

Budget 2026–2027

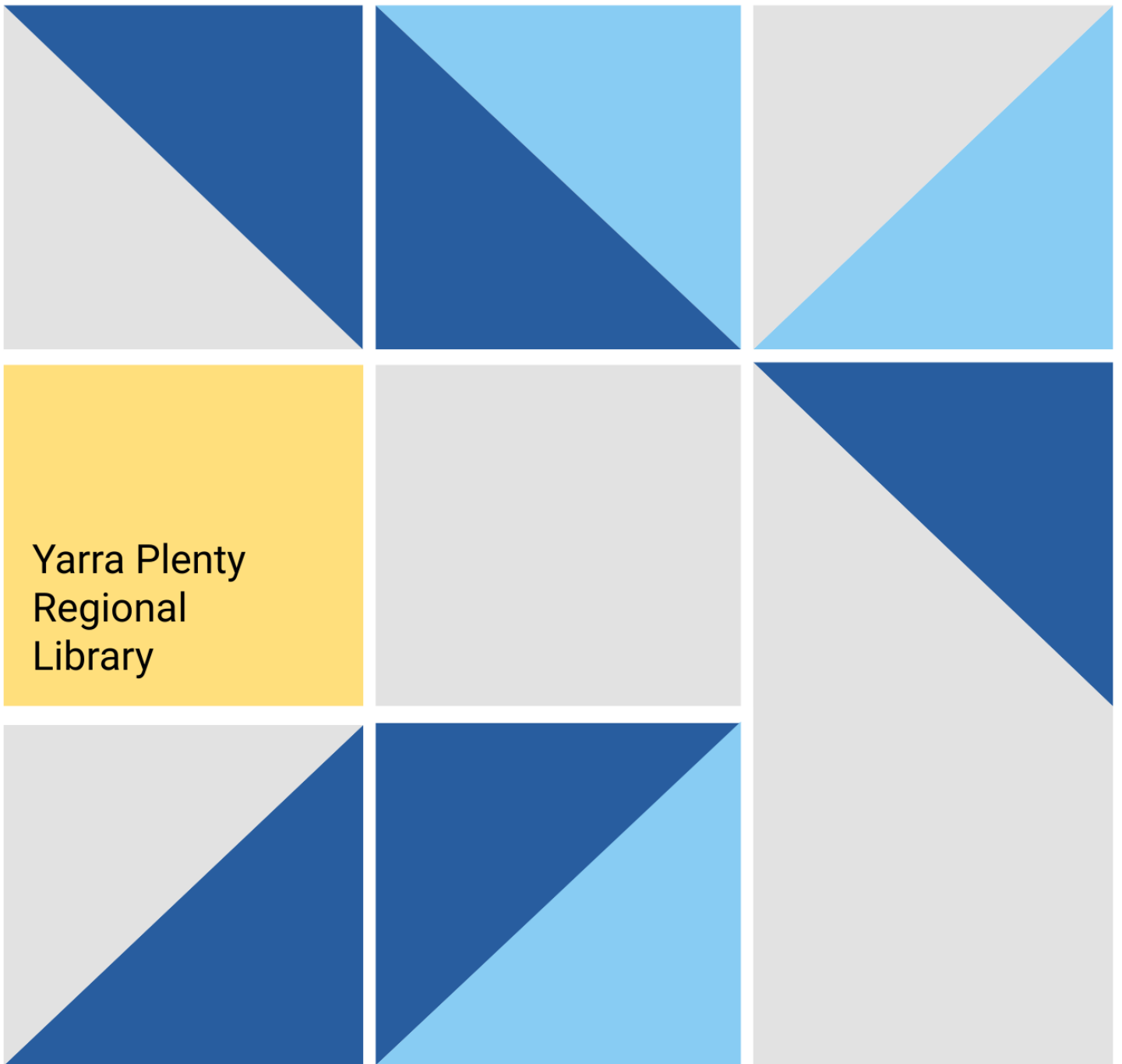


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1. Executive Summary

The proposed Budget 2026/2027 has been developed within the strategic framework of the Library Plan 2025–2029, which recognises libraries as essential social infrastructure responding to rising community need, digital change and increasing social complexity. In a period of cost-of-living pressure, libraries continue to play a critical role as safe, inclusive and trusted public spaces that support literacy, lifelong learning, digital participation and community connection.

