



STATE LIBRARY
VICTORIA
What's your story?

Library Board of Victoria Annual Report 2017-18



Library Board of Victoria Annual Report 2017–18

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President's report



I am proud to present the State Library's annual report for 2017-18, the seventh in my time as President of the Library Board of Victoria.

This year, as every year, I am inspired by the Library's ability to connect with the Victorian community and improve the lives of people from all walks of life, across the state and around the world. Whether it's sharing the Library's extraordinary collection of more than five million items, supporting Victoria's education economy by providing resources for growing numbers of students, or drawing international visitors and partners to the state – today the Library is busier and more widely used than ever.

The outcomes and achievements shared in this report confirm the vital role and enormous value of the State Library in giving all Victorians ready access to resources that enrich their cultural, educational, social and economic lives.

It's been another successful year which has seen the Library remain the busiest state Library in Australia and named the fourth most popular library in the world. Its place in the hearts and minds of Victorians was demonstrated by the public support for naming the new CBD North metropolitan rail station 'State Library Station', and the Library's significant contribution to tourism was recognised with a Gold Award for cultural tourism in the 2017 RACV Victorian Tourism Awards.

A little more than three years ago we joined the Victorian Government in announcing an ambitious plan to renew and reimagine State Library Victoria, already one of the state's best loved and most popular institutions, to create a world-leading library for the future. Over the past year we have watched that plan begin to physically take shape, with builders

commencing work on the \$88.1 million Vision 2020 redevelopment project.

At the end of June, the Library is in the final stages of Phase 1 construction, which will deliver a stunning new Russell Street entrance and Welcome Zone with a bigger Readings bookshop, more public seating and a new cafe. The Library will also launch the Isabella Fraser Room – a magnificent dedicated event space with a full production kitchen that will further enhance the Library's status as winner of Australia's best specialty venue in the 2018 MEA Awards.

September will mark the completion of Phase 1 and the start of Phase 2, where the Swanston Street entrance and ground floor will be under construction for 12 months. We look forward to welcoming all Victorians to the incredible new spaces and services that will be unveiled at the completion of Vision 2020 in spring next year.

All this has been made possible by the generosity of the enthusiastic Victorians who joined the Victorian Government in funding Vision 2020. We thank the Andrews Government for their continued support for this project that will benefit all Victorians.

In September, a \$3.5 million donation from philanthropists Jane Hansen and Paul Little completed our two-year mission to raise one third of the money needed for the building program. The Hansen Little Foundation's contribution will support Hansen Hall, a new collaborative working space, and also the Conversation Quarter, a new public forum equipped with the latest two-way, live-stream broadcast technology to connect the Library with schools, public libraries and homes across the state. The foundation joins other Vision 2020 donors,

large and small alike, whose generosity and support is immensely appreciated.

All of our supporters are helping the Library meet the needs of current and future generations in ways that will enrich Victoria culturally, socially and economically, including helping us deliver new and innovative programs and services, and build our important State Collection.

On behalf of the Library Board, I also want to thank our outstanding team at the Library, led by Chief Executive Officer Kate Torney, along with my fellow Board members, the Friends of the Library, volunteers, partners, sponsors and other supporters. We all share a commitment to keeping Australia's oldest library at the forefront of cultural institutions worldwide.

In accordance with the *Financial Management Act 1994*, I present the Library Board of Victoria's annual report for the year ending 30 June 2018.

A handwritten signature in black ink, appearing to read 'J Wylie'.

John Wylie AM
President, Library Board of Victoria

Chief Executive Officer's year in review



It is with pleasure that I submit my third report as Chief Executive Officer of the State Library.

With the transformation of our historic building underway, this has been an exciting year at the State Library. Despite the construction sites, we have continued to welcome visitors and offer a vibrant, innovative range of services and programs. It is a great credit to the Library's hardworking and highly professional staff that we have again achieved above-target visitation for the year.

Across the Library during 2017–18, we had:

- 1,937,643 visits onsite
- 4,483,662 visits online – a record for the Library
- 40,111 reference queries
- 30,269 free member/user registrations
- 138,392 collection items accessed
- 1,588,669 uses of digitised collection items.

In February, the Library was once again a focal point for White Night Melbourne with 21,000 people flowing through the Library in a 12-hour window. Outside, visitors experienced a sound and light show based on the Library's creative collaboration with Redbubble, #CreateArtHistory, while inside the Library's domed reading room was transformed with breathtaking projections around the theme *The secret life of books*.

Over the year, 686,482 people visited our exhibitions, including the temporary exhibition *Self-made: zines and artist books*, which explored the evolution of do-it-yourself publishing, and our permanent exhibitions – *World of the book* and *The changing face of Victoria*.

In a continuing partnership with *The Garret: writers on writing* podcast we launched *The Garret LIVE at the Library* event series.

Special guests at these live podcast recordings included author Christos Tsiolkas, who spoke in April about the politics of writing and his latest work in progress, and Benjamin Law, who spoke in June of the need for diversity in onscreen and literary representation.

Acclaimed Japanese author Haruki Murakami took a special behind-the-scenes tour in April, where we were able to show him the Library's collection of his works – the most significant held in any library in Australia.

We remain committed to building the Library collection and important new acquisitions include the diaries of eminent Melbourne criminal barrister Brian Bourke, whose clients included Ronald Ryan, the last man hanged in Victoria; the journal of Critchley Parker, who died alone in the Tasmanian bush during his 1940s quest to find a site for a Jewish homeland; and two significant memoirs from the gold-rush period.

The generosity of Library supporters has, as always, been central to developing the Library collection, whether through donations of items or through support of our collection appeals. We ran two successful fundraising appeals during the year: one to raise \$100,000 to buy and conserve WFE Liardet's 1862 artwork *View of the North Shore, Port of Melbourne*, and another to raise \$100,000 to preserve and catalogue the Walter and Helena Cass Collection of early 20th-century materials. The Library is grateful for all contributions, both large and small, which help to make these works available for future generations.

The Library's collection of more than five million items is becoming ever more accessible to online visitors as we implement our Digital

Transformation Strategy. Digitisation of a further 770,804 items is now complete, and more than two million files have been migrated to our new digital object management and preservation system, Rosetta, which will launch later this year.

We continue to support creative use of the collection through the Library's Fellowship Program. In February we were proud to announce a new \$15,000 specialist fellowship for Victorian Aboriginal researchers in 2018. The Indigenous Victorian Aboriginal Cultural Research Fellowship is offered to a researcher who identifies as an Indigenous Victorian Aboriginal person. The aim of the fellowship is to provide the Indigenous community with better access to, and knowledge of, the Library's collections.

This year we also partnered with the Emerging Writers' Festival to offer a grant, travel expenses, an office space at the Library and admission to the festival as part of an inaugural Emerging Writers' Fellowship.

Other partnerships included the Library's collaboration with online artist marketplace Redbubble. We invited artists around the world to explore, experiment and interpret Library collection items in new and playful ways, and to enter the resulting original works in a design competition. We received more than 2000 entries and the winning creations are now a permanent part of the Library's collection and feature on merchandise sold in Readings stores and online.

Amid all the daily activity, we were reminded of the Library's enduring role as the keeper of our state's memories at the September ceremony in which the City of Melbourne formally handed over thousands of cards, soft toys and condolence messages left in Bourke Street after

the devastating incident of 20 January 2017. These messages and artworks have become a part of the Library's Manuscripts Collection: an abiding record of our community's response to a tragic event.

On behalf of the Library team, I would like to acknowledge the leadership of the Library Board of Victoria President John Wylie, Foundation Council Chair Maria Myers, Finance Committee Chair Christine Christian, and Audit and Risk Management Committee Chair Dennis Goldner, and the Board, Foundation and committee members. They volunteer hundreds of hours each year and the Library's success relies heavily on their guidance and expertise.

My sincere thanks also to the Minister for Creative Industries, Martin Foley MP; Deputy Secretary, Creative and Visitor Economies, Andrew Abbott; and Secretary, Economic Development, Jobs, Transport and Resources, Richard Bolt for their ongoing support and leadership.

A final and heartfelt thanks to my extraordinary Library colleagues. It is a great privilege to lead such a talented and committed team, focused on ensuring that this great institution remains highly relevant to, and much loved by, the people we serve, now and well into the future.



Kate Torney
Chief Executive Officer

Vision and values

As expressed in our *Strategic Plan 2016–20*, the Library is guided by the following vision and values.

OUR VISION

A library for all in a changing world

OUR PURPOSE

Inspiring possibilities

OUR GOALS

People at the heart

The needs of the people we serve are central to all that we do.

No barriers

We are accessible to everyone and welcoming to all.

Open and inviting

We surprise, delight and inform by sharing stories, collections, spaces and expertise.

A library for the future

We are agile, innovative and forward-thinking. We offer world-class library services today and are building strong foundations for tomorrow.

OUR VALUES

The Library's work in achieving this vision is informed by the following values:

Innovation

We recognise and embrace new technologies, ideas and opportunities to improve, grow and develop as individuals and as industry leaders in a challenging environment.

Collaboration

We work together and with partners, sharing knowledge and resources to advance universal access to information.

Engagement

We work to understand, connect and meet the needs and expectations of our communities in the most appropriate ways.

Excellence

We provide an outstanding service at all times in a professional and ethical manner.

Respect

We strive to create an open and caring community by valuing and supporting individuals, and acknowledging the strength of diversity.

Report of operations

This section reflects the directions of the *Strategic Plan 2016–20* and reports on our activities in line with the Library's four strategic goals:

- People at the heart
- No barriers
- Open and inviting
- A library for the future.

Key initiatives and projects

Key initiatives for the reporting period were the building of the Library's second offsite storage facility, BOSS2; launch of a Digital Transformation Strategy; and implementation of a workforce plan to support staff development and training over the next three years, in line with the needs of Vision 2020.

BOSS2 is in the final stages of construction and due to be completed by October 2018. The original end date was changed to accommodate delays in the delivery and installation of the Dexion storage system for the main three-level storage area.

Twenty initiatives to be delivered over the next three years were scoped as part of the Digital Transformation Strategy. Six were completed during the period, including publishing six open data sets for public domain digitised collection items and launching Vicfix, a crowd-sourced Optical Character Recognition newspaper corrections project.

The first major recommendation of the Library's workforce plan was delivered with the design of a new organisational structure developed by staff from across the Library. Implementation of the new structure and other recommendations will continue between now and 2020.

Two key initiatives for 2018–19 will be:

- completion of the next scheduled stage of Vision 2020, including opening of the new Russell Street Welcome Zone (September 2018) and new Victoria Gallery (May 2019)
- implementation of the new organisational structure, developed by Library staff, as a key deliverable of the Library's workforce plan.

People at the heart

The needs of the people we serve are central to all that we do.

The Library's vision for a future that meets changing community needs – onsite and online – is fast becoming a reality. With the Library's physical and digital transformations underway, we have continued to welcome and engage regular and first-time visitors from Victoria and around the world, and again exceeded the year's visitation targets.

Vision 2020

In September 2017 we achieved our initial fundraising goal of \$27.7 million with the announcement of a \$3.5 million donation from philanthropists Jane Hansen and Paul Little. Their contribution will reinvigorate two of the Library's key heritage spaces.

The newly named Hansen Hall will provide Victorians – especially the many students who visit the Library – with a free, technology-enabled space where they can work, talk, eat and drink while enjoying all the benefits of the Library's resources and support. The gift will also fund the Library's new Conversation Quarter, a high-tech venue equipped with two-way live-stream digital broadcast technology to take Library events and programs to schools and homes around Victoria and beyond.

The Hansen Little Foundation's donation closed out the Library's successful Vision 2020 capital campaign, launched the previous year with a \$3 million donation from Maria Myers AC and Allan Myers AC QC.

Reaching the fundraising target allowed Vision 2020 construction to begin. The project, in which the Victorian Government has invested more than \$60.4 million, will open 40 per cent more space to the public. It includes the reopening and transformation of what is now known as The Ian Potter Queen's Hall, thanks to a \$10 million donation from The Ian Potter Foundation; redevelopment of the building's eastern end, which will be home to the new Victoria Gallery, endowed by a gift of \$8 million from the John and Myriam Wylie Foundation; and a StartSpace for early-stage entrepreneurs, established with the help of \$2 million

from Christine Christian. We thank all of our generous supporters, and the Victorian public who donated to the Vision 2020 capital appeal.

Construction work for the new Russell Street Welcome Zone began in the second half of 2017. Streetscaping at the eastern end of the block is complete and the City of Melbourne is due to finish footpath widening, new bluestone paving, seating and street furniture along the Russell Street frontage, and new paving at the new accessible entrance on La Trobe Street, in July.

The new Russell Street and La Trobe Street entrances will open in September 2018, and construction will then begin on the ground floor of the Library. The Swanston Street entrance will be closed during this time.

The Vision 2020 works are on schedule for completion in late 2019.

Community engagement programs

The Library delivered more than 1520 program sessions in 2017–18.

White Night Melbourne on 17 February was again among the year's highlights, with 21,000 visitors. The domed La Trobe Reading Room was the backdrop to a 360° illumination, *The secret life of books*, exploring what books might do at night, when no one is looking. Visitors watched as volumes 'flew' from the shelves, taking the audience on journeys through the jungle, into space and into the depths of the ocean.

Outside, on Swanston Street, the Library facade became a canvas for a vivid series of projections celebrating the works of the finalists and winning artists of the #CreateArtHistory competition, run in collaboration with online marketplace Redbubble (see page 20). Both audiovisual experiences were collaborations between the White Night Melbourne creative team and The Electric Canvas, an award-winning Australian company specialising in large-scale architectural projections.

In February, the Library also hosted the closing event for the 2018 Midsumma Festival, with performances, DJs, bars and art displays, and guests coming dressed as favourite historical queer figures.

The La Trobe Reading Room was also the scene for the year's Dome at Dusk series of curator floor talks based on the Library's two permanent exhibitions: *World of the book* (formerly *Mirror of the world*) and *The changing face of Victoria*. These popular half-hour talks cover topics as diverse as decoding Egyptian hieroglyphs; land ownership in 19th-century Victoria and the Kelly Gang; Australia's first war artist, Will Dyson; the ancient Syrian

metropolis of Palmyra; and the crime-busting 19th-century Melbourne detective John Mitchell Christie.

Our participation in the 2017 Rare Book Week, in July, showcased the breadth and depth of the Library's History of the Book Collection, and the expertise and specialist skills of Library staff who care for, conserve and provide access to the collection. This annual event encourages visitors to learn about the Library's medieval manuscripts and books published prior to the 19th century, first editions, books owned by or annotated by significant historical figures, and books that are finely illustrated, beautifully bound or in other ways works of art. The focus on rare books continued at the Rare Books Summer School, which once again was fully subscribed.

Working with the Science Gallery at the University of Melbourne, the Library hosted a *Blood and guts* expert panel including a medical historian and a molecular parasitology specialist, who discussed the microscopic mysteries of the human body. For a week in July and August we invited members of the public to have their blood tested using the Haemokinesis GLIF testing technique, which identifies blood types in just one minute. A pop-up lab on the Library forecourt attracted regular queues.

The Library hosted an event to mark 30 years since the final episode of television music show *Countdown*. Music buff and radio presenter Myf Warhurst interviewed legendary *Countdown* host Molly Meldrum and there were live performances from musicians Mark Holden, John Paul Young, Deborah Conway and Ross Wilson. Gems from the Library archive on display included iconic *Countdown* music awards photos by Rennie Ellis.

The late Melbourne photographer also featured in our September collaboration with Melbourne Fashion Week, when the Library revisited the elegant, extravagant and sometimes outrageous world of fashion in Ellis's pictures from the 1970s onwards. Fashion writer Janice Breen Burns chaired the *Strike a pose* panel discussion, featuring avant-garde fashion designer Jenny Bannister; fashion photographer and academic Monty Coles; and Ellis's assistant and close friend, and Director of the Rennie Ellis Photographic Archive, Manuela Furci.

The Library's 14th annual Family History Feast, held in August, focused on Victorian land records and maps. Dr Charles Fahey, convenor of the History Program in the School of Archaeology and History at La Trobe University, gave the 2017 Don Grant Memorial Lecture on the topic 'Families and land: land settlement and the role of families, Victoria 1870–1940'. The event was live streamed for the first time to make the program more accessible to family history enthusiasts across the state.

Slam poet Sharifa Tartoussi electrified a packed house at the state final of the 2017 Australian Poetry Slam in September. Tartoussi's winning performance was a defiant reclamation of female and Arabic identity, while runner-up Janice Williams evoked Victoria's once-mighty gold-rush towns. The winner and runner-up were selected by a panel of judges randomly picked from the audience.

In April, on UNESCO World Book Day, the Library staged pop-up talks in the *World of the book* exhibition, a public lecture by bibliographical specialist Professor Wal Kirsop on the lure of cheap books, and a live podcast in conversation with author Christos Tsiolkas.

The annual Redmond Barry Lecture was presented twice during the reporting period. In November, Professor Patrick McGorry, a world-leading researcher in early psychosis and youth mental health, presented the 2017 Redmond Barry Lecture on the topic 'Victoria's mental breakdown: how can we recover?'. In June, Emeritus Laureate Professor Adrienne Clarke AC presented the 2018 Redmond Barry Lecture exploring science and uncertainty in the age of Sir Redmond Barry and today.

In another of the Library's flagship lecture series, the 2018 Foxcroft Lecture was delivered in June by Jean-Dominique Mellot, Chief Curator at the Bibliothèque nationale de France, Paris, who presented on the topic of surveillance and policing of the Parisian book trade during the Age of Enlightenment.

Also in June, the Library partnered with the Emerging Writers' Festival in hosting the two-day National Writers' Conference as well as Lunchtime Lit drop-in sessions, workshops and showcases exploring new writing. These literary festivities followed a bohemian-spirited Book of Fête event with Melbourne Writers Festival in May at which guests were invited to party silently with live music and performance art, relying on only the senses of touch, vision, smell and body language.

Connecting with the community

Visitation and online engagement continued to exceed targets during the year. Despite the necessary disruptions posed by the Vision 2020 works, the Library hosted 1,937,643 onsite visits for the year. This was well above our target of 1,800,000 and almost as many as the record two million-plus visits recorded in the previous year.

The refresh and relaunch of one of the Library's permanent exhibitions, *World of the book*, contributed to a 27 per cent increase in visits to the exhibition over the December-January period, comparable to the same period in the previous year.

Library websites hosted a record 4,483,662 visits, against a target of 3,800,000. Growth in the use of research

guides was a particular highlight. Visits to these resources were 26 per cent higher than in the previous year. Visitor satisfaction, as measured by the annual intercept survey, was on target at 90 per cent. The launch of the volunteer greeter program made a positive impact, with visitors rating their arrival and navigation through the Library higher than in 2016-17.

Our key social media platforms continued to attract new visitors, with Facebook and Twitter followings growing by 12 and 13 per cent respectively (from 59,293 to 66,218, and 27,120 to 30,549) and our Instagram following jumping 35 per cent (from 18,139 to 24,422). Highlights for the year included October's highly successful Halloween campaign, featuring a *Ghostbusters*-themed story across the Library's social media channels that reached more than 100,000 newsfeeds in one day.

#CreateArtHistory was another social media success story, also featuring in February's perennially popular White Night Melbourne. The live overnight digital coverage of White Night reached more than 178,000 social media feeds, with 36,756 views of video content showcasing the Library's projections on the night.

In March, Women's History Month featured an historic Victorian woman for each day of the month and resulted in the Library's highest engagement levels across all digital channels.

Vicfix, the Library's crowdsourcing project, continued to grow in popularity over the year. The project comprises curated sets of digitised Victorian newspaper articles on the National Library of Australia's Trove platform whose electronically translated text needs correcting to make their contents more easily found. Through our community's recognition of the value of newspapers for historical research and passion for exploring little-known aspects of Victorian history, almost 4000 articles covering 120 people, places and events have been fixed so far.

In September the Library launched a campaign to generate public support for naming the new CBD North Metro Tunnel Station 'State Library Station'. The awareness campaign online and onsite ran with the hashtag #StateLibraryStation. The Library also supported Melbourne Metro Rail Authority's community engagement campaign around the broader competition. In November the State Government announced that the new station would be named State Library Station.

Media coverage of the Library and its activities was valued at \$30.7 million for the year, with a reach estimated at 143,575,219. Widely covered events and announcements included the announcement of the Hansen Little Foundation's \$3.5 million donation to the

Vision 2020 appeal. The Library's acquisition of the second part of the Rennie Ellis Archive also generated significant print, broadcast and social media interest, with *The Age* publishing a cover story in its Saturday *Spectrum* pages in August; and the *World of the book* relaunch was covered by a range of media. In November, the Library featured in international publications, including *The Guardian* and *The New York Times*, as the rally location for the announcement of the marriage equality plebiscite results.

Digital delivery

User experience and services for online visitors is being refined and enhanced with the Library's new Digital Transformation Strategy. The 10-point strategy was developed to enhance the experience people have when they engage with the Library using digital technologies, whether onsite or offsite, as well as the operational processes, structures and resources needed to design, deliver and manage digital services.

The Library is working to develop a better understanding of the changing needs of Library users, to better inform the digital products and services the Library designs, and to streamline online services such as joining the Library, improving image discovery and re-use, and extending crowdsourcing and collaboration opportunities for our online community.

One key component is implementation of the Rosetta digital object management and preservation system, which is progressing well, with more than two million files migrated from the current system DigiTool. Rosetta will improve access, use and sharing of the Library's digital collection, including 11,000 unique items from the Library's Pictures Collection, such as watercolours, prints and drawings that have been digitised over the past decade. The transition is on schedule to be completed in late 2018.

ICT expenditure 2017-18

BAU ICT expenditure Total	Non-BAU ICT expenditure Total = A+B	Operational expenditure A	Capital expenditure B
\$3,549,808	\$1,219,785	\$1,023,803	\$195,982

Customer service

Front-of-house staff prepared for new ways of working in the redeveloped building to ensure the Library is ready to operate the new areas as they are handed over, to deliver the new services associated with these, and to improve user experience. Throughout the year, staff teams have taken part in planning sessions and training aimed at improving service delivery after the opening of the new Russell Street entrance.

Volunteers

The Library's volunteer coordination team, formed in late 2017, has revitalised the volunteer program through new volunteer categories, a renewed focus on recruitment, and implementation of a new policy framework and systems.

Volunteers contributed 9280 hours, more than 50 per cent above the year's target of 6000 hours, and led 5470 attendees on 787 tours.

Back-of-house volunteers made a significant contribution to a variety of projects across the Library, including cataloguing ephemera collections such as the Australian zine and international bookplate collections, converting index cards to online records, and transcribing goldfields letters and war diaries.

A successful recruitment drive attracted applicants from a range of ages and cultural backgrounds. More than 70 volunteers were selected as greeters (a new category supporting visitors in the Library's welcome zones), working alongside our tour guides, family programs volunteers, and versatile volunteers (a new category supporting ad hoc projects). An immediate benefit of the program is the ability to provide assistance in a range of languages, including Japanese, French, Mandarin, Cantonese, Arabic, Romanian, Hindi, Filipino, Croatian, Bosnian, Serbian, Spanish, Gujarati, Korean and Urdu.

The inaugural group of 36 volunteer greeters have completed training and started in May, enhancing visitor experience by working alongside staff in the Library foyer, greeting visitors and guiding them to their destination.

No barriers

We are accessible to everyone and welcoming to all.

The Library's Diversity and Social Inclusion Action Plan 2017-20 recognises and builds on the Library's long-standing commitment to the principle of equity and delivering inclusive services to a diverse community across all age groups, cultures and abilities. It also links to global, national and state policy priorities and objectives to support diversity and social inclusion.

Published in August, the plan aligns with the Library's four strategic goals (see page 7), and also reflects our priority audiences – young learners, people with a disability, Aboriginal and Torres Strait Islanders, culturally and linguistically diverse (CALD) communities, and Victorians living in remote or regional areas.

The initiatives outlined in the plan encompass the building (notably the transformation of physical spaces taking place under the Vision 2020 redevelopment

project), communications, service design and delivery, workforce and employment practices, and community engagement.

Cultural and linguistic diversity

The Library's diverse audience is in line with the cultural richness of the broader Victorian community. As with last year, more than 60 per cent of visitors were born outside Australia, and this year the Library has attracted a larger proportion of first-time visitors with a CALD background.

Overseas-based visitors increased significantly, with one in four identifying as Chinese. First-time visitors from overseas increased, indicating recognition of the Library as a destination for international tourists.

Around 44 per cent of visitors are students, with nearly half of these international students. This past year we have seen growth in visitation by international students from China and Malaysia in particular.

Under our Diversity and Social Inclusion Action Plan, ongoing research is enabling the Library to provide communications for non-English language speaking visitors. As well as recruiting volunteers with diverse language knowledge, we conducted new user's tours in Chinese for international students, translated exhibition wall labels into (simplified and traditional) Chinese for the gold-rush display in the *Changing face of Victoria* exhibition, and produced a Library highlights map in Chinese and Japanese. Child safety signage and FAQs in Chinese and Vietnamese have been included to support Play Pod visitors.

The Library's *Representing multicultural Australia in national and state libraries* project brings real opportunities to support and develop collections and services for our culturally and linguistically diverse communities. The research proposal partly evolved from a pilot study funded by the Victorian Multicultural Commission into the State Library's role and response to the growth of multiculturalism. The study will run over three years, with funding from the Australian Research Council and in collaboration with Deakin University, RMIT, the National Library of Australia, and the state libraries of New South Wales and South Australia.

