,522	4,046.6	7.42	\$859,284.49
Strathbogie	11,455	3,303.3	3.33	\$294,531.03

The Corporation operates 11 Libraries by agreement in the townships of Avenel, Cobram, Euroa, Mooroopna, Nagambie, Nathalia, Numurkah, Tatura, Violet Town, Yarrawonga and the City of Shepparton. We also operate a Mobile Library service that serves smaller towns and communities within the region.

The Corporation is funded by the three-member Councils (approximately 75%), the State Government (approximately 20%) and other income sources (approximately 5%). Council funding is based on an agreed-upon amount in the Service and Funding Agreement. The State Government funding is calculated primarily on a per capita basis. The State Government specifies a number of conditions on the grant, including annual reporting requirements, free core library services and reciprocal membership of all other Victorian public libraries. The Corporation explores alternative funding sources and endeavours to inform Governments of the importance of funding for libraries. The budget is presented in a format that demonstrates the proposed 2024/25 Operating result and forecast Operating result for the 2023/24 Budget.

Budget Process

This section describes the budget processes undertaken in order to adopt the Budget in accordance with the Local Government Act 2020 (the Act) and Local Government (Planning and Reporting) Regulations 2014 (the Regulations).

Under the Act, the Corporation is required to prepare and adopt an annual budget for each financial year. The budget must include certain information about the fees and charges that the Corporation intends to levy, as well as a range of other information required by the Regulation which supports the Act.

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

These statements have been prepared for the year ending 30 June 2025 in accordance with the Local Government Act and Regulations and consistent with the annual financial statements prepared in accordance with Australian Accounting Standards.

The draft budget is placed on public exhibitions seeking submissions from the community. Any person has a right to make a submission on any proposal contained in the Budget under Section 223 of the Act.

The final step is for the Board to adopt the budget after receiving and considering any submissions from interested parties. The budget is required to be adopted and a copy submitted to the Minister by 31 July 2024.

The key dates for the budget process are summarised in the table below.

<u>Budget Process</u>	<u>Timeline</u>
Preliminary Budget presented to the Finance and Audit Committee	15 February 2024
The preliminary budget presented to the Library Board	28 March 2024
Draft Budget presented to the Finance and Audit Committee	18 April 2024
The draft budget for advertising presented to the Library Board	2 May 2024
Draft budget advertised for Public Comment/Submissions	13 May 2024 – 10 June 2024
Submissions Received in 28-day period from the date of advertising	No submissions
Submissions considered/heard (special board meeting if required)	No submissions
Library Board meeting, which adopted the budget	20 June 2024
Adopted budget submitted to the Minister for Local Government	4 July 2024

Background

The 2024/25 Budget was approved and adopted by the Goulburn Valley Libraries Board at its ordinary meeting on 20 June 2024.

Major impacts between Adopted budget 2023/2024 and 2024/2025

- Revenue is down \$217,148 (due to the \$230k for Yarrawonga and the \$58k for the seniors digital literacy program being non-recurrent)
- Outreach Van Grant \$187,184 (revenue increase)
- Revenue has increased by Rate Capping Rate to Councils/Shires at 2.75%
- Revenue is less for the State Government as they did not add 2% on last year's funding. 2% has not been calculated for the 24/25 budget. Loss of \$17,906 23/24
- Increase in Depreciation of \$100,000 PA
- Increase in Salaries and Wages of \$170,000
 - o 2023/2024 salaries and wages were understated by \$50,000 due to several errors in the wage formulas for last year.
 - o 2024/2025 superannuation expense is up \$44,000 partially due to the additional .05% contribution for 2024/2025. It was also found that the calculated amount of superannuation expense was not calculated properly for 2023/2024, total wages (not including on-cost) was \$2,135,433, 11% is \$235k, the adopted budget was \$215k (understated by \$20k, which is also in line with the actual result for superannuation expense which is currently \$18k over budget May YTD).
 - o Several departments/programs have additional staff that were not in the 2023/2024 budget (Yarrawonga additional position \$19k), Shepparton position has gone from .8 FTE in 2023/2024 to 1 FTE in 2024/2025 (additional \$20k), Courier services vacant position 4A was in as .2 FTE in 2023/2024, increased to .4 FTE in 2024/2025 (increase of 14k).
- Materials and Services expense is down by \$250k due to non-recurrent spending on Yarrawonga and the Digital Literacy program.