The proposed Budget is primarily driven by the expansion of library services across new locations, including the Murrumbidgee and Heidelberg West Mini Library branches, together with upgraded facilities at the Rosanna Library Branch. These investments respond directly to population growth and increasing service demand.

This expansion is reflected in increased Member Council Contributions for 2026/27. While the increase exceeds the 2.75 per cent rate cap, it is largely driven by the direct operational costs associated with new and expanded services, compounded by the absence of indexation to the State Government operating grant. Importantly, these pressures have been partially offset by efficiencies achieved through YPRL's digital transformation and continuous improvement initiatives, which have strengthened operational effectiveness and moderated support service growth.

Overall, the 2026/27 Budget balances service growth with financial sustainability, ensuring YPRL remains aligned with long-term community priorities.

2. Budget Process Overview

2.1 Linkage to the Library Plan

The 2026/27 Budget supports delivery of the YPRL Library Plan 2025–2029, ensuring continued investment in library services as essential social infrastructure that underpins literacy, learning, connection and digital inclusion across the region. Budget allocations prioritise the Plan’s four strategic priorities: Literacy and Learning for Life, Connection and Wellbeing, Digital Access and Innovation, and Organisational Resilience.

2.1.1 Our Plan on a Page



2.2 Budget Process

The preparation of the budget begins with senior officers developing the budget in accordance with the Act and regulations, and the Library Plan 2025-2029. The 'proposed' Budget is then submitted to the Board for approval 'in principle'.

YPRL is then required to give public notice that it intends to adopt the proposed budget. It must give 28 days' notice of its intention to adopt the proposed budget and make the budget available for inspection. A person has a right to make a submission on any proposal contained in the budget and any submission must be considered before adoption of the budget by the Board. The final step is for the Board to adopt the budget after receiving and considering any submission from interested parties. Please note that YPRL has not received any public submission to the proposed budget in past years.

The budget is required to be adopted by 30 June each year and a copy submitted to the Local Government Minister. The key dates for the 2026/2027 budget process are summarised below:

Proposed Budget submitted to the Board for endorsement	30 April 2026
Budget available for public inspection and comment until 1 June 2026	4 May 2026
Budget and submissions presented to the Board for adoption	18 June 2026
Copy of adopted Budget submitted to the Minister	30 June 2026
Public notice advising adoption of the Budget	1 July 2026

2.3 Budget Influences

The proposed 2026/2027 budget has been prepared accordingly to the following principles:

Components	Drivers	Budget 2026/27	Strategic Resource Plan Projections		
			2027/28	2028/29	2029/30
Contributions Income		Match expenses			
Grants - Operating	No increment	0.00%	0.00%	0.00%	0.00%
User fees and charges	Rate Cap/CPI	2.75%	2.75%	2.50%	2.50%
Interest income	Avg return	4.25%	4.00%	3.50%	3.00%
Other income	Rate Cap/CPI	2.75%	2.75%	2.50%	2.50%
Employee Costs	EFT	120.32	124.02	123.72	123.72
Material and services	Rate Cap/CPI	2.75%	2.75%	2.50%	2.50%
Utility charges	Above CPI	5.00%	5.00%	5.00%	5.00%
Depreciation/amortisation		According to scheduled			
Finance costs - leases		According to scheduled			
Capex Bookstock	CPI	2.75%	2.75%	2.50%	2.50%
Capex Plant & Equipment		According to scheduled			

3. Financial Statements

The budget information for the year 2026/2027 has been supplemented with projections to 2029/2030. This section includes the following financial statements prepared in accordance with the Act and regulations:

- Comprehensive Income Statement
- Balance Sheet
- Statement of Cash Flows
- Statement of Capital Works
- Statement of Human Resources