The Library's public programming is also an opportunity to engage culturally diverse communities and audiences. November's SalamFest gave Victorians an opportunity to connect with Islamic culture through the sharing of stories, arts, culture and cuisine, encapsulating the spirit of multiculturalism. Across three days, the Library hosted music, dance, film, feasts and even a car decorated in Pakistani truck art.

In March and April, Sunday afternoons on the forecourt included a Jamaican Dancehall, with people invited to join Jungle City Studios' Kitty Cat and her flash mob of dancers.

Also in March, Creative Fellow Dr Natalie Senjov-Makohon presented the talk 'Two twigs', about the journey two groups of immigrants made from the Ukraine to Geelong in the 1950s to early 1960s.

Aboriginal and Torres Strait Islanders

The Library acknowledges the heritage and culture of Victoria's First Peoples. The Library is committed to supporting nationally and internationally recognised protocols and is working to ensure that the voices of Victoria's Aboriginal and Torres Strait Islanders are heard and considered, and the community is involved in the development of our programs, services and collections.

In February the Library was proud to announce a new \$15,000 specialist fellowship for Victorian Aboriginal researchers in 2018. The Indigenous Victorian Aboriginal Cultural Research Fellowship is offered to a researcher who identifies as an Indigenous Victorian Aboriginal person, and is intended to make knowledge about Victorian Aboriginal society and the Library's collections more accessible to the Indigenous community. The recipient of the three-month fellowship will have access to a shared office space, as well as special access to the Library's collections and experts.

Library programming during the year relating to Aboriginal and Torres Strait Islanders included one of the Library's flagship events, the annual Stephen Murray-Smith Memorial Lecture. Bruce Pascoe, of Bunurong, Yuin and Tasmanian heritage, gave the 2017 lecture in November. Bruce Pascoe received the New South Wales Premier's Book of the Year in 2016 for his book *Dark emu*, which argues for a reconsideration of the 'hunter-gatherer' tag for pre-colonial Aboriginal Australians, and attempts to rebut the colonial myths that have worked to justify dispossession. His lecture at the Library challenged widely held assumptions about First Nations peoples' hunting and gathering skills and carefully planned sustainable land management practices.

In October, a booked-out Dome at Dusk session heard the story of Maggie and Ernest Mubourne, Indigenous activists remembered for their sustained resistance against the Board for the Protection of Aborigines at Lake Condah at the turn of the 20th century. The Mubournes were skilled negotiators who used writing as a means for political resistance but were ultimately banished from their home at Lake Condah.

Library Creative Fellow Jessie Lloyd shed new light on Australian history in her November talk on the secular songs that were sung after church in Indigenous communities on missions, settlements and reserves. Lloyd's presentation included a special performance of some of the rare mission songs she has uncovered, and the almost forgotten stories that go with them.

The exhibition *On Gunaikurnai Country: Gippsland Aboriginal Elders, leaders and artists*, Angela Lynkushka's portrait series, ended in late July. This photographic series, commissioned by the Library, was created in collaboration with the sitters.

From its beginnings, the Library has been a repository for material relating to Aboriginal people and continues to add to its holdings of books, photographs and other material. During the year, the Library acquired a complete set of 52 Pelaco playing cards featuring images of Indigenous Australians. The images are believed to have been inspired by Mulga Fred (c. 1874–1948), an Aboriginal buckjumper and one of the greatest rodeo riders of his day. The cards are an important record of the way Indigenous Australians were stereotyped in Australian culture.

Today, the Library has an important role to play in promoting understanding and recognition of Aboriginal cultural heritage. With the support of specialist Koori Librarian, Maxine Briggs, we have launched an audit of school program content to ensure the stories the Library tells are respectful, factual and adhere to guidelines related to Aboriginal content. This will be an ongoing project throughout 2018 and will inform future program development.

Universal access and regional engagement

Communities with limited access to literary resources and events were again a focus of the Library's programs in regional and outer metropolitan Victoria.

Story Camp is a new school holiday program for 12–15 year olds from disadvantaged areas of outer Melbourne. The program is designed to build attendees' skills in storytelling and creativity by offering facilitated workshops in multiple formats, such as prose, poetry, visual arts and zines. The Library hosted four Story Camps in 2017–18, with a total of 108 sessions and 557 attendees, with workshops funded by Crown Resorts and the Packer Family Foundation, plus lunch and transport for students from eligible schools.

Schools from disadvantaged areas also benefited from a collaboration between the Library and Monash University to develop professional learning for teachers, focused on embedding research skills across the curriculum. The free program – part of the Research

Launch Pad, which is supported by Perpetual – offered bursaries to disadvantaged schools to cover the cost of replacement teachers, often a barrier for teachers wanting to access quality professional development programs. All 10 bursaries were taken up by teachers who took part in February's one-day workshop, Embedding Research Skills, attended by approximately 60 teachers overall.

Regional Victorian participants comprised almost a third of enrolments in the statewide 1000 books before school program. The Library works alongside public libraries around Victoria to help parents share stories with babies and young children. This helps develop early years literacy skills that will prepare them for reading at school. More than 90 per cent of the state's public libraries supported this program, helping it reach 49,917 Victorian children by the end of June 2018.

Between 26 March and 22 June the always popular High Road to Reading program, coordinated by State Library Victoria, rolled out through public libraries in regional Victoria. The program takes top Victorian authors on tour to meet with audiences in parts of the state that otherwise have limited opportunity for literary events. This year's touring authors include Alice Pung, Rosalie Ham, Sofie Laguna, Alex Hammond, Mark Brandi and Graeme Simsion appearing at 12 host libraries at venues ranging from Tallangatta to Warracknabeal.

Design and implementation of new and refreshed exhibitions continue to support Arts Access' recommendations. This has included the provision of text in larger font sizes, adoption of closed captioning for audiovisual components of the *Self-made: zines and artist books* exhibition, adjusting the viewing height of display cases to better accommodate wheelchair users to improve our services for people with disability. In June the \$25,000 Pierre Gorman Award was made to Melton Library Service to lead and support the development of reading programs for adults with learning disabilities in up to 10 public library services across Victoria. Workforce planning and recruitment to support diversity and people of all abilities is underway as part of the Library's workforce plan.

Remote and regional audiences have benefited from the adoption of live-streamed programming – Storytime became a monthly feature from July 2017 (supplemented by Auslan interpreting) and video streaming was also used to link our collection experts with the Art Gallery of Ballarat's *Eugene von Guérard: artist-traveller* exhibition. Travelling exhibitions, such as *Writing the war* toured Caroline Springs, Tallangatta, and Mornington while *Self-made: zines and artist books* opened at the Bunjil Place Gallery in Narre Warren and will tour until November 2019.

Digital inclusion

The Library aims to eliminate online barriers for audiences of all ages across Victoria with programming that builds digital literacy and access to digital information, and offers ways to explore new creative technologies.

The popular Search & Find Google search techniques public training module, launched in early 2017, ran monthly throughout the year. These onsite sessions were developed to complement the online search-skills courses the Library introduced in 2016, and are designed for people who initially need the support of face-to-face training. The sessions teach participants to improve their online research skills by forming effective questions and retrieving the most reliable results from Google, as well as showing how to filter and evaluate the information found.

In February, the Family History team launched our second round of the online family history course *Branching Out*. Almost 150 people enrolled in the four-week online course, which introduces beginners to the basic principles of family history research and key resources for researching Victorian family history.

The Kindergarten IT Program continued to expand its delivery of digital inclusion services to community-based kindergartens for the Department of Education and Training. A pilot program live streaming Storytime to kindergartens enabled one the Library's most popular programs for children and families to reach a wider audience, including the housebound and those in rural and remote areas. Over the year, there were 8876 Storytime online views, including 731 new visitors. Sessions could be viewed on YouTube, with supporting materials such as program review, lyrics and craft activities downloaded from the Library's website 1431 times. The addition of an Auslan interpreter further enhanced the accessibility of the Storytime program, allowing augmented communication for a wider range of children with special needs and enabling greater engagement with the songs, stories and interactions.

Engaging and educating

Learners of all ages, from infancy to adulthood, engage with the Library onsite, online and through our work with Victoria's extensive public library network. We held 1534 learning sessions with more than 48,000 attendees during the year, including 22,208 primary and secondary students taking part in education programming.

The Library continued to offer regular onsite programs for younger children, including weekly Play Pod, Storytime and Baby Bounce sessions, as well as special events and school holiday programs. Each of these is tailored to different age groups and designed to

encourage a lifelong love of reading and learning. Family programs this year attracted 25,653 attendees.

In early December, the author and illustrator Leigh Hobbs – creator of much-loved characters such as Old Tom, Horrible Harriet and Mr Chicken – held a drawing workshop for children at the Library as part of a full-day celebration with the Australian Children's Literature Alliance to mark the end of his tenure as national Children's Laureate.

A successful application for the Victorian Department of Education and Training's 2018–20 Strategic Partnerships Program grant round will inject \$600,000 over three years into a much-needed new research skills program for upper secondary students. This will take the form of a website complemented by and integrated into onsite, offsite and online programming, with the project team ready to begin work in the new financial year.

In October we announced the teen-selected winners of the 2017 Inky Awards, our Centre for Youth Literature's annual young adult literature prize. The Gold Inky Award and \$2000 first prize for an Australian title went to Cath Crowley for *Words in deep blue*; Alice Oseman's *Radio silence* took the Silver Inky Award for an international title. The Library again hosted the annual Publishers' Roundtable in December, where selected publishers meet to share knowledge of the industry, followed by the Young Adult Showcase where publishers made presentations to an audience of 205 young adult readers and professionals.

The Library continues to work closely with tertiary institutions, with 10 graduate and diploma students (from RMIT, Monash, Charles Sturt and Swinburne universities, and from Chisholm Institute) taking part in industry placement programs at the Library for periods of between 10 days and three weeks. We also hosted a graduate student from the University of Stuttgart in Germany for 12 weeks. The students completed invaluable collection and project work while being mentored by librarians and front-of-house staff as part the Library's ongoing commitment to the library profession.

The Library is helping Victorian public libraries support adults with low literacy through a three-year Adult Literacy Innovation Grants program. In February, the Board's Advisory Committee on Public Libraries awarded four grants totalling \$90,000:

- \$30,000 jointly to Melbourne, Wyndham, Yarra and Gannawarra library services for work on development of a portal that will allow sharing of adult literacy resources and information
- \$27,531 to Moreland library service for 'Word Play', a program to build the skills of new arrivals in the area

by enabling parents to attend literacy sessions with their children present, engaging both adults and children in a literacy learning environment

- \$20,469 to Whitehorse Manningham library service for an initiative with Deakin University to develop and deliver a learning program for non-English speaking Chinese-born adults that will empower them to mentor their child's literacy by developing their own literacy skills
- \$12,000 to the Greater Dandenong library service for 'Our Stories', a literacy and community building storytelling initiative with English-as-a-second-language learners.

Open and inviting

We surprise, delight and inform by sharing stories, collections, spaces and expertise.

As the Library prepares to open new entrances and spaces in the year ahead, we have continued to build and share our collections in ways that encourage Victorians and visitors to access our resources, services and experts. By enhancing online access to Library collections, and through our exhibitions, publications and fellowship projects, the Library uses innovative ideas and technologies to inform and serve our traditional audiences, and engage with new ones.

Collection development

Over the year, 87,266 items were added to the Library's collection and 118,106 new bibliographic records were added to the catalogue (60,624 of these replaced substandard records to improve discoverability).

We continued to build our collection of licensed electronic resources, available for onsite research as well as to registered Victorians to use at home. Key electronic resources acquired during the year include:

- Service Newspapers of World War II, over 200 full-text newspapers from England, US, New Zealand and Australia produced for military and civilian units serving at home and abroad
- Women's Studies Archive, focusing on the social, political, and professional history of women's lives in Europe, North and South America, Africa, India, East Asia, and the Pacific Rim
- Migration to New Worlds, an archive exploring the movement of peoples from Great Britain, Ireland, mainland Europe and Asia to the New World and Australasia
- An expanded range of historical newspapers including *The Irish Times* and *The Weekly Irish Times* (1859–2016), *The New York Times* (1851–2014), *The Washington Post* (1877–2001) and *The Wall Street Journal* (1899–2000).

First-hand accounts of Victorian lives in different centuries and walks of life are among the year's significant

acquisitions. They include 25 diaries by Melbourne barrister Brian Bourke, best known for representing the last man executed in Victoria, Ronald Ryan. Bourke's diaries cover key criminal court cases and personalities from 1950 to 2016; we also acquired his barrister's wig.

The original diary of Critchley Parker Jr, long thought lost, has been donated to the Manuscripts Collection. Parker, the son of a wealthy Melbourne publisher, dreamed of establishing a Jewish homeland in Tasmania for refugees fleeing Nazi-dominated Europe. In the early 1940s Parker set out on a bushwalk to investigate the Bathurst Harbour area as a likely site, only to fall ill and die alone in his tent. The diary is his record of the journey that led to his death in the isolation of the south-west coastal wilderness.

Eleven diaries by the Reverend Charles Stuart Ross, a historian and novelist, have also been donated. The personal memoirs cover his life from 1854 to 1912 on the Victorian goldfields, and as a member of the Presbyterian Ministry. The Manuscripts Collection also acquired a letter book of Mackworth Charles Shore. The letters were written between 1846 and 1849 and include an early account of prospecting for gold in the Avoca Forest in the 1840s. This is a second volume of his letters, with the first already held in the Library's collections.

The Manuscripts Collection also received a significant collection of 10 condolence books and approximately 4000 cards and messages that capture the immediate community response to the Bourke Street tragedy in January 2017. The handover of the collection into the Library's care, in mid-September, involved many of the families affected and dignitaries including the Governor, Premier and Lord Mayor.

In late 2017 the Library negotiated the purchase of a significant watercolour painting, *View of the north shore, Port of Melbourne, 1862*, by early Melbourne artist Wilbraham Liardet. This rare work has not been on public display since 1864 and requires substantial conservation work to prevent any further deterioration. An end-of-year appeal reached its target of \$100,000, securing the painting's acquisition and conservation. Just under half the total amount came from a bequest from the estate of Beverly Shelton and her late husband, Martin Schöenthal, who will be remembered for their generosity to the Library. The purchase is being made over two years.

The John Emmerson Collection has continued to grow, with the acquisition of a 17th-century legal work by Edmond Wingate, *Maximes of reason, or The reason of the Common Law of England*. John Emmerson was particularly interested in the 17th-century collector Dan Fleming. This inscribed and annotated copy was once owned by Fleming. Emmerson also actively

collected books owned by prominent 17th-century diarist John Evelyn. Two more new works in the collection once belonged to Evelyn: one is a collection of anonymously published satiric verses aimed at Charles de Luynes, a minister to Louis XIII; the other is John le Britton's *On the laws of England*. The collection has also acquired a very rare tract of Richard Brandon, an official hangman during the reign of Charles I who is often named as the king's executioner: it is the last will and testament of Richard Brandon Esquire, 1649.

A donation of extremely rare books from Anne Cassidy included *The Indian cottage*, *Robinson Crusoe*, *Life and actions of Donald MacDonald*, *Drunken Barnaby's four journeys to the north of England*, *Emblems for the entertainment and improvement of youth*, *Iliad* (two volumes) and some religious works; publishing dates range from the 15th century to the late 19th century. Staff member Chloe Wilkie and her family donated a first-edition copy of *Stones of Venice* (1852) by famed art critic John Ruskin, bound in full leather.

Further significant acquisitions include:

- a large-scale tapestry, *Gordian knot*, donated by Elisabeth Murdoch and the artist Keith Tyson, which is now on display in the Redmond Barry Reading Room
- a photographic archive by artist Carl Nielson that includes images of Coranderk and William Barak from the 1880s, and postcards of the AIF camp at Kilmore in the early 1900s
- an exceptional example of fine press printing for the History of the Book Collection, Hart Crane's classic long poem *The bridge* is presented as a 50-foot scroll in a handmade box, handset and printed by letterpress and illustrated with woodcuts
- six rare pamphlets on cycloramas that were on display in Melbourne in the late 19th century – including 'The battle of Waterloo', 'Jerusalem' 'Early Melbourne' and the 'Siege of Paris', gifted by long-term Friend of the Library Mimi Colligan
- an 1885 unrecorded catalogue of a Melbourne furniture manufacturer and retailer, Robertson and Moffat, was acquired and includes library furniture
- several maps, including a map of Victoria, 1890s (Bartholomew) and a map of Melbourne and its vicinity, 1890s (McCarron, Bird and Co; issued by the George Hotel, St Kilda)
- newspapers published during 1849–94 in Richmond, Carlton, Warrnambool, Geelong, Castlemaine, and Melbourne; these papers fill several gaps in the Newspaper Collection
- an album of photographs of Gippsland by Brooke's Photographic Union. While the Library had photographs of Western Victoria by this company, there is only one photograph of Gippsland. The album includes many photographs not held in other public collections.

Planning is underway to develop a browsing collection of Australian literature for The Ian Potter Queen's Hall and development of collections for the new Children's Quarter and Create Quarter.

Digital collection discovery

With implementation of the Rosetta digital object management system underway, the Library continued the process of digitising existing collections. A total of 770,804 digitised items are available on the Library's website (compared with 753,701 in 2016–17) and via the National Library of Australia's Trove database, to which the Library continued to contribute pages from Victorian newspapers. Scoping and metadata work by the Library for newspaper digitisation enabled *The Herald* (Melbourne) 1855–1954, *The Socialist* 1906–23, and *The Kyneton Observer* 1857–1900 newspapers to be added to Trove in 2017–18.

The Library worked with the Department of Environment, Land, Water and Planning to bring digitised Sands & McDougall directories online in November. These directories are a key resource for researching the history of Melbourne and Victorian properties, residents, businesses and streets from the mid 19th century to the middle of the 20th century. Indexed and divided into sections by location, name, trade and more, they provide listings of addresses of businesses and householders along with advertisements. One in every five Sands & McDougall directories from 1860 to 1940 is now available online.

More than 9000 images of urban Melbourne in the late 20th century will be available online once Rosetta implementation is complete following digitisation and cataloguing of the Committee for Urban Action (South Melbourne) collection. This collection includes over 9200 individual photographs forming 1287 streetscapes of South Melbourne, including Albert Park and Middle Park, from the 1970s.

The Library also completed digitisation of the Maggie Diaz archive. Diaz was an American-born Australian commercial photographer. She lived and worked in Melbourne from 1961 until her death in October 2016. Nearly 3000 images have been digitised from this rare photographic collection, which contains material from her early career in Chicago to the streets and people of Melbourne.

The implementation of the International Image Interoperability Framework, part of the Rosetta project, will further expand the ways in which our digital images can be used. The framework is expected to transform the way cultural heritage research is undertaken as it will enable images – currently in different formats and dispersed across institutions around the world – to be accessed in a consistent format.

During the year, the Library began a trial to examine the application of machine vision to indexing our digitised images. Machine vision is a branch of artificial intelligence that enables a computer to analyse and recognise the content of an image. This technology has the potential to offer new ways for users to search our digital image pool, for example, by colour, texture, shape or other image attributes.

We are making available metadata – the descriptions we create when we add an item to our catalogue – as well as links to the relevant digitised images of collection items that are in the public domain and not subject to copyright, or digitised images of works where the Library owns the copyright as open data sets. This helps make our collections easier to access and use in new and creative ways. Six data sets are available via the Library's website and the Victorian Government data directory.

A project plan for the Substandard Record Project was developed and will significantly improve the bibliographic metadata and discoverability of the Library's collection through our online catalogue, Trove and WorldCat. Records targeted by this project were originally added to the Library's Voyager database as part of the conversion from the card catalogue to a machine-readable catalogue prior to 1990.

In November the Library received consent from the Minister for Creative Industries, Martin Foley MP, to join the National and State Libraries Australasia scheme for the third stage of the national e-deposit system. The system uses legal deposit legislation and a self-service web portal to collect Australian digital publications from all types of publishers. It is then stored in a central repository and can be found through search engines, discovery services and library catalogues. Stage 3 covers the build and implementation of the system's digital platform as well as the development of the policy framework required. The expected completion date is November 2018.

Collection storage

As work continues on preparing the opening of new public entrances and exhibition spaces, the Library moved 6.8 linear kilometres of collection:

- 4.8 linear kilometres have been moved at our Swanston Street site
- 0.2 linear kilometres moved from Swanston Street to BOSS1
- 1.8 linear kilometres were moved internally at BOSS1.

Under the Victorian Newspaper Reconfiguration Project, which extends the storage capacity of BOSS1, an additional 1.4 linear kilometres of Victorian newspapers were barcoded, catalogued and repositioned during the year.

The second stage of the Library's 30-year collection storage plan, BOSS2, supplements the existing Ballarat store and forms part of the Library's response to the Victorian government's *Creative State* strategy. As the first component of Creative Victoria's *Collection Storage Victoria* project, BOSS2 will provide a specialist climate-controlled environment for Victoria's collection, securing it for future generations and ensuring sustainable access for the wider community in the long term.

Construction began in Ballarat late in 2017 and BOSS2 is expected to be complete and ready to open by October 2018.

Conservation and preservation

In 2017–18 the Library preserved and conserved 79,198 items. The Library assessed and treated 144 newly acquired collections through the quarantine store, totaling approximately 1026 items and boxes of collection material in a wide variety of formats – manuscripts, books, records, pictures, textiles, objects and photographs. We processed 25,150 items into the collection, and treated and prepared 629 items for exhibition at the Library.

As part of the preservation program for Vision 2020, the Library surveyed more than 300 collections from the Latrobe Gallery, of which 180 collections were sorted, listed and rehoused.

The conservation team hosted two paper bathing and stain removal workshops run by Professor Richard Wolbers from Winthethur/Delaware University. The workshops were organised through International Academic Projects, London, supported by a generous travel grant from the Gordon Darling Foundation; 42 conservators from private and public sector agencies across Australia and New Zealand took part.

Conservation treatment programs were completed for two major loans. In February the preparation of 55 works from the heritage collections was completed for the *Colony: Australia 1770–1861* exhibition at the National Gallery of Victoria. This included the treatment and reframing of the six-metre 1841 Samuel Jackson watercolour panorama of Melbourne. The paper conservation team undertook a comprehensive treatment and rehousing program of the Library's collection of von Guérards. Many of these works went out on loan to the Art Gallery of Ballarat's exhibition, *Eugene von Guérard: artist-traveller* exhibition.

The Library's support of external exhibitions helps share the collection with audiences who cannot visit the Library in person. In 2017–18, exhibitions featuring items

from our collections attracted around 1.4 million visitors. We loaned 274 items to the following institutions:

- Museum Victoria, *WWI: Love and sorrow*
- Western Australian Museum, *Heath Ledger: a life in pictures*
- National Gallery of Victoria, *Brave New World: Australia 1930s*
- Noel Shaw Gallery, Baillieu Library, University of Melbourne, *Art on the page*
- Art Gallery of Ballarat, *Eugene von Guérard: artist-traveller*
- National Gallery of Australia, *The national picture*
- Dulcie Hollyock Room, Baillieu Library, University of Melbourne, *Medieval books great and small: the Clumber Bible*
- Yarra Ranges Regional Museum, *Charity: Melba's gift book 1915*
- National Gallery of Victoria, *Colony: Australia 1770–1861*
- Bunjil Place Gallery, *Home of the Boyds: Harkaway and The Grange*
- Australian Centre for the Moving Image, *Wonderland*
- Old Treasury Building, *Gold rush: 20 objects, 20 stories*
- Powerhouse Museum, *Common good*.

In mid-May the Library launched a fundraising campaign for the preservation and listing of the Walter and Helena Cass Collection, a unique collection spanning more than 100 years and 1000 items. Helena Cass was a war nurse and photojournalist. Brigadier Walter Cass served with the 5th Victorian Mounted Rifles in the Boer War from 1901 to 1902, fought during the Gallipoli landing and led the 54th Battalion at the Battle of Fromelles with distinction. As at the end of June, the campaign raised \$95,000 towards a target of \$100,000, which will be used to rehouse and catalogue the entire collection, making it accessible for future generations.

Exhibition journey

In a successful year for exhibitions, attendance for the year was above target at 686,482.

The Library's two permanent Dome Galleries exhibitions both received refreshed designs and content during the year. *The changing face of Victoria* tells the story of the people and events that have shaped our state and *World of the book* (previously *Mirror of the world*) remains a one-of-a-kind exhibition showcasing the history of book design, production and illustration from the Middle Ages to today. Both exhibitions continue to be major drawcards for visitors to the Library, drawing 599,747 visitors throughout the year.

In August, we opened a major temporary exhibition – *Self-made: zines and artist books*, presented in partnership with Sticky Institute. The exhibition explored the evolution of do-it-yourself printing culture, from

limited-run artist books to cut-and-paste photocopy 'fanzines'. The onsite exhibition closed in November, after receiving an above-target attendance of 36,748 visitors. A travelling exhibition is currently on tour to seven Victorian and interstate venues between April and September 2018. The travelling exhibition has been supported through grants from Visions Australia and Creative Victoria, providing a wonderful opportunity to share the collection more broadly.

Artists Gracia Haby and Louise Jennison have turned the cabinet cases around the La Trobe Reading Room's dais into pages in an extraordinary story book that you walk around to read. Their display, *Looped: artist books in the round*, presents five artist books telling a joint tale through collage and the written word.