Savings I have already calculated –

1. \$40,000 in Contracts and Services – 24/25 will be used for Governance costs but this will be a one-off and then 25/26 it will be a savings.
2. Mobile costs - \$38,000 will be a savings moving forward in 24/25
3. Continue to go through the Contracts and Services budget lines.

Budget 2024/25

Goulburn Valley Regional Library Corporation Income Statement

Income Statement

	Adopted Budget 2023/2024	Draft Budget 2024/2025
Revenue		
User Fees	54,200	57,000
Grants (Operating)	1,003,227	921,557
Grants (Capital)	0	187,184
Contributions (Monetary)	3,132,598	2,982,281
Other Income	40,000	45,000
Gain (Loss) on Sale of Plant	10,000	0
Total Revenue	4,240,025	4,193,022
Expenses		
Employee Costs	2,434,933	2,565,924
Materials and Services	1,243,300	874,138
Depreciation	463,677	564,235
Amortisation	0	49,146
Borrowing Costs	0	8,823
Other Expenses	59,918	10,500
	4,201,828	4,072,766
Surplus (Deficit) for the Period	38,197	120,256
Capital Expenditure		
Book stock & resources		
Physical Books and resources	227,250	238,750
PRC books and resources	27,000	32,100
eBooks & eAudiobooks	135,200	122,000
DVD's	40,400	33,200
Audiobooks	35,350	49,300
CD's	0	0
Vehicles	30,000	187,184
Equipment & furniture	5,100	5,100
CIT	35,700	35,700
Numurkah Library Refresh	0	0
Murchison Library Refresh	0	0
Total Capital Expenditure	536,000	703,334



Notes

1. User fees – Overdue fees, Copy and print charges
2. Grants – State Government recurrent grant, Premiers Reading Challenge
3. Contributions – Council contributions for service
4. Other Income – Investment interest, Misc Grants, Donations, Diesel rebate, Book Club receipts
5. Employee costs – Salaries and wages, Superannuation, Leave Loading, WorkCover premium, FBT
6. Materials and services – Shared admin and IT costs, Accommodation, utilities, training costs, periodicals and subscriptions, Vehicle expenses, Equip servicing, rubbish removal, IT Maintenance
7. Depreciation – Vehicles, Book stock, Furniture and Equipment
8. Borrowing costs – Interest payments on loans
9. Other expenses – Rental on the administration building

Goulburn Valley Libraries Balance Sheet

	Forecast 2023/2024	Adopted Budget 2024/2025
	\$	\$
ASSETS		
Current Assets		
Cash and Cash Equivalents	939,461	933,210
Trade and Other Receivables	30,263	30,263
Other Financial Assets	500,000	500,000
Other Assets	15,996	15,996
Total Current Assets	1,485,720	1,479,469
Non-Current Assets		
Property, Plant, Equipment and Infrastructure	5,669,682	6,351,986
(Depreciation)	(4,011,316)	(4,575,551)
CAPEX	682,304	703,334
Right of Use Assets	200,680	151,534
Total Non-Current Assets	2,541,350	2,631,303
TOTAL ASSETS	4,027,070	4,110,772
LIABILITIES		
Current Liabilities		
Trade and Other Payables	70,171	70,171
Unearned Income	0	
Provisions	577,737	587,737
Interest-bearing Loans and Borrowings	0	0
Lease Liabilities	46,554	48,838
Total Current Liabilities	694,462	706,746
Non-Current Liabilities		
Trade and Other Payables	0	0
Provisions	64,497	64,497
Interest-Bearing Loans and Borrowings	0	0
Lease Liabilities	158,417	109,579
Total Non-Current Liabilities	222,914	174,076
TOTAL LIABILITIES	917,376	880,822
NET ASSETS	3,109,694	3,229,950
EQUITY		
Accumulated Surplus / (Deficit)	203,947	324,203
Member Contributions	2,905,747	2,905,747
TOTAL EQUITY	3,109,694	3,229,950