3.1 Comprehensive Income Statement

For the four years ending 30 June 2030

	Notes	Forecast	Budget	Projections		
		2025/26	2026/27	2027/28	2028/29	2029/30
		\$	\$	\$	\$	\$
Income						
Contributions - Operating		16,534,060	17,844,830	18,941,296	19,576,648	20,267,861
Contributions - Capital		96,800	-	-	-	-
Grants - Operating		2,857,527	2,840,027	2,840,027	2,840,027	2,840,027
User fees and charges		258,385	292,630	300,677	308,194	315,899
Interest income		350,000	318,748	300,000	262,500	225,000
Other income		163,202	177,453	182,333	186,891	191,563
Total Income	5.1.1	20,259,974	21,473,688	22,564,333	23,174,260	23,840,350
Expenses						
Employee costs		13,352,956	14,473,421	15,366,053	15,788,749	16,262,412
Material and services		4,573,545	4,777,997	4,909,392	5,032,127	5,157,930
Depreciation		1,594,415	1,711,598	1,758,667	1,802,634	1,847,699
Depreciation - Right of use		82,597	82,597	82,597	82,597	82,597
Utility charges		421,845	422,208	443,318	465,484	488,759
Finance costs - leases		7,354	5,867	4,306	2,669	953
Total Expenditure	5.1.2	20,032,712	21,473,688	22,564,333	23,174,260	23,840,350
Surplus of the year		227,262	-	-	-	-
Underlying Surplus of the year		130,462	-	-	-	-

3.2 Balance Sheet

For the four years ending 30 June 2030

	Notes	Forecast	Budget	Projections		
		2025/26	2026/27	2027/28	2028/29	2029/30
		\$	\$	\$	\$	\$
Assets						
Cash and cash equivalents		986,150	1,034,968	1,094,665	1,157,338	1,223,508
Trade & other receivables		195,137	199,040	203,022	207,081	211,222
Other financial assets		5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Non-financial assets		41,480	41,480	41,480	41,480	41,480
Total Current Assets		6,222,767	6,275,488	6,339,167	6,405,899	6,476,210
Non-Current Assets						
Bookstock, Plant & Equipment		5,175,805	5,175,805	5,161,610	5,147,061	5,132,147
Right of use Assets		330,386	247,789	165,192	82,595	-
Total Non-Current Assets		5,506,191	5,423,594	5,326,802	5,229,656	5,132,147
Total Assets	5.2.1	11,728,958	11,699,082	11,665,969	11,635,555	11,608,357
Liabilities						
Current Liabilities						
Trade and Other Payables		685,115	698,818	712,795	727,050	741,592
Current Lease Liabilities		90,304	94,749	99,357	103,873	-
Employee Provisions		2,227,706	2,272,260	2,317,705	2,369,853	2,429,099
Total Current Liabilities		3,003,125	3,065,827	3,129,857	3,200,776	3,170,691
Non-Current Liabilities						
Employee Provisions		108,533	110,704	112,918	115,458	118,345
Non-Current Lease Liabilities		297,979	203,230	103,873	-	-
Total Non-Current Liabilities		406,512	313,934	216,791	115,458	118,345
Total Liabilities	5.2.2	3,409,637	3,379,761	3,346,648	3,316,234	3,289,036
Net Assets		8,319,321	8,319,321	8,319,321	8,319,321	8,319,321
Equity						
Accumulated Surplus		6,729,180	6,729,180	6,714,985	6,700,436	6,685,523
Reserves		1,590,141	1,590,141	1,604,336	1,618,885	1,633,798
Total Equity		8,319,321	8,319,321	8,319,321	8,319,321	8,319,321

3.3 Statement of Cash Flows

For the four years ending 30 June 2030

		Forecast 2025/26 Inflows/ (Outflows) Notes \$	Budget 2026/27 Inflows/ (Outflows) \$	2027/28 Inflows/ (Outflows) \$	Projections 2028/29 Inflows/ (Outflows) \$	2029/30 Inflows/ (Outflows) \$
Cash flows from operating activities						
Contributions - Operating		16,534,060	17,844,830	18,941,296	19,576,648	20,267,861
Contributions - Capital		96,800	-	-	-	-
Grants - Operating		2,857,527	2,840,027	2,840,027	2,840,027	2,840,027
Grants - Capital		-	-	-	-	-
User fees and charges		255,670	289,861	297,852	305,313	312,960
Interest income		348,889	317,615	298,844	261,321	223,797
Other income		163,202	177,453	182,333	186,891	191,563
Payments to employees		(13,307,147)	(14,426,696)	(15,318,394)	(15,734,060)	(16,200,279)
Payments to suppliers		(5,650,922)	(5,186,503)	(5,338,734)	(5,483,357)	(5,632,147)
Net cash provided by operating activities	5.3.1	1,298,079	1,856,587	1,903,224	1,952,783	2,003,782
Cash flows from investing activities						
Payments for library books, plant and equipment		(2,031,260)	(1,711,598)	(1,744,472)	(1,788,084)	(1,832,786)
Net (purchases)/redemption of financial assets		1,500,000	-	-	-	-
Net cash used in investing activities	5.3.2	(531,260)	(1,711,598)	(1,744,472)	(1,788,084)	(1,832,786)
Cash flows from financing activities						
Interest paid - lease liability		(7,354)	(5,867)	(4,306)	(2,669)	(953)
Repayment of lease liabilities		(86,016)	(90,304)	(94,749)	(99,357)	(103,873)
Net cash used in financial activities	5.3.3	(93,370)	(96,171)	(99,055)	(102,026)	(104,826)
Net increase in cash and cash equivalents		673,449	48,818	59,697	62,673	66,170
Cash and cash equivalents at the beginning of the financial year		312,701	986,150	1,034,968	1,094,665	1,157,338
Cash and cash equivalents at the end of the financial year		986,150	1,034,968	1,094,665	1,157,338	1,223,508