From July to January we revisited 50 years of alternative and experimental local theatre with an anniversary display celebrating Melbourne's iconic La Mama theatre. Established by Betty Burstall, La Mama in Carlton has been synonymous with cutting-edge theatre since 1967. On display in Palmer Hall, *50 years of La Mama* included images from the theatre's productions as well as promotional posters and programs.

Library visitors reimagined queer histories through new, original artworks created by five contemporary local artists with *WE ARE HERE: contemporary artists explore their queer cultural heritage* on show from January to April. Combining photography, video, visual art and performance art, and drawing on archival material from State Library Victoria and the Australian Lesbian and Gay Archives, this exhibition activated a queer gaze of LGBTIQ histories that have been hidden or forgotten.

Two other panel exhibitions touring Victorian public libraries continued into 2017–18. They were *Story Island: an adventure in pictures*, showcasing the Scholastic Dromkeen Children's Literature Collection, which completed its tour in January, and *Writing the war: personal stories from World War I*. The latter completed its original two-year tour to 12 public library services in June 2017 but due to popular demand the tour was extended for 12 months. The extended tour concluded on 4 June 2018, coinciding with the final year of the centenary commemoration of World War I.

Fellowships program

The Library's Fellowship Program continues to encourage original and imaginative use or development of our collections to create new work and is collectively worth up to \$215,000 across a range of areas.

The Library awarded the following Creative Fellowships for 2018–19:

- Santilla Chingaipe, for a film project looking at the stories of African-descended migrants who came to

Australia pre-Federation; the earliest recordings are of 11 convicts of African descent on the First Fleet

- Manuela (Ella) Egidy, for a graphic history of key social issues and movements in Victoria, presented through political propaganda and public art in the form of a book titled *Hold your tongue: an illustrated history of control and dissent in Victoria*
- Donna Kendrigan, whose project *Hyperrealia* will focus on carefully chosen objects from the diverse collections of the Library, brought to life in a series of 20 short digital animation loops
- Dr Elizabeth Rushen, to research the life and times of Edmund Finn, alias 'Garryowen', an Irish migrant to Port Phillip, a journalist and an eyewitness to the development of early Melbourne and Victoria
- Tim Stone and Aya Hatano, for an interactive documentary that explores an ambitious proposal to establish a Jewish settlement in Tasmania's remote south-west wilderness, and the tragic circumstances surrounding the death of the architect of this ill-fated plan
- Nikki Tran, for *Six days on a leaky boat*, a stage musical telling the story of a Chinese-Vietnamese refugee family in Melbourne's western suburbs during the early 1980s.

The new Indigenous Victorian Aboriginal Cultural Research Fellowship was awarded to Hartley Briggs for a series of publications – pictorial and pictographic, such as posters and books – that will provide a more accessible format of cultural material for use by the Indigenous Victorian Aboriginal community and wider community.

The Amor Residency at the Baldessin Press & Studio was awarded to Glen Skien for a studio-based research project exploring the Library's archives of ephemera resources – such as letters, postcards or diaries – that often remain seemingly disconnected to any larger historical context.

The Berry Family Fellowship was awarded to Dominic Gordon to research creative non-fiction essays that are mostly Melbourne-centric, written in an authentic, distinctly Australian voice from the margins with topics thematically linked by a sense of disengagement and disillusionment with current society, low socio-economic status and the people who fall through the cracks.

The Children's Literature Fellowship was awarded to Leanne Hall for a young adult novel, *The celestial*, about celebrity, politics, race, performance and identity in Melbourne on the eve of World War II.

The inaugural Emerging Writers' Fellowship was awarded to Susie Anderson to research Koori culture of the Western Kulin nations, to lead to the writing and/or recording of several audio pieces.

The Georges Mora Fellowship was awarded to Dr Judith Walton to research women surrealist artists, surrealism and performance, the notion of the Muse, self-representation and objects of desire, for an installation and performance to be presented by the Alliance Française de Melbourne in November 2018.

The John Emmerson Research Fellowship was awarded to Professor Susan Wiseman to analyse the significance of the 'collection' as a shaping influence on the way in which both memory and scholarship has understood the turbulent period of the English Civil War.

The Redmond Barry Fellowship – presented in partnership with the University of Melbourne and drawing on the collection of both libraries – was awarded to Dr Jillian Graham for a biography of Margaret Sutherland, one of the most innovative and influential Australian composers of the first half of the 20th century.

The Ukrainian Studies Foundation in Australia Fellowship was awarded to Eugene Pereplechikov for a documentary film exploring how Ukrainian culture has been maintained and transmitted through three consecutive generations of migrants in Victoria.

Honorary Fellowships were awarded to John Oldmeadow, who will produce a history of the development of the Dromkeen collection, and to Ailsa Bunbury, who will research the work of 20th-century Melbourne artist Eric Thake.

A Digital Fellowship was not awarded in 2017–18.

Publications

In a publishing year of landmarks and firsts, the Library hosted the October launch of the first titles in the *Writers on Writers* series. Melbourne-based author and editor Alice Pung spoke about her book on John Marsden, one of Australia's best loved writers of children's and young adult fiction. She was joined by Erik Jensen, who discussed the work of novelist and poet Kate Jennings. In the series, for which the Library is collaborating with the University of Melbourne and Black Inc., six authors reflect on another Australian writer who has inspired and influenced them. The third book in the series, Christos Tsiolkas' *On Patrick White*, was published in May.

Highlights for the year included the 100th edition of the *La Trobe Journal*. Celebrating 50 years of the journal, this special issue featured 50 collection items acquired thanks to the efforts of the Friends of the Library. John Arnold, who has made a significant contribution as General Editor of the journal since 2008, advised that he will retire from the role. Issue no. 102 will be John's final issue. The Library greatly values all that he has contributed in his time as Editor.

The Library's debut illustrated desk diary was a sold-out success. This beautiful volume showcased Art Deco images drawn from the Pictures Collection and was supported by a suite of matching merchandise – coasters, magnets and postcards. The State Library 2018 diary was available at regional and interstate galleries and at bookstores, with all 1000 copies sold by early January.

The world of the book, by Des Cowley and Clare Williamson, was reprinted with a fresh new paperback cover to coincide with the exhibition refresh. The book showcases the Library's History of the Book Collection. Dr Ruth Pullin's *The artist as traveller: the sketchbooks of Eugene von Guérard*, an outcome of her 2012 Creative Fellowship at the Library, was published by the Art Gallery of Ballarat in association with State Library Victoria for the Gallery's *Eugene von Guérard: artist-traveller* exhibition.

A library for the future

We are agile, innovative and forward-thinking. We offer world-class library services today and are building strong foundations for tomorrow.

Much of the Library's future success and sustainability hinges on finding new, effective and innovative ways to work with our traditional partners, and connecting with new partners.

Public libraries partnership

Building strong relationships and working collaboratively with public libraries across the state is an essential part of our commitment to engage with and provide better services to all Victorians.

In June the Library published *Libraries work: the socio-economic value of public libraries to Victorians*, a commissioned report produced by SGS Economics & Planning. Key findings in the report include:

- estimated benefits to the community of \$1.1 billion annually
- a return on investment of \$4.30 in benefits for every dollar of funding invested in Victorian public libraries
- economic activity generated by Victorian public libraries equates to \$330 million in gross regional product annually.

Under the Library's *2017–20 Statewide public library development projects plan*, since July the Library has been working with Victoria's public libraries in the following three main areas:

- The Read Program highlights and strengthens the critical role played by public libraries and the Library in promoting reading and supporting literacy development across all life stages. Initiatives include professional development for staff delivering early

years literacy and adult literacy programs, grants to support development of innovative adult literacy programs in public libraries and a statewide adult reader development program.

- The Advocate Program seeks to influence funding and decision-making in support of public libraries. Initiatives include a community campaign – 'Libraries change lives' – advocacy for more public library funding, and an advocacy skills development program for library staff.
- The Learn and Lead Program aims to ensure Victorian public library staff have the knowledge, skills and leadership capability required of 21st-century libraries. Training and development to be delivered to Victoria's public library staff over three years will have four areas of focus: digital literacy, developing libraries as incubators of creativity, service transformation training and corporate storytelling.

In November, Dennis Goldner, Chair of the Board's Advisory Committee on Public Libraries, presented the 2017 Barrett Reid Scholarship to Kyleigh Langrick from the Moreland library service for her project 'Design thinking for libraries'. She will use her scholarship to investigate public libraries in the United States that have been successfully applying design thinking methodology to review and transform their service models.

The Library's fourth annual mini-conference for Victorian public library staff was held at Telstra Conference Centre on 8 May, attracting a full house of 200 attendees from across the state. Canada's Peter MacLeod presented the opening keynote address, challenging public libraries to reconnect with their radical origins and become a catalyst for democracy and citizen participation. The keynotes were complemented by 16 presentations showcasing innovation in Victorian public libraries.

Entrepreneurship and partnerships

In June 2018, the Library announced the launch of Foundry658, a creative industries accelerator program to be delivered in partnership with ACMI. The program will offer roadshows, bootcamps and skills-building intensives to support creative practitioners to build new businesses. Foundry658 is an initiative of the Victorian Government's *Creative State* strategy (action no. 6: business acceleration) and will be a key component of the Library's new entrepreneur centre, StartSpace, due to open in spring 2019 as part of Vision 2020.

The Library promoted StartSpace to international audiences during the year, joining the City of Melbourne's business mission to China and Japan, scouting options for collaborating with Chinese investors and Japanese co-working facilities, as well as spending time with Melbourne-based start-ups and civic, trade and university delegates.

Director Library Services and Experience, Justine Hyde, spoke about StartSpace at REMIX NYC, making connections with museums, labs, co-working spaces, incubators and the City of New York to make connections, gather information and open up potential exchange partnerships for StartSpace. We showcased the Library and StartSpace at REMIX London, with senior Library staff conducting potential partner meetings and research into cultural development and creative programming while in the United Kingdom.

In September, we joined artists' marketplace Redbubble in launching the State Library Victoria Redbubble international design contest. #CreateArtHistory asked artists from around the world to create original work inspired by out-of-copyright images from the Library's collection and attracted almost 2000 entrants.

Winners of the international design competition were announced in early December: Melbourne lawyer and artist Natasha Sim was awarded first prize for *Explore*, her illustration of a young explorer striding through a map of fantastical creatures – a tribute to childhood library visits with her father. Greece-based artist Frank Moth and Canberra's Paul Sommerfield won second and third place respectively for their botanical-inspired works *Victoria* and *Fantastic botanical*. Social media posts about the announcement reached 445,000 newsfeeds; 21,000 people engaged with the content, with many others visiting the Library's #CreateArtHistory webpage or viewing the online gallery. The winning artworks were displayed at the Library, along with historic collection items that inspired the works, until the end of January. Merchandise featuring the unique designs is available through Readings State Library and Redbubble's online store.

The Library's partnership with Schwartz Media continued in 2017–18, helping us reach a wider audience across Victoria both digitally and in print via a presence in *The Saturday Paper*.

Creative and education sector partnerships

As part of the Library's partnership in the literary podcast series *The Garret: writers on writing* – alongside Writers Victoria and the Australian Society of Authors – we hosted a series of live podcast events with leading Australian writers. Christos Tsiolkas launched the live series on World Book Day in April, speaking about the politics of writing, and Benjamin Law talked about the importance of diversity in literary and onscreen representation in the second live podcast recording in June.

The Australian Learning Lecture (ALL), a joint project of the Library and the Koshland Innovation Fund, has designed a simple tool to build student engagement. The ALL Passion Index will help students to identify

their passions and teachers to know their students. Six Victorian schools were invited to join the Passion Index trial taking place in the 2018 school year. A reference panel comprising leading policy makers, academics and practitioners is providing advice to support the trial and evaluation of the index, which has been funded by a two-year grant from the Lord Mayor's Charitable Foundation.

The Library partnered with RMIT University to create large-scale artworks for the facade hoardings that will be installed on the Swanston Street forecourt during the second phase of Vision 2020 construction. Students from the schools of architecture, communication design and fashion were invited to take inspiration from the Library's collection and Vision 2020 transformation. Three winning designs were selected in June by representatives from the Library and Creative Victoria. The first artwork will go on display from September when the Swanston Street entrance temporarily closes.

Submissions closed in May for another large-scale artwork to be installed inside the Library's new Russell Street entrance, with artists, graphic designers and illustrators having been invited to create artworks inspired by the Library's extensive collection of items related to Victoria's flora, fauna and natural history. The successful artist will be announced in September and their artwork will go on extended display when the new entrance opens.

In November 2017, the Library's Chief Executive Officer, Kate Torney, was elected chair of National and State Libraries of Australasia (NSLA) for the next two years, alongside deputy chair Marie Louise Ayres (Director-General, National Library of Australia). Her term of office commenced with the implementation of NSLA's new Strategic Plan 2018–20 and a reshaping of its membership, which will see it focus on its Australian constituents and stakeholders.

During the year the Library has continued to work with NSLA partner libraries to develop shared solutions and focusing on major projects, including National e-Deposit (NED) infrastructure, an Indigenous cultural competency program and promoting strategic regional relationships.

International relationships

The Library's international partnerships include formal agreements with the National Library Board of Singapore, and two of the largest public libraries in China, Nanjing and Sichuan. These partnerships enable the Library to confirm its commitment to the principle of information sharing and enable the Library to explore the potential development of new activities that will benefit each library and the communities they serve.

In October the Library hosted a delegation from the public library of Sichuan. Following a tour of the Library, the delegation met with the leadership team to discuss opportunities for collaboration and renew the memorandum of understanding with Sichuan Library. The delegation invited Chief Executive Officer, Kate Torney, to give a keynote speech at the Library Society of China Annual Conference in May. Approximately 4000 delegates attended the conference, themed 'Reading, city and culture'. Kate also travelled to Singapore, giving another presentation for the National Library Board of Singapore as well as members of the Library Association of Singapore, and meeting with colleagues at Co-Lab X, an innovation lab of the National Gallery of Singapore, and the National Museum of Singapore.

International activities provide an important opportunity to confirm the Library's commitment to international cooperation, and encourage dialogue about service innovations, trends and issues impacting on the sector, as well as explore options for future partnership activities.

In October Kate was a keynote speaker at the Library Innovation international conference in London.

In addition to exploring possibilities for StartSpace during her visit to the United States in February, Justine Hyde met with museums, libraries and digital production companies in New York to discuss potential programming, exhibitions and digital engagement ideas for the Library. She also ran a three-hour workshop at the American Library Association conference in Philadelphia for 108 attendees on service design and design thinking in libraries.

In late November, a representative from the City of Melbourne presented the chair of Myanmar's Yangon Heritage Trust with an album that includes some of the earliest photographs of Burma (now Myanmar). The Library created a copy of this highly significant and rare album as a gift to the people of Myanmar. Only a few copies of the *Linnaeus Tripe Album - Yule's Mission to the Court of Ava* survive in libraries in the United Kingdom, United States, and here in Victoria.

Commercial partnerships

The Library continues to develop partnerships supporting commercial activities that provide additional revenue used to expand the Library's offer. In 2017-18, the Library's commercial strategy focused on positioning the Library as a food, beverage and events destination.

The Library was named Australia's best specialty venue, winning the 'best unique event venue without accommodation' category at the 2017 Meetings and Events Australia Industry Awards in May. The national

award in 2017 follows on from winning the Victorian award in the same category in 2016, consolidating the Library's reputation as a leading national event space.

The industry recognition was well timed with the release of the tender for catering services in late March. The Library has reshaped its catering and venue hire business model and appointed Showtime Events Group as its exclusive onsite catering partner. Showtime will commence in August 2018 operating the Library's new production kitchen and dedicated function venue, the Isabella Fraser Room, constructed as part of Vision 2020.

The Library also appointed Almond Milk Co. to operate the new cafe within the Russell Street Welcome Zone. The cafe, named Guild, will launch in September when the Russell Street entry opens to the public.

Readings, our valued retail partner, is preparing to move to its new premises in the Russell Street Welcome Zone, where it will have significantly more space.

It has been a year since the change of ownership of Mr Tulk cafe and the new providers have made it a seamless transition for cafe customers.

Continuous improvement

Surveys, focus groups and workshops through the year helped with workforce planning to support the aims of the Library's 2017-20 workforce plan. The plan underpins effective delivery of Vision 2020 and is critical to workforce initiatives such as organisational structure, job design, learning and development, recruitment, talent management and succession planning.

This included a hidden talents survey, designed to uncover skills and qualifications team members have but don't necessarily use at work. A number of strategic workshops were held, to clearly define and quantify outcomes and inform forecasting.

In March the Library embarked on the process of a staff-led facilitated restructure. Peer-nominated staff were invited to form a Staff Advisory Group and work together to develop a new organisational structure for the Library. The advisory group voted on a preferred structure, which was recommended to the leadership team. Staff consultation and participation will continue as the Library works to implement the new structure throughout August to December 2018.

Professional development

Staff at all levels across the Library took part in a varied range of professional development activities through the year. These included a full-day digital skills workshop for staff who work with collection data, plus an all-staff

session to raise awareness of research data and its role in NSLA libraries, recruitment and selection training for managers and staff, and Child Safe training for 400 staff and volunteers.

The Library hosted two paper conservation workshops run by world-leading conservation authority Associate Professor Richard Wolbers of Delaware University. Forty-two paper, book and photographic conservators from libraries, galleries, museums and private practice across Australia and New Zealand attended, including nine staff from Preservation and Conservation. The workshop covered recent advances in chemistry and aqueous treatment approaches, incorporating safer and greener conservation materials and techniques. The workshop was organised through International Academic Projects, London, and supported by the Gordon Darling Foundation travel grant and Archival Survival.

Support and sponsorship

Our Vision 2020 fundraising campaign received a significant boost in September with the \$3.5 million commitment from the Hansen Little Foundation (see page 7). The donation will fund the new Hansen Hall and Conversation Quarter, adding to the previous year's multi-million dollar contributions from the John and Myriam Wylie Foundation, Maria Myers AC and Allan Myers AC QC, Christine Christian and The Ian Potter Foundation, and the hundreds of other donations, large and small, from Library supporters in Victoria and around the world.

The Library staged an annual fundraising dinner in May, with the theme of 'Bright Visions: the dawn of Victoria's gold rush'. Hosted by journalist and presenter Virginia Trioli, the evening included an address by historian Dr Clare Wright, a reading from miners' diaries and journals by actor William McInnes, and a performance by baritone Paul Hughes and accompanist Greg Smith. Funds raised on the night will support various collection acquisitions and preservation projects.

Our tradition of providing free access to knowledge, culture and education owes much to the generosity of those who support us through bequests. Those supporters wishing to leave a bequest are invited to join our Redmond Barry Society. This year we acknowledge legacies from Helen Margaret Foote, whose bequest supports our Library services and the conservation of heritage collections, and also Robert Cincotta, a long-time Friend of the Library and generous supporter for many years. We also recognise the generosity of the Estate of Beverley Shelton and her late husband Martin Schöenthal, towards the acquisition and conservation of WFE Liardet's *View of the north shore, Port of Melbourne, 1862* artwork, as well as the acquisition of books for the Library.

During the year we welcomed three new corporate members – Newcrest Mining, QanTM IP and Root Partnerships. We thank our longstanding and new members for their ongoing support and commitment:

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Donors and sponsors

State Library Victoria also gratefully acknowledges the generous support of the following individuals, families and organisations:

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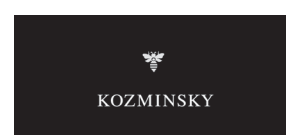
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Financial summary

Summary of financial results with five-year comparatives

	2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000	2014 \$'000
Revenue from government	81,324	81,081	77,223	83,410	80,565
Other revenue	21,188	19,886	18,664	15,302	11,765
TOTAL REVENUE	102,512	100,967	95,887	98,712	92,330
TOTAL EXPENSES (excluding depreciation)	(89,605)	(86,082)	(85,870)	(92,806)	(86,744)
NET RESULT FOR THE YEAR BEFORE DEPRECIATION	12,907	14,885	10,017	5,906	5,586
DEPRECIATION	(13,056)	(13,654)	(12,980)	(12,971)	(13,234)
TOTAL EXPENSES	(102,661)	(99,736)	(98,850)	(105,777)	(99,978)
NET RESULT FOR THE YEAR AFTER DEPRECIATION	(149)	1,231	(2,963)	(7,065)	(7,648)
CASH FLOW FROM OPERATING ACTIVITIES	7,728	13,752	9,058	(305)	(1,830)
TOTAL ASSETS	931,808	891,857	860,627	893,808	900,207
TOTAL LIABILITIES	12,323	12,609	11,468	10,216	9,240

Notes

Revenue from government includes \$39.505m in operating funding, \$0.528m in capital funding and \$42.291m of capital assets charge.

Other revenue includes revenues from commercial, donations, bequests, investment and other external sources.

Total expenses include \$42.291m of capital assets charge and expenses from transactions.

The above summary should be read in conjunction with the accompanying financial statements.

Current year financial review

- The Library Board achieved a net result after depreciation for 2017–18 of \$0.149m deficit compared to \$1.231m deficit for 2016–17.
- The Library Board achieved a net result before depreciation for 2017–18 of \$12.907m surplus compared to \$14.885m surplus for 2016–17.

Factors contributing to the net result are outlined below.

- Total revenue has increased by \$1.5m to \$102.5m and has been affected by the following items:
 - operating funding from government increased by \$0.196m to \$39.505m in recurrent funding
 - capital revenue received from government of \$0.528m
 - donations include philanthropic donations in excess of \$3.8m received for the redevelopment project
 - donations include items donated to the Library collection in 2017–18, valued at \$4.647m (\$1.236m in 2016–17)
 - bequests of \$0.191m were received in 2017–18 (\$3.386m in 2016–17).
- Funding of \$39.636m received from government for the redevelopment and BOSS2 projects is shown as an increase in contributed capital rather than revenue.
- Payments made to Development Victoria (\$39.282m) for the redevelopment and BOSS2 projects are shown as capital works in progress rather than expenses at 30 June 2018.
- The revaluation of long-service leave liability due to changes in bond rates resulted in a loss of \$11k (\$209k gain in 2016–17).
- Net assets have increased by \$40.2m primarily as a result of capital work in progress.
- Total liabilities have decreased by \$300k to \$12.3m mainly due to a decrease in creditors and accrued expenses.

2017–18 key performance indicators

The Library's 2017–18 planning framework was designed to achieve outcomes articulated in the *Strategic Plan 2016–20*.

Description	Unit of measure	Actual 2014–15	Actual 2015–16	Actual 2016–17	Target 2017–18	Actual 2017–18
Onsite visitation ¹	Number	1,781,690	1,894,268	2,071,250	1,800,000	1,937,643
Website visitation ²	Number	3,441,756	4,358,031	4,241,307	3,800,000	4,483,662
Visitor satisfaction ³	%	83%	87%	92%	90%	90%

Notes

- 1 Onsite visitation refers to annual visitation to the State Library building located at 328 Swanston Street, Melbourne. Each year the Library sets an ambitious target above the BP3 target of 1.8 million onsite visits, as outlined in the Library's Service Agreement with the Minister for Creative Industries. 1.937 million visits were recorded onsite, exceeding target. The Library continued to attract new audiences as well as offering existing users a chance to experience and interact with the Library's collections, exhibitions and people in different and stimulating ways. Construction impact from Vision 2020 was successfully mitigated resulting in a minor decrease on 2016–17 visitation. It is anticipated that the impact will be greater in 2018–19.
- 2 Website visitation is measured using online user sessions (the creative industries portfolio agreed methodology for measuring online visits). A user session is defined as the moment a single visitor logs on to (or enters) a website until they log off (exit), irrespective of the number of pages visited within this time. Therefore, a user who is online for 30 minutes, and who looks at 10 pages, is counted as one user session. Visitation in 2017–18 exceeded target and is 5% higher than in 2016–17. Growth in the use of research guides is a particular highlight. Visits to these resources is 26% higher than for the same period last year.
- 3 Visitor satisfaction measured via the annual intercept survey is on target. Launch of the volunteer greeter program has made a positive impact on satisfaction with visitors rating their arrival and navigation through the Library higher than in 2016–17. The Library will move to a new methodology for measuring satisfaction in 2018–19 with data collection occurring throughout the year.

Service Agreement with the Minister for Creative Industries

The Service Agreement with the Minister for Creative Industries establishes a range of performance indicators under the Creative Industries Portfolio's output framework.

Output framework

Description	Unit of measure	Target 2017-18	Actual 2017-18
OUTPUT GROUP 1 – Guardianship of the State Collection			
OG1a Collection development			
Acquisitions and deaccessions in accordance with collection development policies / strategic directions	%	100%	100%
OG1b Collection management			
New acquisitions (received in current period), electronically registered to agreed standards and targets	%	95%	95%
BP3 Agency collections storage meeting industry standard ¹	%	99%	97%
OUTPUT GROUP 2 – Access and participation			
OG2a Community engagement activities			
Events ²	Number	1,000	1,520
BP3 Access – attendances/users	Number	1,800,000	1,937,643
BP3 Volunteer hours ³	Number	6,000	9,280
Volunteers	Number	120	149
BP3 Members and Friends ⁴	Number	1,000	858
OG2b Community use of facilities			
Events ⁵	Number	460	380
OG2c Education programs			
Events – sessions, performances, workshops	Number	660	759
BP3 Students attending educational programs	Number	23,100	22,208
OG2d Exhibitions and displays			
Events – new, (permanent or temporary) exhibitions	Number	4	4
Attendees	Number	658,811	686,482
OG2h Public access to collection / information			
Virtual access to Collection	%	95%	95%
BP3 Access – Library website visitation	No. of user sessions	3,800,000	4,483,662
OG2i Visitor experience activities			
BP3 Visitors satisfied with visit	%	90%	90%

Description	Unit of measure	Target 2017-18	Actual 2017-18
OUTPUT GROUP 3 – Sector Development			
OG3a Professional development and other services			
Collaborative projects with NGOs/agencies	Number	45	45
Touring programs/exhibitions available from the arts body in reporting period ⁶	Number	27	54
Regional centres receiving touring programs/exhibitions offered by the arts body	Number	14	15
Loans to NGOs/agencies from the Collection ⁷	Number	1,834	2,139
Investment in staff training	\$/FTE	575	601
OUTPUT GROUP 4 – Cultural Infrastructure and Facilities			
OG4a BP3 All facility safety audits conducted			
Conduct yearly safety audit and advise CV audit has taken place by 31 May	Number	1	1
OG4b BP3 Cultural Facilities Maintenance Fund projects delivered within agreed timeframes **	%	100%	100%

Notes

- 1 The Library's collection storage is 2 percentage points below target. An increase in risk to onsite collections due to Vision 2020 and BOSS2 construction is responsible for the temporary lower result. The Library has strong risk controls and will continue to monitor throughout construction.
- 2 Above-target performance has been driven by increased tours and delivery of a number of programs in partnership with other organisations.
- 3 In 2017-18 the Library revamped its volunteer program, significantly increasing and diversifying the pool of volunteers. The Library also launched the volunteer greeter program with the recruitment of 36 volunteers to support welcoming visitors to the Library. This new initiative is improving visitor experience and recruitment for a second intake of volunteer greeters is underway.
- 4 The Friends of the Library membership base is 14% below target. The new Customer Relationship Management system is driving timely renewals and greater insights. As part of the membership strategy, the Library plans to research current and former Friends of the Library to better understand expectations and motivations to refine the membership offer.
- 5 Community use of facilities, which measures the use of Library venues and spaces by external organisations and individuals, was lower than anticipated due to Vision 2020 construction interruption.
- 6 Touring programs: the number of touring programs exceeded target with a number of invitations to deliver collection talks and presentations to groups.
- 7 Loans to NGOs: the Library received an increased number of loans requests in 2017-18. Major loans included the Art Gallery of Ballarat for *Eugene von Guérard: artist-traveller*, and the National Gallery of Victoria exhibition *Colony: Australia 1770-1861*.

Acquisitions statistics 2017–18

VOLUMES ADDED TO STOCK JULY 2017 – JUNE 2018

	Purchase	Donation	Govt donation	Legal deposit	Method of acquisition	
					Total 2017–18	Total 2016–17
Monographs	8,207	4,740	1,794	4,219	18,960	17,188
Newspapers	102	50	0	316	468	863
Other serials	803	242	527	2,390	3,962	5,968
TOTAL VOLUMES	9,112	5,032	2,321	6,925	23,390	24,019

CONSOLIDATED STOCK HOLDINGS 2016–2018

Stock holdings (volumes)	30 June 2016	30 June 2017	30 June 2018
Newspapers	109,651	110,514	110,982
Monographs and serials	2,228,788	2,251,944	2,274,866
TOTAL	2,338,439	2,362,458	2,385,848
Maps	114,414	114,556	114,834
Sound recordings	59,820	62,173	64,211
Video recordings	6,363	6,436	6,558
Exhibition catalogues (AAA)	171,959	176,148	180,216
Theatre programmes (linear metres)	99	100.84	104.36
Ephemera (linear metres)	77	94.39	94.42
Manuscripts (linear metres)	8,142	8,196	8,224
Pictures	1,062,842	1,114,672	1,176,028

CONSOLIDATED ELECTRONIC STATISTICS 2015–2017

	30 June 2016	30 June 2017	30 June 2018
PANDORA (online titles & websites)	14,140	15,365	16,589
Ebooks (titles)	8,609	11,383	15,821
Born digital serials (titles)	44	96	216
Born digital monographs (titles)		22	630
Electronic collections	41	53	71

Notes

PANDORA is an archive of Victorian digital publications and websites gathered from the internet.

Ebooks represent ebook titles purchased and accessible via the catalogue.

Electronic collections represent themed or single-format collections purchased by the Library.

Collecting of Victorian published, born-digital serial titles began 2015–16 (reporting will change with National e-Deposit in 2018–19).

Collecting of Victorian published, born-digital monograph titles began 2016–17 (reporting will change with National e-Deposit in 2018–19).

Does not include eresource subscriptions.

Library Board and corporate governance

Functions and powers of the Library Board of Victoria

The affairs of the State Library of Victoria are governed by the Library Board of Victoria. The Board is a statutory body established under section 16 of the *Libraries Act 1988*. The Minister for Creative Industries during the reporting period has been Martin Foley MP.

The Functions of the Board are set out in Section 18 of the *Libraries Act 1988* and include the following:

- ensuring the maintenance, preservation and development of a State Collection of library material including a comprehensive collection of library material relating to Victoria and the people of Victoria
- ensuring that material in the State Collection is available to such persons and institutions, and in such manner and subject to such conditions as the Board determines with a view to the most advantageous use of the State Collection
- ensuring the availability of such other services and facilities in relation to Library matters and Library material (including bibliographic services) as the Board determines
- arranging the publication and sale of reproductions of any Library material in the State Collection
- overseeing the exhibition of material from the State Collection for information, education and entertainment
- overseeing cooperation in programs with libraries and information organisations to promote access to library and information services and resources
- exercising leadership and promoting high standards in the provision of library services and information services
- providing advice and information to the Minister on any matter concerning libraries and information organisations
- performing any other functions appropriate to the Board as the Minister may approve.

In carrying out its functions the Board must endeavour to ensure that through the variety and breadth of the Library's services, programs, events, exhibitions and activities, the institution contributes to the enrichment of the cultural, educational, social and economic life of the people of Victoria, and has the power to do all

things necessary or convenient in connection with the performance of its functions.

The Library Board of Victoria is committed to the highest standards of governance in managing the Library's human and physical resources, and in pursuing opportunities for continuous improvement.

Board members

The Library Board of Victoria consists of up to 11 members, appointed by the Governor in Council on the recommendation of the Minister. Current Board members have business, educational, finance, humanities, information technology, legal and marketing backgrounds and skills. Members are appointed for terms of up to three years and are eligible for reappointment. The Library Board of Victoria met on 7 occasions during the period from 1 July 2017 to 30 June 2018 (includes June 2018 meeting).

Mr John Wylie AM, President (attended 7 meetings)
 Ms Christine Christian, Deputy President (attended 6 meetings)
 Mr Bruce Akhurst (attended 2 meetings)
 Professor Carolyn Evans (attended 6 meetings)
 Mr Dennis Goldner (attended 7 meetings)
 Mr Adam Lewis, from May 2018 (attended 1 meeting as a guest and 1 as a Board member)
 Ms Maxine McKew (attended 6 meetings)
 Ms Maria Myers AC (attended 5 meetings)
 Ms Karen Quinlan (attended 4 meetings)

Ms Kate Torney (Chief Executive Officer)

About Board members

John Wylie AM, President

John Wylie was appointed President of the Library Board in May 2012 and reappointed in May 2015 and again in May 2018. He chairs the Executive Appointments and Remuneration Committee and is Chair of the Redevelopment Project Steering Committee. John is principal of investment firm Tanarra Group. He was formerly CEO of financial services firm Lazard Australia, co-founded advisory and investment firm Carnegie Wylie & Company, and was Chair of Investment Banking at Credit Suisse Australia. John is involved in

a wide range of not-for-profit community activities. He is Chair of the Australian Sports Commission, a Trustee of the global Rhodes Scholarship Trust, and a Director of the Melbourne Stars Big Bash cricket team. He chaired the Melbourne Cricket Ground Trust for 14 years from 1999 to 2013, was a board member and Honorary Treasurer of the Florey Neurosciences Institutes in Melbourne, and was a member of the Finance Committee of the Melbourne Grammar School. John holds an M.Phil in Management Studies from Oxford University, where he was a Rhodes Scholar, and a Bachelor of Commerce with First Class Honours from the University of Queensland.

Bruce Akhurst

Bruce Akhurst was appointed to the Board in May 2010 and reappointed in June 2013 and May 2016. He is a member of the Redevelopment Project Steering Committee, the Executive Appointments and Remuneration Committee, and the Finance Committee. Bruce is Executive Chair of Adstream, an international services organisation for the advertising industry. He was previously Chief Executive Officer of Sensis Pty Ltd, Chair and Director of Foxtel, and a Director of Soufun, the leading Chinese real estate portal. A lawyer by training, Bruce relinquished the position of managing partner with Mallesons Stephen Jaques to join Telstra in 1996 where he worked for 16 years in numerous senior positions. Bruce is also a member of the RMIT University Council and Chair of its Infrastructure and Information Technology Committee. He is also a board member of Paul Ramsay Holdings, Tabcorp Holdings and its Audit Committee, and Chair of the Peter McCallum Cancer Foundation.

Christine Christian

Christine Christian was appointed to the Board in August 2013 and reappointed in May 2016. She is the Board's Deputy President, Chair of the Finance Committee, and member of the Executive Appointments and Remuneration Committee, and the Foundation Council. Christine is Chair of Kirwood Capital, a Director of FlexiGroup Limited, ME Bank Limited, Lonsec Fiscal Group, the Victorian Managed Insurance Authority and New York-based Powerlinx Inc., an innovator in the emerging partner economy. She serves on the boards of La Trobe University and the Cranlana Programme. Christine is past-president of Chief Executive Women. Previously, Christine was Chief Executive Officer of Dun & Bradstreet Australia and New Zealand from 1997 to 2011. In 2006, she was appointed to the additional roles of Chair of D&B Consumer Credit Services and the D&B Worldwide Board, and in 2011 was appointed Executive Director of Dun & Bradstreet India. Christine was a board member and committee chair of UNICEF Australia, a member of the state government appointed TAFE Assessment Panel and the ASIC Business

Advisory Council. She was the Founding Chair of the Business Information Industry Association – Hong Kong and Middle East, and Director until 2012.

Professor Carolyn Evans

Carolyn Evans was appointed to the Board in 2015 and reappointed in May 2018, and is a member of the Audit and Risk Management Committee. Carolyn was the Dean of Melbourne Law School from 2011 until July 2017 and is now the Deputy Vice-Chancellor (Graduate Programs) and Deputy Provost at the University of Melbourne. Carolyn has degrees in arts and law from the University of Melbourne and a doctorate from Oxford University, where she studied as a Rhodes Scholar. In 2010, she was awarded a Fulbright Senior Scholarship to travel as a Visiting Fellow at American University and Emory University, examining questions of comparative religious freedom. Carolyn is also the honorary secretary of the Victorian Rhodes Scholarships Selection Panel. She is the author of several books, including *The legal protection of religious freedom in Australia*.

Dennis Goldner

Dennis Goldner was appointed to the Board in May 2010 and again in June 2013 and May 2016. He chairs the Audit and Risk Management Committee and the Advisory Committee on Public Libraries. Dennis has had experience at senior levels in both the Australian and Victorian public sector, particularly in the areas of public policy economics, competition policy, trade and investment promotion and was a long-standing partner at Deloitte. He retired from the Deloitte partnership in May 2009, having led the firm's government services practice in Victoria. He is currently National Leader, Responsible Business at Deloitte, Chair of the Deloitte Foundation, Chair of Oxfam Australia and is a board member of the Melbourne Chamber Orchestra. Dennis has an honours degree in economics and is a Fellow of the Australian Institute of Company Directors.

Adam Lewis

Adam Lewis was appointed to the Board in May 2018 and is a member of the Redevelopment Project Steering Committee. Adam is an alumnus of McKinsey & Company, where he spent 20 years as an advisor to major firms and governments around the world. He was a partner for 14 years, a managing partner for Australia and New Zealand for seven years, and a member of McKinsey's Asia council and global Senior Partner election committees. Since leaving McKinsey in 2010, Adam's roles have included Chair of Message Media, Chair of Southern Innovation, Chair of Palette and Director of FIIG Securities. Adam has previously been a Director of the Melbourne International Film festival, a member of the Australia Council for the Arts, and an advisory board member of the Smith Family. He is also

the former Chair of Aconex Pty Ltd. He holds a B. Eng (Hon.) from Curtin University and an MBA (Hon.) from the University of Illinois.

Maxine McKew

Maxine McKew was appointed to the Board in 2015 and reappointed in May 2018. Maxine is an honorary fellow of the Melbourne Graduate School of Education at the University of Melbourne. A published author, her books include *Class act*, a study of the key challenges in Australian schooling, and *Tales from the political trenches*. As a journalist, for many years Maxine was anchor of ABC TV's 7.30 report and *Lateline*. Her work has been recognised by her peers with both Walkley and Logie awards. Leaving journalism for politics, Maxine defeated Prime Minister John Howard in the Sydney seat of Bennelong. In government she was Parliamentary Secretary for Early Childhood and, later, for Infrastructure, Transport, Regional Development and Local Government. Maxine is also a board member of Per Capita and the John Cain Foundation.

Maria Myers AC

Maria Myers was appointed to the Board in 2015 and reappointed in May 2018, and serves as Chair of the Foundation Council. She was previously a member of the State Library Victoria Foundation Executive Committee from 2002 to 2009, and one of the original Foundation Council members from 2013 to 2014. Maria is also Chair of the Kimberley Foundation Australia and a board member of the Australian String Quartet, the Loreto Ballarat School Board and the St Mary's College Council at the University of Melbourne. In addition, Maria is a member of the Nature Conservancy Australia Advisory Board.

Karen Quinlan

Karen Quinlan was appointed to the Board in August 2013 and again in May 2016. Karen has more than 20 years' experience working in the visual arts sector. She has been Director of Bendigo Art Gallery since 2000, where she has been instrumental in building a nationally significant art collection and has brought international exhibitions to regional Victoria. In 2016 Karen became a Professor of Practice, La Trobe University, Director of the La Trobe Art Institute and is responsible for the La Trobe Collections and its arts engagement. Karen has been a board member of the Public Galleries Association of Victoria since 2013, becoming Chair in 2014.

Standing committees

The Library Board of Victoria has a number of standing committees.

Advisory Committee on Public Libraries

The Advisory Committee on Public Libraries acts as an advisory group to the Board and a communication link

between the Board and public libraries. The committee met on 4 occasions during the period 1 July 2017 to 30 June 2018.

2017–18 membership

Mr Dennis Goldner, Chair (attended 4 meetings)
Cr Rod Fyfe (attended 3 meetings)
Ms Sally Both (attended 4 meetings)
Mr Michael Byrne (attended 4 meetings)
Ms Camille Cullinan, until November 2017 (attended 2 meetings)
Ms Patti Manolis (attended 3 meetings)
Ms Jenny Ruffy, from November 2017 (attended 2 meetings)

SLV representatives

Ms Justine Hyde
Ms Kate Torney

Executive Officer

Ms Debra Rosenfeldt

Audit and Risk Management Committee

The Audit and Risk Management Committee assists the Board in establishing and maintaining effective financial governance by providing oversight and assurance. No member of the Audit and Risk Management Committee fills an executive management position at the Library. The committee met on 7 occasions during the period 1 July 2017 to 30 June 2018 and once jointly with the Finance Committee. During 2017–18 the committee exercised its function to ensure proposed philanthropic deeds of gift comply with Board policy and procedure.

2016–17 membership

Mr Dennis Goldner, Chair and Board member (attended 7 meetings)
Professor Carolyn Evans, Board member (attended 5 meetings)
Ms Maxine McKew, Board member, from August 2017 (attended 5 meetings)
Mr Michael Hill (independent member) (attended 7 meetings)
Ms Anne Jackson (independent member) (attended 7 meetings)

SLV representatives

Ms Hanh Chau, until March 2018
Mr Roly Clifton-Bligh, from March 2018
Ms Kate Torney

Executive Officer

Ms Frances Savage

Redevelopment Project Steering Committee

This committee forms a key part of the governance structure of the Library building redevelopment project.

It acts as a cross-agency working group to monitor and assist achieving project tasks and outcomes. Committee membership includes representatives from: the Board (including Chair); Creative Victoria; the Library's executive leadership team; Development Victoria, project managers; Department of Treasury and Finance; and, Department of Premier and Cabinet. The committee met 9 times during the period 1 July 2017 to 30 June 2018.

2017-18 membership

Mr John Wylie, Chair (attended 8 meetings)
Mr Bruce Akhurst (attended 3 meetings)
Mr Dennis Goldner (attended 7 meetings)
Mr Adam Lewis, from May 2018 (attended 1 meeting)

SLV representative

Ms Kate Torney

Executive Officer

Development Victoria supports the committee

Executive Appointments and Remuneration Committee

The Executive Appointments and Remuneration Committee ensures that the Library's policy and practice relating to executive remuneration and individual remuneration packages for executives are consistent with Victorian Government employment policy. The committee convenes during the year to review executive officer salaries, performance bonuses, recruitment, appointments and associated issues, when appropriate. Throughout the reporting period the committee dealt with its remit electronically, addressing issues as they arose.

2017-18 membership

Mr John Wylie, Chair
Mr Bruce Akhurst
Ms Christine Christian

SLV representative

Ms Kate Torney

Executive Officer

Ms Kate Torney

Finance Committee

The Finance Committee provides a point of review in respect of financial information placed before the

Board. The Committee seeks to confirm that Library management has processes in place to ensure that financial reports, budgets and forecasts of operations for which the Board is responsible are accurate, concise and timely. The committee met 6 times during the period 1 July 2017 to 30 June 2018 and once jointly with the Audit and Risk Management Committee.

2017-18 membership

Ms Christine Christian, Chair (attended 7 meetings)
Mr Bruce Akhurst (attended 2 meetings)
Ms Anne Jackson (attended 6 meetings)
Ms Marina Kelman (attended 6 meetings)
Mr Glenn Mescher (attended 5 meetings)

SLV representatives

Ms Hanh Chau, until March 2018
Mr Roly Clifton-Bligh, from March 2018
Ms Kate Torney

Executive Officer

Ms Frances Savage

State Library of Victoria Foundation Council

The objective of the Foundation Council is to support the strategic objectives of the State Library of Victoria and to secure donations to the Foundation Capital Fund. The Council met on 3 occasions during the period 1 July 2017 to 30 June 2018.

2017-18 membership

Ms Maria Myers, Chair (attended 2 meetings)
Ms Christine Christian (attended 3 meetings)
Ms Robyn Campbell (attended 3 meetings)
Mr Peter Hay (attended 3 meetings)
Ms Jennifer Hutchison (attended 3 meetings)
Mr Howard Obst (attended 0 meetings)
Ms Dianne Reilly, from January 2018 (attended 2 meetings)
Ms Karen Wood (attended 3 meetings)

SLV representatives

Ms Nicola Chanen
Ms Hanh Chau, until March 2018
Mr Roly Clifton-Bligh, from March 2018
Ms Kate Torney

Executive Officer

Ms Corinne Smith

Library Executive

Kate Torney, Chief Executive Officer

As Chief Executive Officer Kate Torney has overall responsibility for:

- ensuring the implementation of the Board's directions
- sound corporate governance
- managing the State Collection and the Library's operations.
- the Library's directors report to her.

Hanh Chau, Director Corporate Services and Chief Financial Officer until March 2018

Roly Clifton-Bligh, Director Corporate Services and Chief Financial Officer from March 2018

Director, Corporate Services is responsible for the Library's corporate functions, including:

- business and fiscal planning
- financial and corporate governance
- commercial activities
- risk management
- policy and evaluation.

Justine Hyde, Director Library Services and Experience

Justine Hyde is responsible for the strategic development of library services and the customer experience, including:

- the visitor experience and customer service
- information services and access
- lifelong learning programs
- collection development and management.

Jo Ritale, Head of Collections

Jo Ritale is responsible for collection development and management, including:

- selection and acquisition
- collection description and cataloguing
- preservation and conservation.

Sarah Slade, Head of Digital Engagement and Collection Services until December 2018, and Director, Project Management Office from December 2018

Sarah Slade is responsible for managing access to the Library's physical and digital collections, including:

- storage and digitisation
- digital preservation initiatives
- investigation of new and emerging media
- senior library representation on NSLA and international peak bodies.

As Director, Project Management, Sarah is also responsible for the integrated planning of strategic and business as usual projects, ensuring:

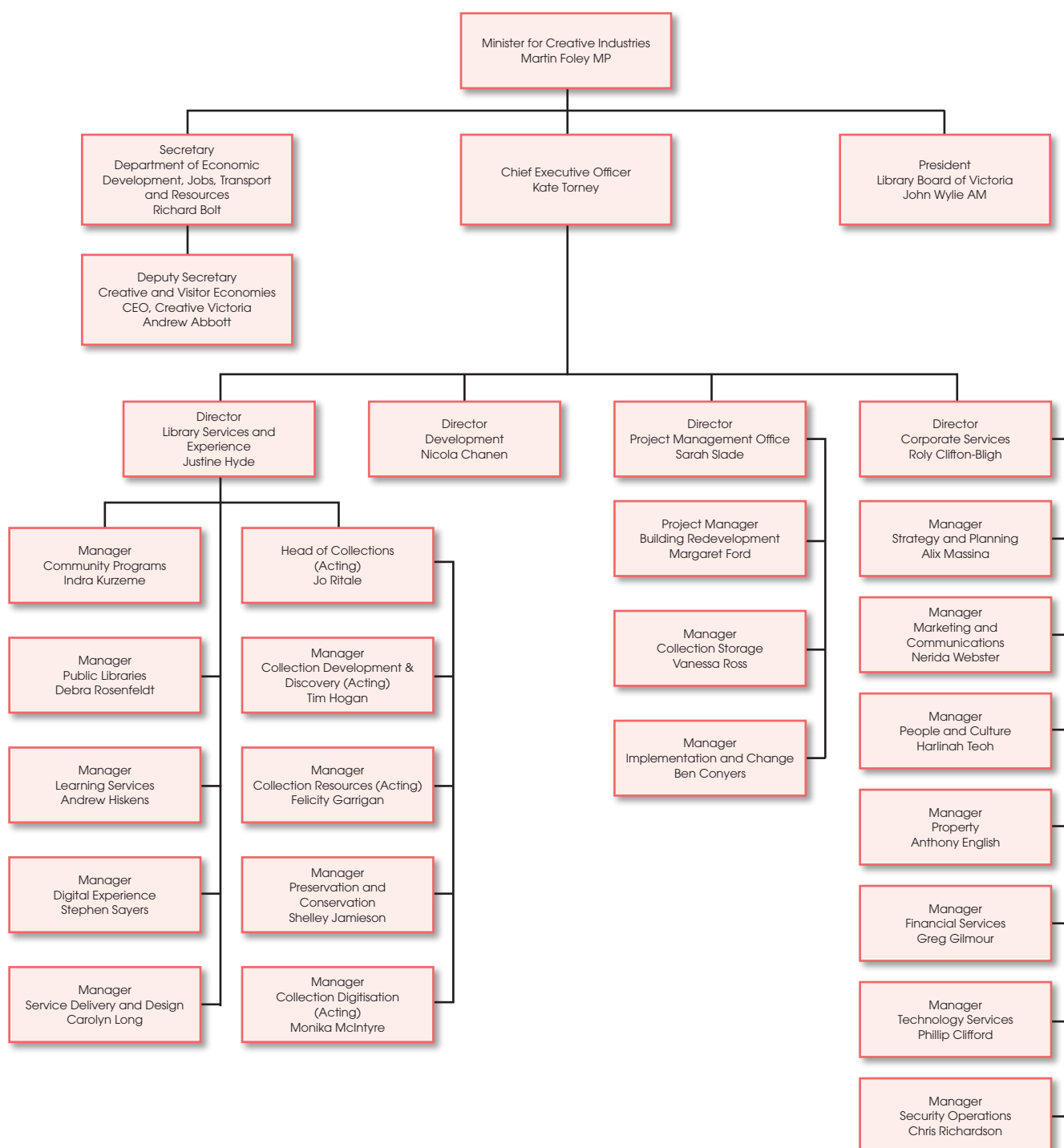
- alignment with financial planning and workforce development
- operational readiness for major change
- delivery of the outcomes of the Library's Strategic Plan 2016–20
- delivery of major strategic projects including Vision 2020, BOSS2 and the implementation of the Library's digital collection management system Rosetta.

Nicola Chanen, Director Development

Nicola Chanen is responsible for:

- philanthropy program
- corporate partners program
- fundraising
- Foundation membership.

Organisational structure (as at 30 June 2018)



Occupational health and safety performance measures

The general indicators of organisational health – employee turnover and absenteeism – continue to demonstrate that the Library’s performance is acceptable. Employee turnover for the year averaged approximately 7.4% (greater than 15% warrants investigation). Employee absenteeism (unplanned) averaged approximately 4.4% (greater than 5% warrants investigation). These performance measures compare to 8.1% and 4.1% respectively in 2016–17.