3.4 Statement of Capital Works

For the four years ending 30 June 2030

		Forecast 2025/26	Budget 2026/27	2027/28	Projections 2028/29	2029/30
	Notes	\$	\$	\$	\$	\$
Bookstock		1,534,260	1,573,452	1,616,722	1,657,140	1,698,568
Plant & Equipment		497,000	138,146	127,751	130,944	134,218
Total Capital Expenditure	5.4.1	2,031,260	1,711,598	1,744,472	1,788,084	1,832,786

Capital expenditure – Funding sources

	Budget 2026/27	Accumulated Surplus/ Asset Replacement Reserve	Council's Contributions 2026/27
	\$	\$	\$
Bookstock	1,573,452	-	1,573,452
Ongoing plant and equipment renewal plan	138,146	138,146	-
Grand Total	1,711,598	138,146	1,573,452

3.5 Statement of Human Resources

For the four years ending 30 June 2030

	Forecast 2025/26	Budget 2026/27	2027/28	Projections 2028/29	2029/30
Staff expenditure	\$13,352,956	\$14,473,421	\$15,366,053	\$15,788,749	\$16,262,412
Full-time equivalent staff	107.40	120.32	124.02	123.72	123.72

4. Notes to the Financial Statements

This section presents detailed information on material components of the financial statements. YPRL assesses which components are material, considering the dollar amounts and nature of these components.

4.1 Comprehensive Income Statement Notes

4.1.1 Income

Income is based on Council Contributions, Grants (primarily State Government Grants), Library Fees and charges, Interest income and Other income.

	Forecast 2025/26 \$	Budget 2026/27 \$	Change %	Change \$
Contributions - Operating	16,534,060	17,844,830	7.93%	1,310,770
Contributions - Capital	96,800	-	(100.00%)	(96,800)
Grants - Operating	2,857,527	2,840,027	(0.61%)	(17,500)
User fees and charges	258,385	292,630	13.25%	34,245
Interest income	350,000	318,748	(8.93%)	(31,252)
Other income	163,202	177,453	8.73%	14,251
Total Income	20,259,974	21,473,688	5.99%	1,213,714

Contributions Income - Operating

The operating Council's contribution is based on the cost apportionment model detailed in the YPRL Library Agreement (November 2015). The overall increase for budget 2026/2027 is \$1,310,770 (or 7.93%). This increment is primarily driven by the expansion of library services across new locations, including the murrong and Heidelberg West Mini Library branches, together with upgraded facilities at the Rosanna Library Branch.

	Forecast 2025/26 \$	Budget 2026/27 \$	Change %	Change \$
Banyule	6,751,740	7,481,308	10.81%	729,568
Nillumbik	3,216,805	3,098,408	(3.68%)	(118,397)
Whittlesea	6,565,515	7,265,114	10.66%	699,599
Total Council Contributions	16,534,060	17,844,830	7.93%	1,310,770

Contributions Income - Capital

The capital project funded through the capital contribution received in 2025/26 has been completed.

Grants – Operating

The State Government grant income remains unchanged from 2025/2026 forecast. This reflects absence of increment in the previous three financial years. Other operating grants received in the financial year 2025/2026 are considered non-recurring, and as such, are not anticipated to continue into the 2026/2027 year.

	Forecast 2025/26 \$	Budget 2026/27 \$	Change %	Change \$
State Government Grant	2,840,027	2,840,027	0.00%	-
Other minor grants	17,500	-	(100.00%)	(17,500)
Total Grants - Operating	2,857,527	2,840,027	(0.61%)	(17,500)

Other Income Streams

YPRL's other income streams are budgeted to increase by \$17.2k, or 2.23%, compared with the 2025/2026 forecast. This increase is driven by upgraded library branches generating additional revenue from venue hire, the continued provision of Art Invigilator services to Banyule City Council. A lower return on investments is expected in line with forecast interest rate levels.