The Library continues to experience a satisfactory WorkCover claims performance rate with one active claim at the end of the year. There were no new minor compensable injuries during the year. The cost of WorkCover premiums has decreased by 1.25% from the previous year, while claims performance rating continues to show a position of sector leadership at 28.45% better than the industry average.

Category	Measure	2017-18	2016-17	2015-16
Policy currency (review cycle 3 years)	OH&S Policy current	Yes	Yes	Yes
Incidents	No. of incidents	220	135	72
	Rate per 100 FTE	74.8	47.4	26.5
Provisional Improvement Notices (PINs)	No. of PINs issued by HSRs	0	0	0
	No. of identified issues actioned	N/A	N/A	N/A
HSR Training	% of HSRs trained	100%	100%	100%
Worksafe interactions	Notifiable incidents	0	0	2
	Notices received	0	0	0
	Visits (including as a result of notifiable incidents)	0	0	0
	% of identifiable issues actioned	–	–	2
WorkCover claims management	Number of standard claims	1	0	1 (continued from 2014–15)
	Rate per 100 FTE	0.34	–	0.37
	Number of lost time claims	0	1	1
	Rate per 100 FTE	0	0.35	0.37
	Number claims exceeding 13 weeks	1 (continued from 2016–17)	1	0
	Rate per 100 FTE	0.34	0.35	0
	Fatality claims	–	–	0
	Average cost per standard claim	\$622.20	–	\$2307 (continued from 2014–15)
	% claims with a RTW plan > 30 days	50%	100%	0

OCCUPATIONAL HEALTH AND SAFETY (CONT'D)

Incident management

Incidents across the Library increased by 63% in 2017–18. Incidents include injuries and other hazards (non-injury) related incidents. In real terms, the increase equates to 85 additional reported incidents compared with the previous year.

The majority of incidents (85%) relate to behaviour by members of the public towards staff or other patrons. The increase in incidents is driven both by higher frequency of incidents and a greater awareness of incident reporting among staff.

The goal of the Library's occupational health and safety (OH&S) strategy is to ensure all staff remain safe and healthy at work and a safe environment for visitors. The Library was recommended for recertification under the Australian and New Zealand Standard 4801:2001 following successful recertification audit in October–November 2017. The Library continues to provide a number of initiatives to support employee health and wellbeing, including a comprehensive Employee Assistance Program, workshops on work–life balance, navigating change and managing stress, influenza vaccinations, emergency preparedness training, onsite bicycle storage facilities and support for a bicycle users group.

Public sector values and employment principles

Under the provisions of the *Public Administration Act 2004*, the Library is required to establish employment processes that uphold the employment principles established under that Act. Employment processes are to be established to ensure that:

- employment decisions are based on merit
- public sector employees are treated fairly and reasonably
- equal employment opportunity is provided
- public sector employees have a reasonable avenue of redress against unfair or unreasonable treatment.

The Act also requires that public sector officials should demonstrate behaviours that conform to public sector values of responsiveness, integrity, impartiality, accountability, respect and leadership. A code of conduct, developed by the Victorian Public Sector Commission, is available to ensure the promotion of the values and employment principles. The Library has responded to the provisions of the *Public Administration Act 2004* as follows:

Employment principles

The Enterprise Partnership Agreement expressly provides that members of selection panels be adequately trained to ensure that selection decisions are based on merit, equity, transparency and open competition.

Staff regularly involved in recruitment and selection receive information and education on legislative requirements and antidiscrimination issues.

Training and development programs are in place for managers and supervisors that focus on fair and reasonable treatment of staff.

Experienced human resource consultants are available to work with managers and supervisors to ensure that decisions affecting employees are based on fairness and reasonableness.

Training and development initiatives are tailored to ensure that all staff have equal opportunities to access training.

Job design processes take into account EEO considerations and, where appropriate, remove any factors that may discriminate against a recognised group.

The performance management system provides a consistent and equitable method of managing performance and remuneration.

Grievance processes exist in order to provide a consistent avenue for redress against unfair or unreasonable treatment through conciliation, resolution or referral of grievances.

Public sector values

The Enterprise Partnership Agreement includes a set of Library values that either supplement or focus on the public sector values as they relate to the Library. The Library's values promote innovation, collaboration, engagement, excellence and respect.

The Enterprise Partnership Agreement outlines a set of characteristic qualities, underlying styles and skills demonstrated by effective leaders within the Library. The set of qualities was developed through consultation with Library employees.

The Library has adopted the Code of Conduct for Victorian Public Sector Employees as part of its Enterprise Partnership Agreement.

All Library employees receive training on the Charter of Human Rights and Responsibilities.

Statement of workforce data and merit and equity

The Library is committed to applying merit and equity principles when appointing staff. The selection processes ensure that applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination. Employees have been correctly classified in workforce data collections.

Workforce data

		June 2018							June 2017						
		All employees		Ongoing			Fixed-term and casual		All employees		Ongoing			Fixed-term and casual	
		Number (head-count)	FTE	Full-time (head-count)	Part-time (head-count)	FTE	Number (head-count)	FTE	Number (head-count)	FTE	Full-time (head-count)	Part-time (head-count)	FTE	Number (head-count)	FTE
Demographic data	Gender														
	Male	135	109.8	75	23	91.8	37	18.0	131	104.9	77	23	93.4	31	11.5
	Female	227	183.9	123	48	155.2	56	28.7	229	179.7	127	49	158.8	53	20.9
	Self-described	1	0.3	0	0	0.0	1	0.3							
	Age														
	15–24	10	3.3	1	0	1.0	9	2.3	16	6.3	3	0	3.0	13	3.3
	25–34	68	46.9	25	4	27.6	39	19.3	72	48.0	25	5	28.7	42	19.3
	35–44	81	67.5	42	13	51.3	26	16.2	76	61.5	50	12	57.2	14	4.3
	45–54	92	80.0	58	21	73.1	13	7.0	80	69.9	53	22	67.8	5	2.2
55–64	80	73.4	64	14	72.3	2	1.1	89	79.3	63	21	77.2	5	2.2	
65+	32	23.0	8	19	21.7	5	1.3	27	19.7	10	12	18.4	5	1.3	
Classification data	VPS 1–6 grades	357	288.0	193	71	242.0	93	46.0	357	281.6	201	72	249.3	84	32.4
	VPS 1	0	0.0	0	0	0.0	0	0.0	1	1.0	1	0	1.0	0	0.0
	VPS 2	109	66.5	27	24	42.8	58	23.7	119	68.9	31	24	46.3	64	22.6
	VPS 3	115	96.0	68	27	86.0	20	10.0	113	94.4	67	31	87.3	15	7.1
	VPS 4	57	52.3	36	13	45.8	8	6.5	53	49.3	41	8	46.8	4	2.5
	VPS 5	50	48.0	39	6	43.4	5	4.6	47	45.0	39	8	45.0	0	0.0
	VPS 6	26	25.2	23	1	24.0	2	1.3	24	23.1	22	1	22.9	1	0.3
	Senior employees	6	6.0	5	0	5.0	1	1.0	3	3.0	3	0	3.0	0	0.0
	STS	3	3.0	2	0	2.0	1	1.0	0	0.0	0	0	0.0	0	0.0
	PS	0	0.0	0	0	0.0	0	0.0	0	0.0	0	0	0.0	0	0.0
	SMA	0	0.0	0	0	0.0	0	0.0	0	0.0	0	0	0.0	0	0.0
	SRA	0	0.0	0	0	0.0	0	0.0	0	0.0	0	0	0.0	0	0.0
	Executives	3	3.0	3	0	3.0	0	0.0	3	3.0	3	0	3.0	0	0.0
	Other	0	0.0	0	0	0.0	0	0.0	0	0.0	0	0	0.0	0	0.0
	Total employees		363	294.0	198	71	247.0	94	47.0	360	284.6	204	72	252.3	84

Note

The gender category of 'self-described' refers to staff who have identified as a gender other than male or female.

Reconciliation of executive officers

Table 1 Total number of EOs, broken down into gender

Class	All		Male		Female	
	No.	Var.	No.	Var.	No.	Var.
EO-1	0	0	0	0	0	0
EO-2	1	0	0	0	1	0
EO-3	2	0	1	(1)	1	-(1)
TOTAL	3	0	1	(1)	2	-(1)

Table 2 Reconciliation of executive numbers

		2018	2017
	Executives (Financial Statement Note 8.4)	2	2
	Accountable Officer (CEO)	1	1
Less	Separations	1	0
	Total executive numbers at 30 June	3	3

Table 3 Annualised total salary, by \$20,000 bands, for executives and other senior non-executive staff

Income band (salary)	Executives	STS	PS	SMA	SRA	Other
< \$160,000						
\$160,000 – \$179,999		^3				
\$180,000 – \$199,999						
\$200,000 – \$219,999						
\$220,000 – \$239,999						
\$240,000 – \$259,999	2					
\$260,000 – \$279,999						
\$280,000 – \$299,999						
\$300,000 – \$319,999						
\$320,000 – \$339,999						
\$340,000 – \$359,999	1					
\$360,000 – \$379,999						
\$380,000 – \$399,999						
\$400,000 – \$419,999						
\$420,000 – \$439,999						
\$440,000 – \$459,999						
\$460,000 – \$479,999						
\$480,000 – \$499,999						
TOTAL	3	3	0	0	0	0

Notes

The salaries reported above are for the full financial year, at a 1-FTE rate, and excludes superannuation.

^ These are non-executive staff paid above the maximum of a VPS Grade 6.2 – \$154,076 recognising senior technical speciality required in role.

Environmental performance

Energy use

The Library consumes energy for a number of different uses including office facilities, public facilities, storage facilities, commercial operations and construction activities. Energy-saving measures that the Library has undertaken during the year include progressively installing:

- LED lighting throughout the Swanston Street site
- photo voltaic (PV) solar panels at the Library's Ballarat storage facility
- water storage tanks at the new Ballarat storage facility to help reduce the demand for mains water in fire-fighting activities.

The data represented was collected through energy retailer billing information.

Waste and recycling

The data presented is derived from monthly service reports. The Library is continuing to develop systems to more comprehensively collect waste data, particularly for recyclable and non-recyclable waste for staff, public and commercial operations. The table includes whole-of-site information, without specific breakdown of staff, public or commercial use. Note that the Library does not currently collect compost.

Paper use

The Library is becoming more efficient in relation to paper use. The Library has recently introduced a new printing request system to staff areas that is designed to minimise paper waste. The table only includes office-based data.

Water consumption

The data in the table is based on water meter readings at the Library's facilities and is inclusive of staff, public and commercial operations.

The increase in water use can be aligned with the increase in visitation numbers to the Library.

Energy

Indicator

Total energy usage segmented by primary source (MJ)

Greenhouse gas emissions associated with energy use, segmented by primary source and offsets tonnes (CO₂ e)

Percentage of electricity purchased as green power

Units of energy used per FTE (MJ/FTE)

Units of energy used per unit of office area (MJ/m²)

Waste

Indicator

Total units of waste disposed of by destination (kg/yr)

Units of waste disposed of per FTE by destinations (kg/FTE)

Recycling rate (percentage of total waste)

Greenhouse gas emissions associated with waste disposal (CO₂ e)

Paper

Total units of copy paper used (reams)

Units of copy paper used per FTE (reams/FTE)

Percentage of 100% recycled content copy paper

Water

Total units of metered water consumed by usage types (kilolitres)

Units of metered water consumed in offices per FTE (kilolitres/FTE)

Units of metered water consumed in offices per unit of office area

Greenhouse gas emissions

Total greenhouse gas emissions associated with energy use (CO₂ e)

Total greenhouse gas emissions associated with vehicle fleet (CO₂ e)

Total greenhouse gas emissions associated with waste production (CO₂ e)

	2017-18				2016-17				2015-16			
	Electricity	Natural gas	Green power	Total	Electricity	Natural gas	Green power	Total	Electricity	Natural gas	Green power	Total
	20,331,000	14,170,000	5,350,000	39,851,000	20,205,450	11,397,000	1,409,905	33,012,355	27,099,000	11,028,000	1,400,796	39,527,796
	5,350			5,350	5,163	-	-	5,163	5,686	-	-	5,686
	25	0		25	25	0		25	25	0		25
	72,000				73,474				98,542			
	410				404				542			
	2017-18				2016-17				2015-16			
	Landfill	Commingled recycling		Total	Landfill	Commingled recycling		Total	Landfill	Commingled recycling		Total
	32,260	26,850		59,110	42,350	13,830		56,170	27,555	23,921		51,476
	114	94		208	154	50			100	87		
	45	36										
	42	16		58	42	14		56	28	24		52
	2017-18				2016-17				2015-16			
		1,620				2,510				2,520		
		5.7				8.8				10		
		100				100				100		
	2017-18				2016-17				2015-16			
		25,287				22,587				26,804		
		91				82				105		
		0.51				0.9				0.54		
	2017-18				2016-17				2015-16			
		5350				5163				5686		
		2.7				4.1				2.3		
		58				56.2				52		

Diversity and access

State Library Victoria has a long-standing commitment to remove barriers to access and open up opportunities for people of all abilities. One in five Australians, and over one million Victorians are living with some form of disability. While disability covers a wide range of physical and mental conditions, people living with a disability frequently experience barriers that impact on their life opportunities, including access to education and employment, health and wellbeing.

Under Victoria's *Disability Act* (2006) the Library is required to lodge and implement a Disability Action Plan outlining initiatives to break down barriers to employment, promote social inclusion and changes in cultural attitudes and practices. The Library's Social Inclusion Plan 2017–20 has replaced our previous stand-alone Disability Action Plan, and continues to address the requirements of the *Disability Act*.

The Library's services for people with a disability include individualised support, a range of adaptive technologies including audio loops for programming events and tours. We have, and will continue to work with peak bodies and our users to understanding the needs and improve our services for people living with disability.

During this financial year, for example, the Library has introduced larger font size for exhibitions text. We have trialled the use of closed captions technology for some exhibition audiovisual components to allow deaf or hard-of-hearing users to access captions as required, and adjusted the viewing height of display cases to better accommodate wheelchair users. In February, the Library was officially registered as accepting the

Companion Card, a national program designed to support and promote the rights of people who require a companion to fair ticketing and events. Current public information related to companion cards for carers can be found on our website at www.slv.vic.gov.au/plan-your-visit/disability-access.

In June, the \$25,000 biennial Pierre Gorman Award was made to colleagues at the Melton Library Service to lead and support the development of reading programs for adults with learning disabilities in up to 10 public library services across Victoria.

Completion of the Vision 2020 redevelopment will see major improvements in accessibility to the built environment. In the interim procedures have been put in place to manage and communicate any access issues.

State Library Victoria provides a workplace that actively welcomes and values the unique contributions of all people. The Library is an equal opportunity employer and acts in accordance with our obligations under the *Equal Opportunity Act 2010* (Vic) and the Victorian Charter of Human Rights and Responsibilities. Workforce planning and recruitment to support diversity and people of all abilities during the year has seen the completion of REAL disability awareness training for Library Officers, alongside induction training on disability services at the Library for more than 60 Volunteer Greeters. Disability awareness training to support inclusion, and promote positive attitudes and understanding amongst staff and volunteers will continued to be a priority for the Library.

Freedom of information

The *Freedom of Information Act 1982* allows the public a right of access to documents held by the Library, other than information in Library material maintained for reference purposes. For the 12 months ending 30 June 2018, the Library received no applications.

Making a request

Access to documents may only be obtained through written request and accompanied by an application fee. Requests can be lodged online at www.foi.vic.gov.au. An application fee of \$28.40 applies. Additional charges may apply for searching, retrieving, copying of documents and supervising and inspection of documents. Applications should be clear and concise, and provide an accurate description of the documents sought. As required by the Act, all reasonable steps are taken to enable the applicant to be notified of a decision concerning the release of documents as soon as practicable. From 1 September 2017, the Act has been amended to reduce the Freedom of Information (Fol) processing time for requests received from 45 to 30 days.

In summary, the requirements for making a request are:

- it should be in writing
- it should identify as clearly as possible which document is being requested
- it should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Handling the requests for access to documents under the Act is the responsibility of the Library's Freedom of Information Officer:

Corporate Governance Advisor
State Library of Victoria
328 Swanston Street
Melbourne Victoria 3000

Categories of documents

Documents that are maintained in the possession of the Library include:

- documents prepared for briefing government
- internal working papers of the Library
- correspondence from ministers and members of parliament, government departments and agencies, members of the public and private sector
- records relating to accounts
- personnel and salary records
- organisation and accommodation records.

Availability of additional information

Information available to the relevant minister, members of parliament and the public upon request is as follows:

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- details of publications produced by the Library or about the Library, and the places where these publications can be obtained
- details of changes in prices, fees, charges, rates, and levies charged by the Library
- details of any major external reviews carried out on the Library
- details of any major research and development activities undertaken by the Library
- details of any overseas visits undertaken including a summary of the objectives and outcomes of each visit
- details of major promotional, public relations and marketing activities undertaken by the Library to develop community awareness of the Library and the services it provides
- details of assessments and measures undertaken to improve the occupational health and safety of employees
- a general statement on industrial relations within the Library and details of time lost through industrial incidents and disputes
- a list of major committees sponsored by the Library, the purposes of each committee and the extent to which the purposes have been achieved
- details of all consultancies and contractors, including consultants/contractors engaged, services provided and expenditure committed to for each engagement.

Literature available by subscription or mailing lists

Literature available from the Library by subscription or mailing lists includes:

- *SLV Monthly* newsletter
- *What's On* brochure
- *The La Trobe Journal*
- Friends newsletter
- Corporate member newsletter
- Education News newsletter
- Centre for Youth Literature newsletter
- Venue hire newsletter.

Protected Disclosure Act 2012

The *Protected Disclosure Act 2012* establishes a scheme for protecting people who make disclosures about improper conduct in the public sector. The Library is committed to the aims and objectives of the Act. In particular, the Library does not tolerate improper conduct by its staff or the taking of reprisals against those who come forward to disclose such conduct.

The Library recognises the value of transparency and accountability in its administrative and management practices, and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health, safety or the environment.

The Library will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure, to the extent it is legally possible.

Compliance with the *Protected Disclosure Act 2012*

Disclosures of improper conduct or detrimental action relating to the Library should generally be made to the Independent Broad-based Anti-corruption Commission (IBAC). Further information about making disclosures to the IBAC can be found at www.ibac.vic.gov.au. Disclosures may also be made directly to the Independent Broad-based Anti-corruption Commission:

Level 1, North Tower, 459 Collins Street
Melbourne, VIC 3000
Phone: 1300 735 135
Internet: www.ibac.vic.gov.au

Procedures outlining the system for reporting disclosures of improper conduct or detrimental action by the Library or any of its employees and/or officers are available on the Library's website.

Compliance with the *Building Act 1993*

The Library is compliant with the National Construction Code of Australia and with the relevant Australian standards for all buildings and building works. Essential services and building maintenance requirements are maintained in accordance with the National Construction Code and the relevant Australian standards specific to each discipline: mechanical, fire, electrical, lifts.

The Library is currently undertaking two major infrastructure projects:

- Vision 2020, Melbourne (\$88m)
- BOSS2, Ballarat (\$23m).

During 2017–18 the Library has received the following

Building permits:	4
Certificates of practical completion:	1
Certificates of final inspection:	6
Occupancy permits:	1

There have been no emergency or building orders received by the Library. Current non-conforming buildings will be upgraded during the 2018–19 infrastructure upgrades.

Victorian Industry Participation Policy

The *Victorian Industry Participation Policy Act 2003* requires public bodies and departments to report on the implementation of the 'Local Jobs First – Victorian Industry Participation Policy (VIPP)'. Departments and public bodies are required to apply VIPP in all tenders over \$3 million in metropolitan Melbourne and for statewide projects, or \$1 million in regional Victoria.

During 2017–18, there were no Library procurement activities valued at more than \$3 million in metropolitan areas or \$1 million in regional areas that triggered the application of the VIPP.

Competitive Neutrality Policy

Despite the conclusion of the National Competition Policy, the Library complies with the requirements of the Competitive Neutrality Policy. Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

The Library is working to ensure it fulfils its requirements on competitive neutrality.

The annual review of the Library's Pricing (fees and charges) Policy was completed during the year. All products, fees and charges identified as profitable are assessed according to the Government Competitive Neutrality Policy.

Government advertising expenditure

There were no advertising campaigns with a media spend of \$100,000 or greater.

Major contracts

There were no major contracts in excess of \$10 million at the Library. Major contracts relating to Vision 2020: State Library Victoria redevelopment and the construction of Ballarat Off-Site Storage Module 2 (BOSS2) are managed by Development Victoria.

Details of contracts that have been disclosed in the Victorian Government contracts publishing system can be viewed at www.procurement.vic.gov.au.

Consultancies

Details of consultancies over \$10,000

In 2017-18, there were six consultancies where the total fees payable to the consultants were \$10,000 or more. The total expenditure incurred during 2017-18 in relation to these consultancies was \$456,581 (excl. GST).

Details of consultancies under \$10,000

In 2017-18 there were no consultancies where the total fees payable to the consultants were less than \$10,000.

Consultant	Details	Start date	End date	Total approved fee (excl GST) \$	Expenditure in 2017-18 (excl GST) \$	Future expenditure (excl GST) \$
BPM Analytical Empowerment	SLV planning and labour model	1 October 2017	30 June 2018	\$20,000	\$19,528	nil
CPR Communications and Public Relations Pty Ltd	Public Libraries advocacy strategy 2018-20	1 October 2017	30 June 2018	\$157,000	\$157,000	nil
IPP Consulting Pty Ltd	Security risk assessment	1 July 2017	30 September 2017	\$46,400	\$46,400	nil
Loop Secure Pty Ltd	Victorian Protective Data Security Standards gap assessment	1 March 2018	30 April 2018	\$23,650	\$23,650	nil
SACS Consulting Pty Ltd	Strategic workforce plan 2017-20	1 July 2017	30 June 2018	\$155,208	\$155,208	nil
SGS Economics and Planning Pty Ltd	Welfare contributions of public library services	1 November 2017	30 June 2018	\$55,000	\$54,795	nil

Financial information

Material revenues arising from exchange of goods or services

There were no transactions of this nature.

Intangible assets

The Library has no recorded intangible assets.

Bank loans, bills payable, promissory notes, debentures and other loans

There were no transactions of this nature.

Issued capital

The Library has no issued capital.

Ex-gratia payments

There were no transactions of this nature.

Charges against assets

There are no charges against assets recorded by the Library.

Events subsequent to balance date

There were no events subsequent to 30 June 2018 that will have an impact on the 2017–18 reporting period.

Financial management attestation



**LIBRARY BOARD
OF VICTORIA**

328 Swanston Street
Melbourne VIC 3000
Australia

Tel: +61 3 8664 7505
ABN 73 190 237 854
slv.vic.gov.au

State Library Victoria Financial Management Compliance Attestation Statement

I, John Wylie AM, on behalf of the Library Board of Victoria, as Responsible Body, certify that State Library Victoria has complied with the applicable Standing Directions of the Minister for Finance under the *Financial Management Act 1994* Instructions.

John Wylie AM
President
21 August 2018

Financial report for the financial year ended 30 June 2018

The Library Board of Victoria has pleasure in presenting its audited general purpose financial statements for the financial year ended 30 June 2018, and providing users with the information about the Library Board of Victoria's stewardship of resources entrusted to it. It is presented in the following structure:

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Library Board of Victoria letter



**LIBRARY BOARD
OF VICTORIA**

328 Swanston Street
Melbourne VIC 3000
Australia

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ABN 73 190 237 854
slv.vic.gov.au

Library Board of Victoria

The attached financial statements for the Library Board of Victoria have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance under the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards, including interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2018 and financial position of the Library Board of Victoria at 30 June 2018.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 21 August 2018.

John Wylie AM
President
21 August 2018

Dennis Goldner
Chair, Audit and Risk
Management Committee
21 August 2018

Kate Torney
Chief Executive
Officer
21 August 2018

Roly Clifton-Bligh
Director Corporate
Services
21 August 2018

Auditor-General's report



Victorian Auditor-General's Office

Independent Auditor's Report

To the Board of the Library Board of Victoria

Opinion	<p>I have audited the financial report of the Library Board of Victoria (the entity) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2018 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • declaration by the President, Chief Executive Officer, Director Corporate Services and Chair, Audit and Risk Management Committee. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the entity as at 30 June 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the entity is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

**Auditor's
responsibilities
for the audit
of the financial
report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
10 September 2018



Simone Bohan
as delegate for the Auditor-General of Victoria

BALANCE SHEET AS AT 30 JUNE 2018

	Notes	2018 \$'000	2017 \$'000
Financial assets			
Cash and deposits	6.1	25,621	19,867
Receivables	5.1	1,898	2,029
Investments and other financial assets	4.3.1	19,535	17,579
Total financial assets		47,054	39,475
Non-financial assets			
Prepayments	5.2	773	383
Property, plant and equipment	4.1	482,944	455,436
Library collections	4.2	401,036	396,562
Deferred expenditure	5.3	1	1
Total non-financial assets		884,754	852,382
Total assets		931,808	891,857
Liabilities			
Payables	5.4	3,119	3,985
Employee-related provisions	3.1.2	9,204	8,624
Total liabilities		12,323	12,609
Net assets		919,485	879,248
Equity			
Accumulated surplus	8.7.2	(19,917)	(17,376)
Donations and bequests reserve	8.7.4	8,016	7,030
Specific purpose grants reserve	8.7.5	2,698	1,292
Physical asset revaluation surplus	8.7.3	314,980	314,980
Financial assets valuation reserve	8.7.6	1,505	755
Contributed capital	8.7.1	612,203	572,567
Net worth		919,485	879,248

The above Balance Sheet should be read in conjunction with the accompanying notes.

COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Notes	2018 \$'000	2017 \$'000
Income from transactions			
State Government – government appropriation	2.2.1	39,505	39,309
State Government – capital funding	2.2.1	528	369
State Government – capital asset charge	2.2.1	42,291	41,403
Other grants from State Government entities	2.3	4,082	1,505
Operating activities income	2.4	1,734	2,389
Other grants	2.3	2,835	2,232
Donations and bequests	2.5	9,635	10,037
Investment income	2.6	1,902	3,723
Total income from transactions		102,512	100,967
Expenses from transactions			
Employee expenses	3.1	32,812	30,480
Depreciation	4.1.1	13,056	13,654
Supplies and services	3.1	14,493	14,385
Capital asset charge	3.1	42,291	41,403
Total expenses from transactions		102,652	99,922
Net result from transactions		(140)	1,045
Other economic flows included in net result			
Net gain/(loss) on financial instruments	8.2.1	–	(21)
Net gain/(loss) on non-financial assets	8.2.2	2	(2)
Other gains/(losses) from other economic flows	8.2.3	(11)	209
Total other economic flows included in net result		(9)	186
Net result for the year		(149)	1,231
Other economic flows – other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Changes in physical asset revaluation surplus	8.7.3	–	15,300
<i>Items that may be reclassified subsequently to net result</i>			
Fair value re-measurement gains on financial assets	8.7.6	750	755
Total other economic flows – other comprehensive income		750	16,055
Comprehensive result for the year		601	17,286

The above Comprehensive Operating Statement should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Contributed capital	Accumulated surplus	Physical assets revaluation surplus - land	Cultural assets revaluation surplus	General reserve	Donations and bequests reserve	Specific purpose grants reserve	Financial assets valuation reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance 1 July 2016	559,764	(14,467)	95,192	204,488	1,000	2,424	758	-	849,159
Net result	-	1,231	-	-	-	-	-	-	1,231
Other comprehensive income for the year	-	-	15,300	-	-	-	-	755	16,055
Transfer to/from accumulated surplus	-	(4,140)	-	-	(1,000)	4,606	534	-	-
Capital appropriation	12,803	-	-	-	-	-	-	-	12,803
Balance 30 June 2017	572,567	(17,376)	110,492	204,488	-	7,030	1,292	755	879,248
Net result	-	(149)	-	-	-	-	-	-	(149)
Other comprehensive income for the year	-	-	-	-	-	-	-	750	750
Transfer to/from accumulated surplus	-	(2,392)	-	-	-	986	1,406	-	-
Capital appropriation	39,636	-	-	-	-	-	-	-	39,636
Balance 30 June 2018	612,203	(19,917)	110,492	204,488	-	8,016	2,698	1,505	919,485
Notes	8.7.1	8.7.2	8.7.3	8.7.3	8.7.7	8.7.4	8.7.5	8.7.6	

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Notes	2018 \$'000	2017 \$'000
Cash flows from operating activities			
Receipts			
Grants from State Government – appropriation		39,505	39,309
Grants from State Government – capital		528	369
Donations (other than in kind) and bequests		4,988	8,801
Trading receipts		2,425	2,661
Other grants		7,374	4,222
Dividends and interest		1,533	2,764
GST recovered from the ATO		5,053	2,172
Payments			
Payments to suppliers and employees		(53,678)	(46,546)
Net cash flows from/(used in) operating activities	6.2.1	7,728	13,752
Cash flows from investing activities			
Proceeds from/(payments for) investments		(1,206)	(17,600)
Proceeds from sale of property, plant and equipment		2	20
Payment for property, plant and equipment		(38,155)	(10,959)
Payment for Library collection		(2,236)	(1,863)
Net cash used in investing activities		(41,595)	(30,402)
Cash flows from financing activities			
Repayment of finance lease		(15)	(32)
Contributed capital		39,636	12,803
Net cash used in financing activities		39,621	12,771
Net decrease in cash and cash equivalents		5,754	(3,879)
Cash and cash equivalents at beginning of year		19,867	23,746
Cash and cash equivalents at end of year	6.1	25,621	19,867

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1 ABOUT THIS REPORT

The annual financial statements represent the audited general purpose financial statements for the Library Board of Victoria (the Board).

The purpose of the report is to provide users with information about the Board's stewardship of resources entrusted to it.

To gain a better understanding of the terminology used in this report, a glossary of terms and style conventions can be found in Note 8.10.

Reporting entity

The financial statements cover the Board as an individual reporting entity. The Board is a government board of the State of Victoria, established under Section 16 of the *Libraries Act 1988 (as amended)*.

Its principal address is:
328 Swanston Street
Melbourne VIC 3000

The financial statements include all the controlled activities of the Board. The Board's overall objective is to ensure the maintenance, preservation and development of a State Collection of library material, including a comprehensive collection of library material relating to Victoria and the people of Victoria, and to ensure that the collection is available to all Victorians. The Board is predominantly funded by accrual-based Parliamentary appropriations for the provision of outputs.

The State Library of Victoria is one of seven cultural agencies of the Victorian Government and was established in 1852. These agencies are overseen by Creative Victoria, a division of the Department of Economic Development, Jobs, Transport and Resources. Creative Victoria is responsible for implementing the government's arts policies. The Library Board of Victoria governs the activities and operation of the Library and reports to the Victorian Minister for Creative Industries.

A description of the nature of the Board's operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

Basis of preparation

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

In the application of AAS, judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements made by management in the application of AAS that have significant effects on the financial statements and estimates, with a risk of material adjustments in the next year, are disclosed throughout the notes to the financial statements.

Amounts in the financial statements (including the notes) have been rounded to the nearest thousand dollars, unless otherwise stated. These financial statements are presented in Australian dollars and prepared in accordance with the historical cost convention. Historical cost is based on the fair values of the consideration given in exchange for assets.

Exceptions to the historical cost convention include:

- non-financial physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value
- provisions for employee benefits
- the fair value of an asset other than land is generally based on its depreciated replacement value, and
- available-for-sale investments that are measured at fair value with movements reflected in equity until the asset is derecognised.

Consistent with AASB 13 *Fair Value Measurement*, the Board determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment, financial instruments and for non-recurring fair value measurements such as non-financial physical assets held for sale, in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1 ABOUT THIS REPORT (Cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Board has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. In addition, the Board determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Valuer-General Victoria (VGV) is the State Government's authority on statutory valuations.

Compliance information

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable Australian Accounting Standards (AAS) which include interpretations issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

The annual financial statements were authorised for issue by the Library Board of Victoria on 21 August 2018.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2018 and the comparative information presented for the year ended 30 June 2017. Accounting policies are selected and applied in a manner that ensures the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2 FUNDING DELIVERY OF OUR SERVICES**Introduction**

The Board receives revenue from the Victorian State Government, commercial activities and philanthropic sources to meet its objectives. The State Government funding principally comprises the Government appropriation, grants for exhibitions, capital funding and other ad hoc grants. The Board also receives a capital asset charge grant from the State Government as outlined in 2.2.2. The broad revenue streams are outlined from 2.1 to 2.6.

Structure

- 2.1 Summary of income that funds the delivery of our services
- 2.2 Grants from State Government entities
 - 2.2.1 State Government – recurrent appropriation and other grants
 - 2.2.2 State Government – capital assets charge grant
- 2.3 Other grants
- 2.4 Operating activities income
 - 2.4.1 Operating activities income recognition
- 2.5 Donations and bequests
 - 2.5.1 Donations, bequests and philanthropic income
 - 2.5.2 Donated cultural assets
- 2.6 Investment income

2.1 Summary of income that funds the delivery of our services

	Notes	2018 \$'000	2017 \$'000
Recurrent appropriation	2.2.1	39,505	39,309
Capital grants	2.2.1	528	369
Capital assets charge grant	2.2.2	42,291	41,403
Other grants	2.3	6,917	3,737
Operating activities	2.4	1,734	2,389
Donations and bequests	2.5	9,635	10,037
Investment income	2.6	1,902	3,723
Total income from transactions		102,512	100,967

Income is recognised to the extent it is probable the economic benefits will flow to the Board and the income can be reliably measured at fair value. Where applicable, amounts disclosed as income are net of returns, allowances, duties and taxes. Income is recognised for each of the Board's major activities as follows:

2.2 Grants from State Government entities**2.2.1 State Government – recurrent appropriation and other grants**

State Government appropriation and other grants from State Government entities are recognised on receipt in accordance with AASB 1004 *Contributions*.

	Notes	2018 \$'000	2017 \$'000
State Government – Recurrent appropriation	2.1	39,505	39,309
State Government – Capital grants	2.1	528	369
State Government – Capital assets charge grant	2.2.2	42,291	41,403
Other grants			
Department of Education and Training – grants		1,625	1,408
Department of Environment, Land, Water & Planning – grant		50	40
Creative Victoria		2,407	57
Total grants from State Government entities		86,406	82,586

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2 FUNDING DELIVERY OF OUR SERVICES (Cont'd)

2.2.2 State Government – capital assets charge grant

The State Government capital assets charge grant represents the opportunity cost of capital invested in the non-current physical assets used in the provision of outputs. The grant is calculated on the carrying amount of non-current physical assets (excluding heritage and cultural assets) and is matched by an equivalent government charge.

2.3 Other grants

Grant income arises from transactions in which a party provides goods or assets (or extinguishes a liability) to the Board without receiving approximately equal value in return. While grants may result in the provision of some goods or services to the transferring party, they do not provide a claim to receive benefits directly of approximately equal value (and are termed 'non-reciprocal' transfers). Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For non-reciprocal grants, the Board recognises revenue when the grant is receivable or received.

Grants can be received as **general purpose grants**, which refers to grants which are not subject to conditions regarding their use. Alternatively, they may be received as **specific purpose grants**, which are paid for a particular purpose and/or have conditions attached regarding their use.

Grants for on-passing are grants paid to one institutional sector (e.g. a state-based general government entity) to be passed on to another institutional sector (e.g. local government or a private non-profit institution).

Some grants are **reciprocal** in nature (i.e. equal value is given back by the recipient of the grant to the provider). The Board recognises income when it has satisfied its performance obligations under the terms of the grant.

	Notes	2018 \$'000	2017 \$'000
Other grants from State Government entities	2.2.1	4,082	1,505
Other specific purpose grants		2,835	2,232
Total other grants	2.1	6,917	3,737

2.4 Operating activities income

	Notes	2018 \$'000	2017 \$'000
Venue hire	2.4.1	1,571	1,507
Other	2.4.1	163	882
Total operating activities income	2.1	1,734	2,389

2.4.1 Operating activities income recognition

Income from **operating activities** is recognised when:

- the Board no longer has any of the significant risks and rewards of ownership of the goods transferred to the buyer;
- the Board no longer has continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- the amount of income, and the costs incurred or to be incurred in respect of the transactions, can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the Board.

Income from the **supply of services** is recognised by reference to the stage of completion of the services being performed. The income is recognised when:

- the amount of the income, stage of completion and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the Board.

Under this method, income is recognised by reference to labour hours supplied or to labour hours supplied as a percentage of total services to be performed in each annual reporting period. Other income includes lease rental, ticket sales, direct delivery, Vicnet and cost recoveries.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2 FUNDING DELIVERY OF OUR SERVICES (Cont'd)

2.5 Donations and bequests

	Notes	2018 \$'000	2017 \$'000
Donated cultural assets at fair value	2.5.2	4,647	1,236
Donations – redevelopment	2.5.1	3,850	7,033
Bequests received	2.5.1	191	641
Memberships	2.5.1	159	204
Other donations		788	923
Total donations and bequests	2.1	9,635	10,037

2.5.1 Donations, bequests and philanthropic income

Donations and bequests for specific purposes have been brought to account as revenue upon receipt. Memberships are recognised on receipt. The balance of unexpended donations is transferred to the donations and bequests reserve on an annual basis. Subsequent expenditure is recorded as an expense in the Comprehensive Operating Statement and results in a transfer from the reserve.

2.5.2 Donated cultural assets

Donated cultural assets are recognised when the gift is accepted by the State Library of Victoria and control of the contribution or right to receive the contribution exists and the donor has signed a Deed of Gift. Donated cultural assets are recorded at fair value which is determined by either independent valuations, or for works donated under the Cultural Gifts Program, by a curatorial or other assessment by the State Library of Victoria.

2.6 Investment income

	Notes	2018 \$'000	2017 \$'000
Interest received		378	328
Distributions received		1,435	651
Dividends received		89	2,744
Total investment income	2.1	1,902	3,723

Interest revenue is recognised when due and dividend revenue is recognised when the right to receive payment is established. Franking credits are recognised at the same time as the underlying dividend.

Net realised and unrealised gains and losses on the revaluation of investments do not form part of income from transactions, but are reported either as part of income from 'other economic flows' in the net result or as unrealised gains or losses taken directly to equity, forming part of the total change in net worth in the comprehensive result.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

3 THE COST OF DELIVERING SERVICES**Introduction**

This section provides an account of the expenses incurred by the Board in delivering its objectives. In section 2, the funds that enable the provision of services were disclosed and in this note the costs associated with the provision of services are recorded. Expenses incurred in delivering the objectives of the Board are outlined from 3.1 to 3.3 below:

Structure

- 3.1 Expenses incurred in the delivery of services
 - 3.1.1 Employee benefits in the comprehensive operating statement
 - 3.1.2 Employee benefits in the balance sheet
 - 3.1.3 Superannuation contributions
- 3.2 Supplies and services
- 3.3 Capital assets charge

3.1 Expenses incurred in the delivery of services

	Notes	2018 \$'000	2017 \$'000
Employee benefit expenses	3.1.1	32,812	30,480
Supplies and services	3.2	14,493	14,385
Capital assets charge	3.3	42,291	41,403
Total expenses incurred in delivery of services		89,596	86,268

3.1.1 Employee benefits in the comprehensive operating statement

	Notes	2018 \$'000	2017 \$'000
Salaries		25,016	22,998
Superannuation	3.1.3	2,516	2,307
Other salary-related costs		5,280	5,175
Total employee expenses	3.1	32,812	30,480

Employee expenses include all costs related to employment including wages and salaries, fringe benefits, leave entitlements, termination payments, superannuation contributions and WorkCover premiums.

The amount recognised in the comprehensive operating statement in respect of superannuation represents the contribution paid or payable by the Board to the superannuation funds of employees. The Board does not recognise any accrued defined benefit liability in respect of the plan(s).

3.1.2 Employee benefits in the balance sheet

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long-service leave for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

Provisions are recognised when the Board has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

3 THE COST OF DELIVERING SERVICES (Cont'd)**3.1.2 Employee benefits in the balance sheet (Cont'd)**

The amount recognised as a liability is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time value of money and risks specific to the provision. When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

	2018	2017
	\$'000	\$'000
Current provisions		
Employee benefits		
Annual leave entitlements		
– Unconditional and expected to be settled within 12 months	1,392	1,296
– Unconditional and expected to be settled after 12 months	686	642
Long-service leave entitlements		
– Unconditional and expected to be settled within 12 months	643	552
– Unconditional and expected to be settled after 12 months	4,904	4,646
	7,625	7,136
Provisions related to benefit on-costs		
– Unconditional and expected to be settled within 12 months	265	240
– Unconditional and expected to be settled after 12 months	855	809
	1,120	1,049
Total current provisions	8,745	8,185
Non-current provisions		
Conditional long-service leave entitlements	398	381
Provisions related to benefit on-costs	61	58
Total non-current provisions	459	439
Total provisions for employee benefits	9,204	8,624
Employee benefits and related on-costs		
Current employee benefits		
Annual leave entitlements	2,078	1,937
Unconditional long-service entitlements	5,547	5,199
Non-current employee benefits		
Conditional long-service entitlements	398	381
Total employee benefits	8,023	7,517
Current on-costs	1,120	1,049
Non-current on-costs	61	58
Total on-costs	1,181	1,107
Total provisions for employee benefits	9,204	8,624

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

3 THE COST OF DELIVERING SERVICES (Cont'd)

3.1.2 Employee benefits in the balance sheet (Cont'd)

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because the Board does not have an unconditional right to defer settlements of these liabilities. The liability of salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As the Board expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as the Board does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the statement of comprehensive income as it is taken.

Employment on-costs such as payroll tax, workers' compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Reconciliation of movement in long-service leave provision

	2018 \$'000	2017 \$'000
Opening balance	6,436	6,491
Additional provisions recognised	927	598
Reductions arising from payments	(505)	(653)
Closing balance	6,858	6,436

Long-service leave

Unconditional long-service leave (LSL) is disclosed as a current liability; even where the Board does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- Undiscounted value – if the Board expects to wholly settle within 12 months; or
- Present value – if the Board does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

3 THE COST OF DELIVERING SERVICES (Cont'd)**3.1.3 Superannuation contributions**

The Board has made superannuation contributions for employees who are members of the public sector superannuation schemes listed below. The name, details and amounts expensed in relation to the major employee superannuation funds and contributions paid or payable by the Board are as follows:

	Notes	2018 \$'000	2017 \$'000
Defined benefit plan			
State Superannuation Fund		526	481
Defined contribution plans			
VicSuper		1,494	1,426
Private superannuation funds		496	400
Total superannuation	3.1.1	2,516	2,307

There are no superannuation contributions outstanding as at 30 June 2018 (2017: nil). The Library Board of Victoria has no responsibility for unfunded liabilities associated with any of the above-mentioned superannuation schemes. Employer contributions vary from 7.5% to 17% depending on employee fund membership.

3.2 Supplies and services

Supplies and services expenses are recognised as an expense in the reporting period in which they are incurred. Expenses from transactions are recognised as they are incurred, and reported in the financial year to which they relate.

	Notes	2018 \$'000	2017 \$'000
Buildings and facilities		6,543	5,938
Professional and finance		1,527	1,565
Borrowing costs		2	-
Grants distributed		113	90
Information technology		3,360	3,101
Marketing and promotion		1,558	2,260
Other expenses from ordinary activities		1,390	1,431
Total supplies and services	3.1	14,493	14,385

3.3 Capital assets charge

A charge levied on the written-down value of controlled non-current physical assets (excluding heritage and cultural assets) in the Board's balance sheet which aims to attribute to the Board's outputs the opportunity cost of capital used in service delivery and provide incentives to the Board to identify and dispose of underutilised or surplus assets in a timely manner. The capital asset charge is calculated on the budgeted carrying amount of applicable non-financial physical assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

4 KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

Introduction

The Board controls assets for the delivery of its services. The key assets identified in delivering these services are:

Structure

- 4.1 Total property, plant and equipment
 - 4.1.1 Depreciation
 - 4.1.2 Impairment
 - 4.1.3 Reconciliation of movement in carrying values of property, plant and equipment
- 4.2 Cultural assets
 - 4.2.1 Reconciliation of movements of cultural assets
- 4.3 Investments and other financial assets
 - 4.3.1 Ageing analysis of investments and financial assets
 - 4.3.2 Analysis and purpose of financial assets

Additional information is provided in Note 7.3.2 in relation to fair value and how fair value of property, plant and equipment and cultural assets was determined.

4.1 Total property, plant and equipment

Classification by 'public administration' purpose group – movements in carrying amounts

	Public administration					
	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Land at fair value	132,992	132,992	–	–	132,992	132,992
Buildings at fair value	318,691	318,691	(21,281)	(10,997)	297,410	307,694
Equipment at fair value	16,067	15,304	(14,489)	(14,154)	1,578	1,150
Equipment under lease at fair value	81	81	(41)	(27)	40	54
Work in progress at cost	50,924	13,546	–	–	50,924	13,546
Closing balance	518,755	480,614	(35,811)	(25,178)	482,944	455,436

Initial recognition

Property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

The initial cost for non-financial physical assets under a finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Where an asset is received for no or nominal consideration, the cost is the asset's fair value at the date of acquisition.

Non-financial physical assets such as land, buildings and heritage assets are measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or constructive restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the asset are not taken into account until it is virtually certain that the restrictions will no longer apply.

The fair value of cultural assets and collections, heritage assets and other non-financial physical assets that the state intends to preserve because of their unique historical, cultural or environmental attributes, is measured at the replacement cost of the asset less, where applicable, accumulated depreciation (calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset) and any accumulated impairment. These policies and any legislative limitations and restrictions imposed on their use and/or disposal may impact their fair value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

4 KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (Cont'd)

4.1 Total property, plant and equipment (Cont'd)

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project, and an appropriate proportion of variable and fixed overheads. Where an asset is received for no or nominal consideration, the cost is the asset's fair value at the date of acquisition.

Restrictive nature of land, cultural and heritage assets

The Board holds cultural heritage assets that are deemed worthy of preservation because of the social rather than financial benefits they provide to the community. Consequently, there are certain limitations and restrictions imposed on their use and/or disposal.

Non-financial physical assets constructed by the Board

The cost of non-financial physical assets constructed by the Board includes the cost of all materials used in construction, direct labour on the project, and an appropriate proportion of variable and fixed overheads.

Land

The market approach is used for specialised land, although it is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued. Under the market approach the land is compared to recent comparable sales. The CSO adjustment is reflection of the valuer's assessment of the impact of restrictions associated with the land to the extent that is also equally applicable to market participants.

Buildings

The depreciated reproduction cost is the valuation method used for the Library Board of Victoria's building, adjusted for the associated depreciation. Reproduction cost represents the cost of reconstruction including professional fees and escalation, however excludes the cost of demolition and removal of debris of the existing building. It also assumes destruction occurs on the date for financial reporting. Depreciated reproduction costs reflects reproduction cost after applying depreciation on a useful-life basis.

Equipment

General plant and equipment is held at fair value, which has been determined using the current replacement cost method.

4.1.1 Depreciation

	Notes	2018 \$'000	2017 \$'000
Depreciation charge for the period			
Buildings	4.1.3	10,284	10,997
Equipment	4.1.3	349	285
Equipment under lease	4.1.3	14	15
Non-heritage collection	4.2.1	2,409	2,357
Total depreciation		13,056	13,654

Property, plant and equipment, including freehold buildings but excluding land, have finite lives and are depreciated. Depreciation is calculated on a straight-line basis at rates that allocate the asset's value, less any estimated useful life. Leasehold improvements are depreciated over the period of the lease or the asset's estimated useful life, whichever is the shorter, using the straight-line method.

The following are typical estimated useful lives for the different asset classes, used in the calculation of depreciation for current and prior year:

Asset class	Useful life
Buildings	100 years
Plant and equipment	5–20 years
Non-heritage collection assets	50 years

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

4 KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (Cont'd)**4.1.1 Depreciation (Cont'd)**

Depreciation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period. Where it is determined that the estimated useful life of an asset has changed, the depreciation rate for the asset is adjusted accordingly.

Land and heritage collection assets, which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

4.1.2 Impairment

Property, plant and equipment are assessed annually for indications of impairment.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as another economic flow, except to the extent that the write down can be debited to an asset revaluation surplus amount applicable to that class of asset.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However, this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised in prior years.

The recoverable amount for most assets is measured at the higher of current replacement cost and fair value costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of the future cash flows expected to be obtained from the asset and fair value less costs to sell.

4.1.3 Reconciliation of movement in carrying values of property, plant and equipment

	Land at fair value	Buildings at fair value	Equipment at fair value	Equipment under lease at fair value	Work in progress at cost	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2018						
Opening balance	132,992	307,694	1,150	54	13,546	455,436
Additions	-	-	777	-	37,378	38,155
Depreciation	-	(10,284)	(349)	(14)	-	(10,647)
Closing balance	132,992	297,410	1,578	40	50,924	482,944
2017						
Opening balance	117,692	318,691	1,215	86	2,092	439,776
Additions	-	-	225	-	11,454	11,679
Disposals	-	-	(5)	(17)	-	(22)
Revaluation	15,300	-	-	-	-	15,300
Depreciation	-	(10,997)	(285)	(15)	-	(11,297)
Closing balance	132,992	307,694	1,150	54	13,546	455,436

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

4 KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (Cont'd)

4.2 Cultural assets

Classification by 'purpose groups' – gross carrying amounts and accumulated depreciation

	Gross carrying amount		Public administration Accumulated depreciation		Net carrying amount	
	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Heritage collection at fair value	277,952	277,952	–	–	277,952	277,952
Heritage collection at fair value	1,276	516	–	–	1,276	516
Non-heritage collection at fair value	117,833	117,833	(4,713)	(2,357)	113,120	115,476
Donated material at fair value	5,883	1,236	(25)	–	5,858	1,236
Non-heritage collection at fair value	2,858	1,382	(28)	–	2,830	1,382
Closing balance	405,802	398,919	(4,766)	(2,357)	401,036	396,562

Cultural assets comprise works in the State Library Collection and other cultural assets. Control of the State Library Collection is vested in the Library Board of Victoria by virtue of the *Libraries Act 1988*. Additions to the State Collection may take the form of either a purchase by the State Library of Victoria or a donation from a third party.

All cultural assets are held for exhibition, education, research and historical interest. Such assets are deemed worthy of preservation because of the social rather than financial benefits they provide to the community. The nature of these assets means that there are certain limitations and restrictions imposed on their use and/or disposal.