	Forecast 2025/26 \$	Budget 2026/27 \$	Change %	Change \$
User fees and charges	258,385	292,630	13.25%	34,245
Interest income	350,000	318,748	(8.93%)	(31,252)
Other income	163,202	177,453	8.73%	14,251
Total other income	771,587	788,831	2.23%	17,244

4.1.2 Expenditure

The operating expenditure budgeted for 2026/27 is largely driven by the operational costs associated with new and expanded services.

	Forecast 2025/26 \$	Budget 2026/27 \$	Change %	Change \$
Employee costs	13,352,956	14,473,421	8.39%	1,120,465
Material and services	4,573,545	4,777,997	4.47%	204,452
Depreciation	1,594,415	1,711,598	7.35%	117,183
Amortisation - Right of use	82,597	82,597	-%	-
Utility charges	421,845	422,208	0.09%	363
Finance costs - leases	7,354	5,867	(20.22%)	(1,487)
Total Operating Expenditure	20,032,712	21,473,688	7.19%	1,440,976

Employee Cost

The increment of \$1,12m (8.39%) comparing to forecast 2025/2026 is mainly due to the increase of the number of staff to support the new and expanded services.

Materials and services

Materials and services are expected to decrease by \$115k (2.54%). The key movements within materials and services are:

	Forecast 2025/26 \$	Budget 2026/27 \$	Change %	Change \$
Information Technology services, small value leases, and licenses costs	1,200,399	1,271,412	5.92%	71,013
Collection content costs (*)	995,802	1,023,201	2.75%	27,399
Cleaning costs	568,797	623,685	9.65%	54,888
Collection processing costs	508,671	522,660	2.75%	13,989
Staff/Volunteers training, recruitment, and health & safety costs	239,996	246,596	2.75%	6,600
Courier and postage costs	166,263	171,838	3.35%	5,575
Program costs	163,341	167,833	2.75%	4,492
Building maintenance costs	130,180	121,841	(6.41%)	(8,339)
Initiatives costs	110,150	113,179	2.75%	3,029
Consultancy costs	105,391	108,289	2.75%	2,898
Printing, stationary, and external communications	105,012	93,936	(10.55%)	(11,076)
Other Material and services costs	83,019	85,302	2.75%	2,283
Insurances	78,824	91,286	15.81%	12,462
Equipment and motor vehicle maintenance costs	61,833	63,533	2.75%	1,700
Auditing service costs	40,170	57,277	42.59%	17,107
Bank services	15,697	16,129	2.75%	432
Total Materials and Services	4,573,545	4,777,997	4.47%	204,452

(*) Collection content costs include expenditures for content subscriptions, digital content (eContent), and other collection materials that are not recognised as assets, such as physical audiobooks, DVDs, and newspapers.

Depreciation

The increase in depreciation expense reflects recent investment in capital assets.

4.2 Balance Sheet Notes

4.2.1 Total Assets

Total assets include current assets, assets that can reasonably expect to be converted into cash within one year, and non-current assets. While maintaining a solid cash and cash equivalent position, total assets are slightly decreasing due to the amortisation of Right of use Assets (leased assets).

4.2.2 Total Liabilities

Total liabilities include current liabilities, debts or obligations that are due to be paid to creditors within one year, and non-current liabilities. The decrease in total liabilities is mainly driven by the repayment of the lease liabilities in the financial year.

4.3 Statement of Cash Flows Notes

4.3.1 Net cash provided by operating activities

Net cash provided by operating activities is expected to remain stable for year 2026/2027 and the three subsequent financial years to 2029/2030.

4.3.2 Net cash used in investing activities

Net cash used in investing activities is the result of the funding requirement to support the investment in Bookstock, and plant and equipment.

4.3.3 Net cash used in financial activities

Net cash used in financial activities is the result of the repayment of YPRL lease obligations.

4.4 Statement of Capital Works Notes

Collection budget, Bookstock, provides \$1.57M to be spent on the procurement of physical collection items such as adult, junior and teen books. The 2026/2027 collections budget represents the minimum required to deliver the actions described in the Collections Strategic Framework.

The plant and equipment budget allocation of \$138k supports the delivery of the asset renewal program.

5. Financial Performance Indicators

The financial indicators are used as a guide to assess YPRL financial position and performance. These indicators are:

Indicator	Calculation	Description	Target
Working Capital	Current assets/current liabilities	Measures the ability to pay existing liabilities in the next 12 months. A ratio of one or more means that an entity has more cash and liquid assets than short-term liabilities.	1.30
Underlying Result	Adjusted underlying surplus (or deficit)/adjusted underlying revenue	Measures the ability to generate surplus in the ordinary course of business, excluding non-recurrent capital grants, non-monetary asset contributions and other contributions, to fund capital expenditure from its net result.	\$0.00
Investment Gap	Renewal and upgrade expenditure/depreciation	This compares the rate of spending on renewing, restoring, and replacing existing assets with depreciation. Ratios higher than 1.0 indicate that spending on existing assets is faster than the depreciation rate.	0.90

Overall, for the years up to 2029/2030, YPRL continues to be financially sound reflecting the ongoing commitment of Member Councils.

Financial Indicators	Forecast	Budget	Budget	Budget	Budget
	2025/26	2026/27	2027/28	2028/29	2029/30
Working Capital	2.07	2.05	2.03	2.00	2.04
Underlying Result	\$130k	\$0.00	\$0.00	\$0.00	\$0.00
Investment Gap	1.11	1.00	0.99	0.99	0.99

6. Yarra Plenty Regional Library Fees and Charges schedule – 2026/2027

All fees and charges inclusive of GST as it applies.

General fees & charges

Description	Fees & Charges
Replacement of library card	\$2.70
Lost items	Cost of the item
Inter library loans	\$10 service fee / Cost recovery: \$16.50 if applicable
Printing and copying	A4: 25c per page (B&W) A3: 45c per page (B&W)
	A4: 65c per page (colour) A3: \$1.25 per page (colour)
Debt recovery	\$15 service fee plus debt

Venue hire - Fees & charges

Venues	Capacity	Seniors Citizens	Community Groups	Private Groups
		Hourly \$	Hourly \$	Hourly \$
Ivanhoe				
Yarra-me Djila Theatre	80	16.95	42.35	84.65
Meeting room 1.34	10	6.30	10.60	21.20
Wilim Ngarrgu 1.39	54	9.00	36.55	73.00
Wilim Ngarrgu 1.40	54	9.00	36.55	73.00
Combined	110	16.95	42.35	85.75
IT Lounge 2.27	17	Free	Free	39.20
Tom Roberts Room	14	6.40	19.60	39.15
Clara Southern Room	14	6.40	19.60	39.15
Nellie Ibbott Chamber	60	9.00	36.55	73.00
Thomastown				
Community room 1	40	6.40	25.25	48.95
Community room 2	25	6.40	19.05	38.10
Community room 1 & 2	70	9.00	36.55	73.00
Program room	10	6.30	10.60	21.20
Computer room	16	Free	Free	38.00
Diamond Valley				
Community room	20	6.40	19.60	39.15
Watsonia				
Community room	25	6.40	19.60	39.15
Mill Park				
Local History room	15	6.90	11.10	22.30
Computer room	16	Free	Free	38.00
Lalor				
Conference room	50	6.45	21.60	32.50
Rosanna				
Marra	42	9.00	36.55	73.00
Nanggit Wilam	12	6.40	19.60	39.15

Venue hire – Other fees & charges

Description	Fees & Charges
Deposit - Community and Seniors groups	\$150
Deposit - private	\$300
Support staff - Theatre Tech	Provided on application
Support staff - IT	Provided on application
Support staff - Catering	Provided on application
After hours event	Provided on application
Security staff	Provided on application
Catering	Provided on application
Venue damages	Variable

Acknowledgement of Country

Yarra Plenty Regional Library acknowledges the Wurundjeri Woi-wurrung peoples of the Kulin Nation, the traditional owners of this Country, paying respect to Elders past, present, and emerging, who have been an integral part of the region's history. We acknowledge the leadership of Aboriginal and Torres Strait Islander communities and the right to self-determination in the spirit of mutual understanding and respect. We support the Uluru Statement from the Heart.

Recognition of diversity and inclusion

Yarra Plenty Regional Library is committed to equality, inclusivity, and respect. We welcome everyone in our communities irrespective of gender, sexuality, ethnicity, ability, or generation.

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