Purchased cultural assets are initially carried at cost and revalued subsequently at fair value. Donated or bequeathed cultural assets are carried at fair value. Heritage cultural assets are not depreciated as they do not have a finite useful life. The current use is considered the highest and best use.

An external revaluation process is required every five years, based upon the asset's Government Purpose Classification but may occur more frequently if material movements in fair value are identified.

An independent valuation of the Board's collections was performed by Australian Valuation Solutions Pty Ltd on behalf of the Valuer-General Victoria, to determine the fair value of the collections. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arms-length transaction. The valuation was based on independent assessments. The effective date of the valuation is 30 June 2016.

Items donated to the Library collections have been valued by Library staff except where the donation has been externally valued under the Cultural Gifts program.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

4 KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (Cont'd)

4.2.1 Reconciliation of movements in cultural assets

	Heritage collection at independent fair value \$'000	Heritage collection at management fair value \$'000	Non-heritage collection at independent fair value \$'000	Donated material at fair value \$'000	Non-heritage collection at management fair value \$'000	Total \$'000
2018						
Opening balance	277,952	516	115,476	1,236	1,382	396,562
Purchases	-	760	-	-	1,476	2,236
Donated materials	-	-	-	4,647	-	4,647
Depreciation	-	-	(2,356)	(25)	(28)	(2,409)
Closing balance	277,952	1,276	113,067	5,858	2,830	401,036
2017						
Opening balance	277,952	-	117,833	-	-	395,785
Purchases	-	516	-	-	1,382	1,898
Donated materials	-	-	-	1,236	-	1,236
Depreciation	-	-	(2,357)	-	-	(2,357)
Closing balance	277,952	516	115,476	1,236	1,382	396,562

4.3 Investments and other financial assets

The Board holds cash, deposits and investments to provide for future operating and capital purposes, including the purchase of works of art for the State Collection. Funds are classified as current or non-current.

Current funds represent funds held either in transactional bank accounts, or invested in order to reduce volatility in value and optimise the investment income earned.

Non-current funds represent funds held in perpetuity (endowed funds) and invested with the intent of maximising their long-term value. As a result, these funds may experience more volatility in value.

Investments held by the Board are classified as available-for-sale and are measured at fair value in the manner described in Note 7.3.1.

Gains on individual assets arising from differences between carrying amount and fair value are credited directly to the 'Financial assets valuation reserve', except that, to the extent that an increment reverses a revaluation decrement in respect of that asset previously recognised as an expense in the net result, the increment is recognised immediately as revenue in the net result.

Losses on individual assets arising from differences between carrying amount and fair value are recognised immediately as an expense in the net result, except that, to the extent that a credit balance exists in the 'Financial assets valuation reserve' in respect of the same asset, are debited directly to the 'Financial assets valuation reserve'. Revaluation increases and decreases of different assets are not offset against one another.

Movements resulting from impairment are recognised as an expense in the net result. On disposal, the cumulative gain or loss previously recognised in 'Other economic flows – other comprehensive income' is transferred to 'Other economic flows included in net result'.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

4 KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (Cont'd)

4.3.1 Ageing analysis of investments and other financial assets

	Carrying amount \$'000	Not past due and not impaired \$'000	Past due but not impaired			
			Less than 1 mth \$'000	1-3 mths \$'000	3 mths- 1 yr \$'000	1-5 yrs \$'000
2018						
Investments and other financial assets						
Investment in externally managed unitised funds	19,535	19,535	-	-	-	-
Total investments and other financial assets	19,535	19,535	-	-	-	-
2017						
Investments and other financial assets						
Investment in externally managed unitised funds	17,579	17,579	-	-	-	-
Total investments and other financial assets	17,579	17,579	-	-	-	-

4.3.2 Analysis and purpose of financial assets

		General funds 2018 \$'000	Dedicated funds 2018 \$'000	Total funds 2018 \$'000	General funds 2017 \$'000	Dedicated funds 2017 \$'000	Total funds 2017 \$'000
	Notes						
Cash and deposits	6.1	3,144	22,477	25,621	2,898	16,969	19,867
Receivables	5.1	1,898	-	1,898	2,029	-	2,029
Investments and other financial assets	4.3.1	-	19,535	19,535	-	17,579	17,579
Total financial assets		5,042	42,012	47,054	4,927	34,548	39,475

General funds have been generated by the Board from operating activities and are applied to the achievement of the Board's future strategic objectives, including expenditure on property, plant and equipment.

Dedicated funds have been granted, donated or bequeathed to the Library Board of Victoria and are dedicated to the purchase of books or other specific purposes, as expressed by the original grantor, donor or testator.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

5 OTHER ASSETS AND LIABILITIES

Introduction

This section sets out those assets and liabilities that arose from the Board's operations.

Structure

- 5.1 Receivables
 - 5.1.1 Ageing analysis of contractual receivables
- 5.2 Other non-financial assets
- 5.3 Deferred expenditure
- 5.4 Payables
 - 5.4.1 Maturity analysis of financial liabilities

5.1 Receivables

	Notes	2018 \$'000	2017 \$'000
Current contractual			
Debtors – external		1,794	1,010
Franking credits receivable		–	712
Accrued interest receivable		1	3
		1,795	1,725
Statutory GST recoverable		103	304
Total current receivables	4.3.2	1,898	2,029

Receivables consist of:

- Contractual receivables, such as debtors in relation to goods and services and franking credits recoverable;
- Statutory receivables include Goods and Services Tax input tax credits recoverable.

Contractual receivables are classified as financial instruments and categorised as receivables. Statutory receivables, are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

Doubtful debts

Receivables are assessed for bad and doubtful debts on a regular basis. A provision for doubtful receivables is recognised when there is objective evidence that the debts may not be collected, and bad debts are written off when identified.

Those bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off, including the allowance for doubtful receivables, are classified as other economic flows in the net result.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

5 OTHER ASSETS AND LIABILITIES (Cont'd)

5.1.1 Ageing analysis of contractual receivables

	Carrying amount	Not past due and not impaired	Past due but not impaired			
			Less than 1 mth	1-3 mths	3 mths -1 yr	1-5 yrs
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2018						
Contractual financial assets						
Receivables						
Debtors	1,794	1,284	471	39	-	-
Accrued interest receivable	1	1	-	-	-	-
Total contractual financial assets	1,795	1,285	471	39	-	-
2017						
Contractual financial assets						
Receivables						
Debtors	1,010	596	407	7	-	-
Accrued interest receivable	3	3	-	-	-	-
Franking credits	712	712	-	-	-	-
Total contractual financial assets	1,725	1,311	407	7	-	-

There are no material financial assets that are individually determined to be impaired. The Board does not hold any collateral as security nor credit enhancements relating to any of its financial assets. There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The ageing analysis table above discloses the ageing only of contractual financial assets that are past due but not impaired.

5.2 Other non-financial assets

	2018 \$'000	2017 \$'000
Prepayments	773	383
Total prepayments	773	383

Prepayments and other assets represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond the period. Prepayments include collection serials and ICT licences.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

5 OTHER ASSETS AND LIABILITIES (Cont'd)

5.3 Deferred expenditure

The value of deferred expenditure represents the remaining value of the CAVAL Archival and Research Materials (CARM) Centre after the Library write-down in 2004-05.

		2018 \$'000	2017 \$'000
CARM Centre, Bundoora		1,000	1,000
less: accumulated amortisation		(999)	(999)
Total deferred expenditure		1	1

5.4 Payables

	Notes	2018 \$'000	2017 \$'000
Contractual			
Supplies and services		1,201	1,110
Accrued expenses		997	1,176
Lease liabilities		40	55
Prepaid revenue		230	252
Amounts payable to other government agencies		523	1,266
Statutory			
Amounts payable to other government agencies		128	126
Total payables	5.4.1	3,119	3,985

Payables consist of:

- Contractual payables, such as accounts payable, and unearned income. Accounts payable represent liabilities for goods and services provided to the State Library of Victoria prior to the end of the financial year that are unpaid, and arise when the State Library of Victoria becomes obliged to make future payments in respect of the purchase of those goods and services; and
- Statutory payables, such as goods and services tax and fringe benefits tax payables.

Contractual payables are classified as financial instruments and categorised as financial liabilities (refer Note 7.1.1). Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments because they do not arise from a contract.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

5 OTHER ASSETS AND LIABILITIES (Cont'd)

5.4.1 Maturity analysis of financial liabilities

The carrying amount detailed in the following table of contractual financial liabilities recorded in the financial statements represents the Board's maximum exposure to liquidity risk. The following table discloses the contractual maturity analysis for the Board's contractual financial liabilities

	Carrying amount	Nominal amount	Maturity dates				
			Less than 1 mth	1-3 mths	3 mths -1 yr	1-5 yrs	5+ yrs
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2018							
Contractual financial liabilities							
Payables							
Supplies and services	1,201	1,201	1,201	-	-	-	-
Accrued expenses	997	997	997	-	-	-	-
Lease liabilities	40	40	12	2	26	-	-
Prepaid revenue	230	113	50	26	39	2	-
Amounts payable to other government agencies	651	651	651	-	-	-	-
Total contractual financial liabilities	3,119	3,002	2,911	28	65	2	-
2017							
Contractual financial liabilities							
Payables							
Supplies and services	1,110	1,110	1,110	-	-	-	-
Accrued expenses	1,176	1,176	1,176	-	-	-	-
Lease liabilities	55	55	1	3	11	40	-
Prepaid revenue	252	252	180	43	27	2	-
Amounts payable to other government agencies	1,392	1,392	1,392	-	-	-	-
Total contractual financial liabilities	3,985	3,985	3,859	46	38	42	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

6 HOW WE FINANCED OUR OPERATIONS

Introduction

This section provides information on sources of finance used by the Board during its operations.

Structure

- 6.1 Cash and deposits
- 6.2 Cash flow information and balances
 - 6.2.1 Reconciliation of net result for the period to cash flow from operating activities
 - 6.2.2 Non-cash financing and investing activities
- 6.3 Leases
 - 6.3.1 Finance lease liabilities (Board as lessee)
 - 6.3.2 Operating leases
- 6.4 Commitments for future expenditure

6.1 Cash and deposits

	Notes	2018 \$'000	2017 \$'000
Cash on hand		10	4
Cash at bank		3,134	2,894
Bank deposits at call		22,477	16,969
Total cash and deposits	4.3.2	25,621	19,867

Cash and deposits recognised on the balance sheet comprise cash on hand and cash at bank, deposits at call and highly liquid investments (with an original maturity of three months or less) which are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and readily convertible to known amounts of cash with an insignificant risk of changes in value.

6.2 Cash flow information and balances

6.2.1 Reconciliation of net result for the period to net cash flows from operating activities

	Notes	2018 \$'000	2017 \$'000
Net result for the year		(149)	1,231
Non-cash movements			
Depreciation	4.1.1	13,056	13,654
Donations in kind	2.5	(4,647)	(1,236)
Loss/(gain) on sale of available-for-sale financial assets		–	21
Loss/(gain) on sale non-financial assets		(2)	2
Movements in assets and liabilities			
Increase in provisions		580	79
Decrease/(increase) in receivables		131	(1,128)
Decrease/(increase) in prepayments		(390)	35
Increase/(decrease) in payables		(1,195)	810
Increase/(decrease) in other liabilities		344	284
Net cash flows from/(used in) operating activities		7,728	13,752

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

6 HOW WE FINANCED OUR OPERATIONS (Cont'd)

6.2.2 Non-cash financing and investing activities

Acquisition of collections

During the year the Board received collections with an aggregate fair value of \$4,646,807 (2017: \$1,235,561) through public donations. These acquisitions are not reflected in the cash flow statement.

Leased assets

During the year the Board acquired leased motor vehicles of nil (2017: nil). These acquisitions are not reflected in the cash flow statement.

6.3 Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment.

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of property, plant and equipment are classified as finance infrastructure leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

6.3.1 Finance lease liabilities (Board as lessee)

	Notes	Minimum future lease payments		Present value of minimum future lease payments	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Finance lease liabilities payable					
No longer than 1 year		40	17	40	17
Longer than 1 year but not longer than 5 years		-	40	-	40
Minimum future lease payments		40	57	40	57
Less future finance charges		-	(2)	-	(2)
Present value of minimum future lease payments		40	55	40	55
Included in financial statements as:					
Current lease liabilities		-	-	40	15
Non-current lease liabilities		-	-	-	40
		-	-	40	55

At the commencement of the lease term, finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The lease asset is depreciated over the shorter of the estimated useful life of the asset or the term of the lease.

Minimum finance lease payments are apportioned between reduction of the outstanding lease liability and periodic finance expense, which is calculated using the interest rate implicit in the lease and charged directly to the comprehensive operating statement. Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.

Finance leases include motor vehicles.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

6 HOW WE FINANCED OUR OPERATIONS (Cont'd)

6.3.2 Operating leases (Board as lessee)

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives are received to enter into operating leases, the aggregate cost of incentives are recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Operating leases include ICT equipment.

The AASB has issued the new leasing standard AASB 16 *Leases* to supersede the existing standard AASB 117 *Leases*. The new standard will be operative from reporting periods commencing 1 January 2019. The key change introduced by AASB 16 includes the recognition of most operating leases on the balance sheet.

6.4 Commitments for future expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. The following commitments are disclosed at their nominal value and inclusive of the Goods and Services Tax payable and are not included in the Balance Sheet.

	Notes	2018 \$'000	2017 \$'000
Other expenditure commitments			
Other expenditure includes mechanical and lift maintenance, security, cleaning and rental of Ballarat offsite storage site, payable as follows:			
Not later than one year		3,846	3,772
Later than one year, not later than five years		2,530	4,866
Later than five years		608	628
		6,984	9,266
Operating leases			
Commitments for minimum-lease payments in relation to non-cancellable operating leases are payable as follows:			
Not later than one year		539	492
Later than one year, not later than five years		1,025	998
		1,564	1,490
Total commitments for expenditure (GST inclusive)		8,548	10,756
Less GST recoverable from the ATO		(777)	(978)
Total commitments for expenditure (GST exclusive)		7,771	9,778

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

7 RISK, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction

The Board is exposed to risk from its activities and outside factors. It is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information (including exposure to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the Board relate mainly to fair value determination.

Structure

- 7.1 Financial instruments specific disclosures
 - 7.1.1 Categorisation of financial instruments
 - 7.1.2 Net holding gain/(loss) on financial instruments by category
 - 7.1.3 Credit risk
 - 7.1.4 Liquidity risk
 - 7.1.5 Market risk
 - 7.1.6 Interest-rate risk
 - 7.1.7 Equity-price risk
 - 7.1.8 Foreign-currency risk
- 7.2 Contingent assets and contingent liabilities
- 7.3 Fair value determination
 - 7.3.1 Fair value determination of financial assets and liabilities
 - 7.3.2 Fair value determination of non-financial physical assets

7.1 Financial instruments specific disclosures

The Board's principal financial instruments comprise cash assets, term deposits, receivables, cash management funds, payables and finance lease payables. Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Board's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*. For example, statutory receivables arising from taxes do not meet the definition of financial instruments as they do not arise under contract. Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

The following refers to financial instruments unless otherwise stated.

Categories of non-derivative financial instruments

Cash and deposits

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call, term deposits and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Receivables

Receivables consist of:

- statutory receivables, which include predominantly amounts owing from the Victorian Government and GST input tax credits recoverable, and
- contractual receivables include mainly debtors in relation to goods and services and accrued investment income.

Receivables that are contractual are classified as financial instruments. Statutory receivables are not classified as financial instruments.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less an allowance for impairment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

7 RISK, CONTINGENCIES AND VALUATION JUDGEMENTS (Cont'd)

7.1 Financial instruments specific disclosures (Cont'd)

Investments and other financial assets

Investments are classified in the following categories:

- loans and receivables, and
- available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Any dividend or interest earned on the financial asset is recognised in the comprehensive operating statement as a transaction.

Loans and receivables

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Loans and receivables category includes cash and deposits (refer to Note 6.1), term deposits with maturity greater than three months, trade receivables, loans and other receivables, but not statutory receivables.

Available-for-sale financial assets

Available-for-sale financial instrument assets are those designated as available for sale or not classified in any other category of financial instrument asset. Such assets are initially recognised at fair value. Subsequent to initial recognition, they are measured at fair value with gains and losses arising from changes in fair value, recognised in 'other economic flows – other non-owner changes in equity' until the investments are disposed.

Movements resulting from impairment are recognised in the net result as 'other economic flows'. On disposal, the cumulative gain or loss previously recognised in 'other economic flows – other non-owner changes in equity' is transferred to 'other economic flows' in the net result.

The available-for-sale category includes managed investments, equity investments and fixed interest securities.

Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interestbearing liability, using the effective interest rate method.

Financial instrument liabilities measured at amortised cost include all payables.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

7 RISK, CONTINGENCIES AND VALUATION JUDGEMENTS (Cont'd)

7.1.1 Categorisation of financial instruments

The carrying amount of the Board's contractual financial assets and contractual financial liabilities by category are disclosed as follows:

		Contractual financial assets – loans and receivables \$'000	Contractual financial assets available- for-sale \$'000	Contractual financial liabilities at amortised cost \$'000	Total \$'000
2018					
Contractual financial assets					
Cash and deposits		25,621	–	–	25,621
Receivables	Debtors	1,794	–	–	1,794
	Accrued interest receivable	1	–	–	1
Investments and other financial assets	Externally managed unitised funds	–	19,535	–	19,535
Total contractual financial assets		27,416	19,535	–	46,951
Contractual financial liabilities					
Payables	Supplies and services	–	–	1,201	1,201
	Accrued expenses	–	–	997	997
	Lease liabilities	–	–	40	40
	Prepaid revenue	–	–	230	230
	Amounts payable to other government agencies	–	–	523	523
Total contractual financial liabilities		–	–	2,991	2,991
2017					
Contractual financial assets					
Cash and deposits		19,867	–	–	19,867
Receivables	Franking credits	712	–	–	712
	Debtors	1,010	–	–	1,010
	Accrued interest receivable	3	–	–	3
Investments and other financial assets	Externally managed unitised funds	–	17,579	–	17,579
Total contractual financial assets		21,592	17,579	–	39,171
Contractual financial liabilities					
Payables	Supplies and services	–	–	1,110	1,110
	Accrued expenses	–	–	1,176	1,176
	Lease liabilities	–	–	55	55
	Prepaid revenue	–	–	252	252
	Amounts payable to other government agencies	–	–	1,266	1,266
Total contractual financial liabilities		–	–	3,859	3,859

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

7 RISK, CONTINGENCIES AND VALUATION JUDGEMENTS (Cont'd)

7.1.2 Net holding gain/(loss) on financial instruments by category

The net holding gains or losses disclosed above are determined as follows:

- For cash and cash equivalents, receivables and available-for-sale financial assets, the net gain or loss is calculated by taking the movement in the fair value of the asset, the interest and dividend revenue and realised capital gains less any impairment recognised in the net result.
- For financial liabilities measured at amortised cost, the net gain or loss is calculated as interest expense only.

	Net holding gain	Total interest income/ (expense)	Total
	\$'000	\$'000	\$'000
2018			
Contractual financial assets			
Contractual financial assets – loans and receivables	–	378	378
Contractual financial assets available-for-sale recognised in net result	–	1,524	1,524
Contractual financial assets available-for-sale recognised in other comprehensive result	750	–	750
Total contractual financial assets	750	1,902	2,652
Contractual financial liabilities			
Contractual financial liabilities at amortised cost	–	–	–
Total contractual financial liabilities	–	–	–
2017			
Contractual financial assets			
Contractual financial assets – loans and receivables	–	328	328
Contractual financial assets available-for-sale recognised in net result	–	651	651
Contractual financial assets available-for-sale recognised in other comprehensive result	755	–	755
Total contractual financial assets	755	979	1,734
Contractual financial liabilities			
Contractual financial liabilities at amortised cost	–	–	–
Total contractual financial liabilities	–	–	–

7.1.3 Credit risk

Credit risk arises from the contractual financial assets of the Board, which comprise cash and cash equivalents, term deposits, non-statutory receivables and available-for-sale contractual financial assets. The Board's exposure to credit risk arises from the potential default of counter parties on their contractual obligations resulting in financial loss to the Board. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Board's contractual financial assets is minimal because the main debtors are Victorian Government departments, ANZ Banking Group Limited, National Australia Bank Limited, Treasury Corporation of Victoria and Victorian Funds Management Corporation.

The Board does not engage in hedging for its contractual financial assets and the Board does not hold any collateral as security nor credit enhancements relating to any of their financial assets. Except as noted in the following table, the carrying amount of contractual financial assets recorded in the financial statements represents the Board's maximum exposure to credit risk:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

7 RISK, CONTINGENCIES AND VALUATION JUDGEMENTS (Cont'd)

7.1.3(a) Credit quality of financial assets that are neither past due nor impaired

	Financial institutions Double-A credit rating \$'000	Government agencies Triple-A credit rating \$'000	Other \$'000	Total \$'000
2018				
Contractual financial assets				
Cash and deposits	3,134	22,477	10	25,621
Receivables	1	1,080	714	1,795
Investments and other financial assets	–	19,535	–	19,535
Total contractual financial assets	3,135	43,092	724	46,951
2017				
Contractual financial assets				
Cash and deposits	6,895	12,968	4	19,867
Receivables	3	254	1,468	1,725
Investments and other financial assets	–	17,579	–	17,579
Total contractual financial assets	6,898	30,801	1,472	39,171

7.1.4 Liquidity risk

Liquidity risk is the risk that the Board would be unable to meet its financial obligations as and when they fall due. The Board operates under the government fair payments policy of settling financial obligations within 30 days and continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high-quality liquid assets.

The Board's maximum exposure to liquidity risk is the carrying amount of financial liabilities as disclosed in the balance sheet.

The Board manages its liquidity risk by:

- monitoring future cash flows
- careful maturity planning to ensure adequate holding of high-quality liquid assets
- a high credit rating for the State of Victoria (Moody's Investor Services and Standard & Poor's Triple-A)

The Board's exposure to liquidity risk is deemed insignificant based on data from prior periods and current assessment of risk.

7.1.5 Market risk

The Board is exposed to market risk primarily through interest-rate risk and equity-price risk, with minimal exposure to foreign-currency risk.

7.1.6 Interest-rate risk

Fair value interest-rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates.

Cash flow interest-rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Board has minimal exposure to cash flow interest-rate risks through its cash and deposits, term deposits that are at fixed interest rates. Exposure to cash flow interest-rate risk arises primarily through the Board's interest-bearing assets (term deposits) at the time of expiration of one term and renegotiation for a new term. The Board manages this risk by mainly undertaking fixed-rate or non-interest-bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate. Management has concluded that cash at bank can be left at floating rate without necessarily exposing the Board to significant risk; management monitors movement in interest rates on a daily basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

7 RISK, CONTINGENCIES AND VALUATION JUDGEMENTS (Cont'd)**7.1.6 Interest-rate risk (Cont'd)**

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates are set out in the following table. In addition, the Board's sensitivity to interest-rate risk is set out below.

7.1.6(a) Interest-rate analysis of financial instruments

		Weighted average interest rate %	Carrying amount \$'000	Interest rate exposure		
		%	\$'000	Fixed interest rate \$'000	Variable interest rate \$'000	Non- interest bearing \$'000
2018						
Contractual financial assets						
Cash and deposits		1.6%	25,621	-	25,621	-
Receivables	Debtors	-	1,794	-	-	1,794
	Accrued interest receivable	-	1	1	-	-
Investments and other financial assets	Externally managed unitised funds	-	19,535	-	19,535	-
Total contractual financial assets			46,951	1	45,156	1,794
Contractual financial liabilities						
Payables	Supplies and services	-	1,201	-	-	1,201
	Accrued expenses	-	997	-	-	997
	Lease liabilities	3.9%	40	40	-	-
	Prepaid revenue	-	230	-	-	230
	Amounts payable to other government agencies	-	523	-	-	523
Total contractual financial liabilities			2,991	40	-	2,951
2017						
Contractual financial assets						
Cash and deposits		1.6%	19,867	-	19,867	-
Receivables	Franking credits	-	712	-	-	712
	Debtors	-	1,010	-	-	1,010
	Accrued interest receivable	-	3	3	-	-
Investments and other financial assets	Externally managed unitised funds	-	17,579	-	17,579	-
Total contractual financial assets			39,171	3	37,446	1,722
Contractual financial liabilities						
Payables	Supplies and services	-	1,110	-	-	1,110
	Accrued expenses	-	1,176	-	-	1,176
	Lease liabilities	3.9%	55	55	-	-
	Prepaid revenue	-	252	-	-	252
	Amounts payable to other government agencies	-	1,266	-	-	1,266
Total contractual financial liabilities			3,859	55	-	3,804

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

7 RISK, CONTINGENCIES AND VALUATION JUDGEMENTS (Cont'd)

7.1.6(b) Interest-rate risk sensitivity of financial assets

Sensitivity disclosure analysis and assumptions

The Board's fund manager cannot be expected to predict movements in market rates and prices. Taking into account past performance, future expectations, economic forecasts and fund manager's knowledge and experience, the Board believes that the following movements are 'reasonably possible' over the next 12 months:

- a parallel shift of +/- 100bp in market interest rates (AUD) from year end.

The following tables disclose the impact on net operating result and equity for each category of financial instrument held by the Board at year end if the above movements were to occur. Sensitivity analyses shown are for illustrative purposes only.

		Carrying amount	Interest rate			
			-1%	-1%	+1%	+1%
			Net result	Available-for-sale revaluation surplus	Net result	Available-for-sale revaluation surplus
		\$'000	\$'000	\$'000	\$'000	\$'000
2018						
Contractual financial assets						
Cash and deposits		25,621	(199)	-	199	-
Receivables	Debtors	1,794	-	-	-	-
	Accrued investment income	1	-	-	-	-
Investments and other financial assets	Externally managed unitised funds	19,535	(195)	-	195	-
Total contractual financial assets		46,951	(394)	-	394	-
Contractual financial liabilities						
Payables	Supplies and services	1,201	-	-	-	-
	Accrued expenses	997	-	-	-	-
	Lease liabilities	40	-	-	-	-
	Prepaid revenue	230	-	-	-	-
	Amounts payable to other government agencies	523	-	-	-	-
Total contractual financial liabilities		2,991	-	-	-	-
2017						
Contractual financial assets						
Cash and deposits		19,867	(199)	-	199	-
Receivables	Franking credits	712	-	-	-	-
	Debtors	1,010	-	-	-	-
	Accrued interest receivable	3	-	-	-	-
Investments and other financial assets	Externally managed unitised funds	17,579	(176)	-	176	-
Total contractual financial assets		39,171	(375)	-	375	-
Contractual financial liabilities						
Payables	Supplies and services	1,110	-	-	-	-
	Accrued expenses	1,176	-	-	-	-
	Lease liabilities	55	-	-	-	-
	Prepaid revenue	252	-	-	-	-
	Amounts payable to other government agencies	1,266	-	-	-	-
Total contractual financial liabilities		3,859	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

7 RISK, CONTINGENCIES AND VALUATION JUDGEMENTS (Cont'd)

7.1.7 Equity-price risk

Exposure to equity-market risk arises only from the Board's indirect investments in equities quoted on the Australian Stock Exchange. The Board holds units of trusts invested in Australian and International equities in the Growth and Balanced Funds managed by VFMC. The fund manager on behalf of the Board closely monitors performance and manages the equity-price risk through diversification of its investment portfolio, in accordance with the Board's investment policy. The Board recognises that market activity, particularly in equity markets, can give rise to significant volatility in the value of financial assets and this risk is accepted and managed within the objectives of the investment policy. The Board's exposure to losses from adverse price movements is not hedged. The carrying amount of equity investments recorded in the financial report represents the Board's maximum exposure to equity market risk.

		Carrying amount	Equity price			
			-1%	-1%	+1%	+1%
			Net result	Available- for-sale revaluation surplus	Net result	Available- for-sale revaluation surplus
		\$'000	\$'000	\$'000	\$'000	\$'000
2018						
Contractual financial assets						
Investments and other financial assets	Externally managed unitised funds	19,535	-	(195)	-	195
Total contractual financial assets		19,535	-	(195)	-	195
2017						
Contractual financial assets						
Investments and other financial assets	Externally managed unitised funds	17,579	-	(176)	-	176
Total contractual financial assets		17,579	-	(176)	-	176

7.1.8 Foreign-currency risk

Exposure to foreign-currency risk arises only through the Board's payables, relating to the acquisition of collection items from overseas. This risk is mitigated by the fact that any adverse foreign-currency movements will be offset by a reduction in expenditure on acquisitions. Consequently, there is no foreign-currency risk related to adverse movements in exchange rates.

7.2 Contingent assets and contingent liabilities

Contingent assets

As at 30 June 2017 and 2018, the Board has been pledged donations which are expected to be honoured in the future, although they are not legally enforceable. The Board has also been advised of several deceased estates, in which it is a named beneficiary and expects to benefit once probate is granted, any other claims on the estate are settled, net assets are realised and distributed to beneficiaries. The timing and value of these future economic flows are contingent on events beyond the Library Board of Victoria's control.

Contingent liabilities

The Library Board of Victoria is not aware of any contingent liability as at 30 June 2018 (2017: nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

7 RISK, CONTINGENCIES AND VALUATION JUDGEMENTS (Cont'd)

7.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of the Library Board of Victoria.

This section sets out information on how the Library Board of Victoria determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- investments and other financial assets;
- land and buildings and equipment; and
- cultural assets.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest-level input that is significant to the fair value measurement as a whole:

Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 – valuation techniques for which the lowest-level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 – valuation techniques for which the lowest-level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Library Board of Victoria has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, the Board determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest-level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

7.3.1 Fair value determination of financial assets and liabilities

The Board considers that the carrying amount of financial assets and liabilities recorded in the financial report to be a fair approximation of their fair values at year end, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

The fair values and net fair values of financial instrument assets and liabilities are determined as follows:

- Level 1 – the fair value of financial instruments with standard terms and conditions, traded in active liquid markets are determined with reference to quoted market prices
- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly, and
- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash-flow analysis using unobservable market inputs.

The Board holds a range of financial instruments that are recorded in the financial statements where the carrying amounts approximate to fair value, due to their short-term nature or with the expectation that they will be paid in full by the end of the 2017–18 reporting period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

7 RISK, CONTINGENCIES AND VALUATION JUDGEMENTS (Cont'd)**7.3.1 Fair value determination of financial assets and liabilities (Cont'd)**

These financial instruments include:

Financial assets		Financial liabilities	
Cash and deposits		Payables	Supplies and services
Receivables			Accrued expenses
	Debtors		Lease liabilities
	Accrued interest receivable		Prepaid revenue
			Amounts payable to other government agencies
Investments and other financial assets	Externally managed unitised funds		

7.3.2 Fair value determination of non-current physical assets**Restricted assets**

The Board holds \$701.3m (2017: \$710.4m) worth of property listed as heritage assets (land, buildings and collection). These heritage assets cannot be modified or disposed of without formal ministerial approval.

7.3.2(a) Fair value measurement hierarchy of non-current physical assets

	Carrying amount as at 30 June	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
2018	\$'000	\$'000	\$'000	\$'000
Land at fair value	132,992	-	-	132,992
Buildings at fair value				
Specialised buildings	8,326	-	-	8,326
Heritage buildings	289,084	-	-	289,084
Total buildings at fair value	297,410	-	-	297,410
Equipment at fair value	1,578	-	1,578	-
Equipment under lease at fair value	40	-	40	-
Cultural assets at fair value	401,036	-	43,824	357,212
Closing balance	700,064	-	45,442	654,622
2017				
Land at fair value	132,992	-	-	132,992
Buildings at fair value				
Specialised buildings	8,740	-	-	8,740
Heritage buildings	298,954	-	-	298,954
Total buildings at fair value	307,694	-	-	307,694
Equipment at fair value	1,150	-	1,150	-
Equipment under lease at fair value	54	-	54	-
Cultural assets at fair value	396,562	-	43,824	352,738
Closing balance	838,452	-	45,028	793,424

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

7 RISK, CONTINGENCIES AND VALUATION JUDGEMENTS (Cont'd)

7.3.2 Fair value determination of non-current physical assets (Cont'd)

Cultural assets

For artwork and collection items, valuation of the assets is determined by a comparison to similar examples of the artist's work in existence throughout Australia and research on prices paid for similar examples offered at auction or through art galleries in recent years. An independent valuation of the Board's collections was performed by Australian Valuation Solutions Pty Ltd to determine the fair value of the collections. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arms-length transaction. The valuation was based on independent assessments. The effective date of the valuation is 30 June 2016. Items donated to the Library collections have been valued by Library staff except where the donation has been externally valued under the Cultural Gifts program. To the extent that non-specialised artworks do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

There have been transfers from Level 2 to Level 3 during the period ended 30 June 2016 due to the revaluation of the State Library's Collection which occurred at 30 June 2016. The level of professional judgement required by the valuer to establish fair value for the iconic items has varied from object to object. Due to various contributing factors, the expert valuers have had to apply significant professional judgement to determine fair value for certain iconic items in the collection. The statistical sampling approach applied to the non-iconic items are considered to involve significant unobservable inputs.

Land

The market approach is also used for specialised land, although the value is adjusted for the community service obligation (30 per cent) to reflect the specialised nature of the land being valued. An independent valuation of the Board's specialised land was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2016. A management valuation of the Board's land was made using the VGV land indices to determine their fair value. The valuation, which conforms to FRD 103F, was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2017.

For all assets measured at fair value, the current use is considered the highest and best use except for land. The highest and best use for the land, if unrestricted, is for a mixed-use development comprising a combination of retail, office and high-density residential use.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

Specialised buildings and heritage buildings

For the Board's majority of specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciation. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

An independent valuation of the Board's specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the depreciated replacement cost method. The effective date of the valuation is 30 June 2016.

Leased assets

Vehicles are valued using the depreciated replacement cost method. The Board acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Equipment

Plant and equipment is held at fair value, which is determined using the depreciated replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2018.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

7 RISK, CONTINGENCIES AND VALUATION JUDGEMENTS (Cont'd)

7.3.2(b) Reconciliation of Level 3 fair value

	Specialised land \$'000	Specialised buildings \$'000	Heritage buildings \$'000	Cultural assets \$'000
2018				
Opening balance	132,992	8,740	298,954	352,738
Additions	-	-	-	6,883
Gains or losses recognised in net result				
Depreciation	-	(414)	(9,870)	(2,409)
Closing balance	132,992	8,326	289,084	357,212
2017				
Opening balance	117,692	9,176	309,515	351,961
Additions	-	-	-	3,134
Gains or losses recognised in other economic flows – other comprehensive income				
Revaluation	15,300	-	-	-
Gains or losses recognised in net result				
Depreciation	-	(436)	(10,561)	(2,357)
Closing balance	132,992	8,740	298,954	352,738

7.3.2(c) Description of significant unobservable inputs to Level 3 valuations for 2018 and 2017.

Asset	Valuation technique	Significant unobservable inputs
Land	Market approach	Community Service Obligation (CSO) adjustment 30%
Specialised buildings	Depreciated replacement cost	Direct cost per square metre Useful life of specialised buildings
Heritage buildings	Depreciated replacement cost	Direct cost per square metre Useful life of heritage buildings
Cultural assets	Market approach	Professional judgement Statistically verified random samples

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

8 OTHER DISCLOSURES

Introduction

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

Structure

- 8.1 Subsequent events
- 8.2 Other economic flows included in net result
 - 8.2.1 Net gain/(loss) on financial instruments
 - 8.2.2 Net gain/(loss) on non-financial assets
 - 8.2.3 Other gain/(losses) from other economic flows
- 8.3 Responsible persons
- 8.4 Remuneration of executives
- 8.5 Related party transactions
- 8.6 Remuneration of auditors
- 8.7 Equity and reserves
 - 8.7.1 Contributions by owners
 - 8.7.2 Accumulated surplus/(deficit)
 - 8.7.3 Physical asset revaluation surplus
 - 8.7.4 Donations and bequests reserve
 - 8.7.5 Specific purpose grants reserve
 - 8.7.6 Financial assets valuation reserve
 - 8.7.7 General reserve
- 8.8 Ex-gratia expenses
- 8.9 Australian Accounting Standards issued that are not yet effective
- 8.10 Glossary

8.1 Subsequent events

The Library Board of Victoria is not aware of any events occurring subsequent to 30 June 2018 that may have a material effect on the financial statements (2017: nil).

8.2 Other economic flows included in net result

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from:

- Fair value changes of financial instruments;
- net realised gain/(loss) on sale of available-for-sale financial assets, and
- net gain/(loss) on disposal of non-financial assets;
- revaluations and impairments of non-financial physical assets; and
- the revaluation of the present value of the long-service leave liability due to changes in the bond interest rates.

	2018	2017
	\$'000	\$'000
8.2.1 Net gain on financial instruments		
Gain/(loss) on sale of available-for-sale financial assets	–	(21)
8.2.2 Net gain/(loss) on non-financial assets		
Net gain/(loss) in disposal of non-financial assets	2	(2)
8.2.3 Other losses from other economic flows		
Gain/(loss) on revaluation of long-service leave liability due to changes in bond rates	(11)	209
	(9)	186

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

8 OTHER DISCLOSURES (Cont'd)

8.3 Responsible persons

In accordance with the Ministerial Directions issued by the Minister for Finance under the FMA, the following disclosures are made regarding responsible persons for the reporting period.

Names

The Accountable Officer of the Library is the Chief Executive Officer. The persons who held the positions of Minister and Accountable Officer of the Library are as follows:

Minister for the Creative Industries	The Hon. Martin Foley MP	1 July 2017 to 30 June 2018
Chief Executive Officer	Kate Torney	1 July 2017 to 30 June 2018

Remuneration

Amounts relating to remuneration for the Minister for Creative Industries are disclosed in the financial statements for the Department of Premier and Cabinet. Remuneration received or receivable by the Accountable Officer in connection with the management of the Library during the reporting period was in the range \$380,000–389,999 (\$350,000–359,999 in 2017).

The names of Board members who have held office throughout the year, unless otherwise stated, are:

Mr John Wylie AM (President)	Mr Dennis Goldner
Ms Christine Christian	Ms Maxine McKew
Mr Bruce Akhurst	Ms Karen Quinlan
Ms Maria Myers AC	Mr Adam Lewis (from 24 May 2018)
Prof Carolyn Evans	

No member of the Board has received remuneration or retirement benefits during 2017–18 (2017: nil).

8.4 Remuneration of executives

The number of executive officers, other than ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provide a measure of full-time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long-service leave, other long-service benefits or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

8 OTHER DISCLOSURES (Cont'd)**8.4 Remuneration of executives (Cont'd)**

In the year prior, several factors affected total remuneration payable to executives over the year. One employment contract was completed and renegotiated and two executive officers resigned or were retrenched in the past year. Some executives received bonus or termination payments. This has had a significant impact on remuneration figures for the termination benefits category.

	Notes	2018 \$'000	2017 \$'000
Remuneration of executive officers			
Short-term employee benefits		466	622
Post-employment benefits		44	56
Other long-term benefits		10	11
Termination benefits		–	94
Total remuneration^(a)		520	783
Total number of executives		3	4
Total annualised employee equivalents		2.7	2.8

Notes:

(a) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 *Related Party Disclosures* and are also reported within the related parties note disclosure (Note 8.5).

8.5 Related party transactions

The Library Board of Victoria is a wholly owned and controlled entity of the State of Victoria.

All related party transactions have been entered into on an arms-length basis.

Significant transactions with government-related entities

During the year, the Board had the following government-related entity transactions in excess of \$100,000:

	Notes	2018 \$'000	2017 \$'000
Receipts			
Department of Education and Training		1,787	1,382
Department of Economic Development, Jobs, Transport and Resources; recurrent appropriation	2.2.1	39,505	39,309
Department of Economic Development, Jobs, Transport and Resources; capital funding for State Library redevelopment and BOSS2	8.7.1	39,636	12,803
Department of Economic Development, Jobs, Transport and Resources; capital funding	2.2.1	528	
Department of Economic Development, Jobs, Transport and Resources; grant funding	2.2.1	2,408	
Development Victoria: cost recoveries for State Library redevelopment and BOSS2		1,407	
Treasury Corporation of Victoria; funds withdrawn		55,783	54,516
Payments			
Development Victoria; payments for State Library redevelopment and BOSS2		43,210	11,454
Victorian Funds Management Corporation; funds invested		800	16,600
Treasury Corporation of Victoria; funds deposited		65,292	45,755
State Revenue Office; payroll tax paid		1,381	1,278

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

8 OTHER DISCLOSURES (Cont'd)**8.5 Related party transactions (Cont'd)**

Key management personnel of the Library Board of Victoria include the Minister for Creative Industries, members of the Library Board of Victoria and the Executive team. The compensation detailed below excludes the salaries and benefits that the Portfolio Minister receives. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the Department of Parliamentary Services' Financial Report.

	Notes	2018 \$'000	2017 \$'000
Compensation of KMPs			
Short-term employee benefits		812	952
Post-employment benefits		76	87
Other long-term benefits		14	14
Termination benefits		–	94
Total^(a)		902	1,147

Notes:

(a) KMPs include persons who meet the definition of executive officers and Accountable Officer under FRD 21C. Executive officers are also reported in the disclosure of remuneration of executives (Note 8.4).

Transactions with key management personnel and other related parties

A number of Board members hold or have held positions in other companies where it is considered they control or significantly influence the financial or operating policies of these entities.

Christine Christian is a non-executive director of the Victorian Managed Insurance Authority, for which insurance premiums paid by the Board in 2017–18 was \$567,758 (2017: \$569,839) exclusive of GST and stamp duty.

Dennis Goldner is the National Leader, Responsible Business at Deloitte and Chair of the Deloitte Foundation. Deloitte is the internal audit provider to the Library Board of Victoria and Deloitte Tax Services acts as tax agent for the Library Board of Victoria. Total fees paid to Deloitte in 2017–18 were \$176,110 (2017: \$134,941) exclusive of GST. Dennis Goldner adverts to the association with Deloitte in meetings of the Library Board of Victoria as and when potential conflicts arise, and fully recused himself when Deloitte proposed for appointment and renewal as internal auditors.

Donations totalling \$3,776,900 (2017: \$6,464,350) were received from the Library Board of Victoria members and their related parties. Donations totalling nil (2017: \$1,650) were received from the State Library Victoria Executives and their related parties. Independent scrutiny of the proposed donations by the Library Board of Victoria members and their related parties was conducted by the Audit and Risk Management Committee with the addition of a respected independent expert.

All other transactions that have occurred with KMPs and their related parties have not been considered material for disclosure.

8.6 Remuneration of auditors

	2018 \$'000	2017 \$'000
Fees paid and payable to the Victorian Auditor-General's Office for auditing the financial statements.	39	39

The Auditor-General provided no other service

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

8 OTHER DISCLOSURES (Cont'd)

8.7 Equity and reserves

8.7.1 Contributions by owners

Additions to net assets which have been designated as contributions by owners (the State of Victoria) are recognised as contributed capital.

Other transfers that are in the nature of contributions have also been designated as contributions by owners.

	Notes	2018 \$'000	2017 \$'000
Contributed capital			
Balance at beginning of the year		572,567	559,764
Equity contribution from government	8.5	39,636	12,803
Balance at end of the year		612,203	572,567

8.7.2 Accumulated surplus/(deficit)

Represents the cumulative net result from the current year and all prior years.

	Notes	2018 \$'000	2017 \$'000
Accumulated surplus			
Balance at beginning of the year		(17,376)	(14,467)
Net result for the year		(149)	1,231
Transfer (to)/from general reserve	8.7.7	–	1,000
Net transfer (to)/from donations and bequests reserve	8.7.4	(986)	(4,606)
Net transfer (to)/from specific purpose grants reserve	8.7.5	(1,406)	(534)
Balance at end of the year		(19,917)	(17,376)

8.7.3 Physical asset revaluation surplus

Represents increments arising from the revaluation of collection, land, buildings and plant and equipment.

	Notes	2018 \$'000	2017 \$'000
Land asset revaluation surplus			
Balance at beginning of the year		110,492	95,192
Movement	4.1.3	–	15,300
Balance at end of the year		110,492	110,492
Collection asset revaluation surplus			
Balance at beginning of the year		204,488	204,488
Movement		–	–
Balance at end of the year		204,488	204,488
Total of the physical asset revaluation surplus			
Balance at beginning of the year		314,980	299,680
Movement	4.1.3	–	15,300
Balance at end of the year		314,980	314,980

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

8 OTHER DISCLOSURES (Cont'd)

8.7.4 Donation and bequests reserve

Represents the balance of donations and bequests which have been received to be applied to specific purposes and is unexpended at 30 June 2018.

	Notes	2018 \$'000	2017 \$'000
Donation and bequests reserve			
Balance at beginning of the year		7,030	2,424
Transfer (to)/from accumulated surplus	8.7.2	986	4,606
Balance at end of the year		8,016	7,030

8.7.5 Special purpose grants reserve

Represents the balance of funds received from external organisations to be applied to specific purposes and is unexpended at 30 June 2018.

	Notes	2018 \$'000	2017 \$'000
Special purpose grants reserve			
Balance at beginning of the year		1,292	758
Transfer (to)/from accumulated surplus	8.7.2	1,406	534
Balance at end of the year		2,698	1,292

8.7.6 Financial assets valuation reserve

Represents increments arising from the revaluation of financial assets.

	Notes	2018 \$'000	2017 \$'000
Financial assets valuation reserve			
Balance at beginning of the year		755	-
Fair value remeasurement gains/(losses) on available-for-sale financial assets	7.1.2	750	755
Balance at end of the year		1,505	755

8.7.7 General reserve

	Notes	2018 \$'000	2017 \$'000
General reserve			
Balance at beginning of the year		-	1,000
Transfer (to)/from accumulated surplus	8.7.2	-	(1,000)
Balance at end of the year		-	-
Total equity at end of the year		919,485	879,248

8.8 Ex-gratia expenses

There were no ex-gratia expenses in aggregate or individually in excess of \$5,000. (2017: nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

8 OTHER DISCLOSURES (Cont'd)

8.9 Australian Accounting Standards issued that are not yet effective

Certain new Australian Accounting Standards have been published that are not mandatory for the 30 June 2018 reporting period. DTF assesses the impact of all these new standards and advises the Board of their applicability and early adoption where applicable.

As at 30 June 2018, the following standards and interpretations that are applicable to the Board had been issued but are not mandatory for the financial year ending 30 June 2018. Standards and interpretations that are not applicable to the Board have been omitted. The Board has not early adopted these standards. The following standards may have a significant impact on the financial statements:

AASB 15 Revenue from contracts with customers

This standard is effective for reporting periods commencing after 1 January 2019. The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The standard will also require additional disclosures on service revenue and contract modifications. As at 30 June 2018, this standard is not expected to have a material impact on the financial statements.

AASB 16 Leases

This standard is effective from 1 January 2019. The changes in AASB 16 require most operating leases to be shown on balance sheet, the recognition of lease assets and lease liabilities will cause net debt to increase. Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus/(deficit). Amounts paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement. As at 30 June 2018, the impact of this standard on the financial statements is expected to result in the recognition of right-of-use assets and a corresponding lease liability of approximately \$931,000.

AASB 1058 Income of not-for-profit entities

This standard is effective from 1 January 2019. The changes in AASB 1058 require that revenue from capital grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as performance obligations are satisfied. As a result, the timing recognition of revenue will change. As at 30 June 2018, this standard is not expected to have a material impact on the financial statements.

No significant impact on the financial statements is expected from the following standards:

AASB 9	Financial instruments
AASB 17	Insurance contracts
AASB 2014-1	Amendments to Australian Accounting Standards – (Part E Financial instruments)
AASB 2014-5	Amendments to Australian Accounting Standards arising from AASB 15
AASB 2014-7	Amendments to Australian Accounting Standards arising from AASB 9
AASB 2015-8	Amendments to Australian Accounting Standards – Effective date of AASB 15
AASB 2016-3	Amendments to Australian Accounting Standards – Clarifications to AASB 15
AASB 2016-7	Amendments to Australian Accounting Standards – Deferral of AASB 15 for not-for-profit entities
AASB 2016-8	Amendments to Australian Accounting Standards – Implementation guidance for not-for-profit entities

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

8 OTHER DISCLOSURES (Cont'd)

8.10 Glossary of terms

AAS

Australian Accounting Standards

AASB

Australian Accounting Standards Board

ABS

Australian Bureau of Statistics

ATO

Australian Taxation Office

Amortisation

Amortisation is the expense which results from the consumption, extraction or use over time of a non-produced physical or intangible asset. This expense is classified as an other economic flow.

Capital asset charge

The capital asset charge represents the opportunity cost of capital invested in the non-current physical assets used in the provision of outputs.

BOSS

Ballarat Offsite Storage. Building is on land owned by Federation University. BOSS2 refers to the building of a second facility at Ballarat, construction of which commenced in 2017–18.

Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Comprehensive result

The net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other comprehensive income.

CSO

Community Service Obligation

CV

Creative Victoria

DTF

Department of Treasury and Finance

DPC

Department of Premier and Cabinet

DEDJTR

Department of Economic Development, Jobs, Transport and Resources

DV

Development Victoria (previously called Major Projects Victoria)

Depreciation

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.

Effective interest method

The effective interest method is used to calculate the amortised cost of a financial asset or liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, or, where appropriate, a shorter period.

Employee benefits expenses

Employee benefits expenses include all costs related to employment including wages and salaries, leave entitlements, redundancy payments and superannuation contributions.

Ex-gratia expenses

Ex-gratia expenses mean the voluntary payment of money or other non-monetary benefit (e.g. a write-off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity.

Financial asset

A financial asset is any asset that is cash, an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity.

Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

8 OTHER DISCLOSURES (Cont'd)

8.10 Glossary of terms (Cont'd)

Financial liability

A financial liability is any liability that is:

- (a) A contractual obligation:
 - (i) to deliver cash or another financial asset to another entity, or
 - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity, or
- (b) A contract that will or may be settled in the entity's own equity instruments and is:
 - (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments, or
 - (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements

A complete set of financial statements comprises:

- (a) a statement of financial position as at the end of the period
- (b) a statement of profit or loss and other comprehensive income for the period
- (c) a statement of changes in equity for the period
- (d) a statement of cash flows for the period
- (e) notes, comprising a summary of significant accounting policies and other explanatory information
- (f) comparative information in respect of the preceding period as specified in paragraphs 38 of AASB 101 *Presentation of Financial Statements*, and
- (g) a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

FMA

Financial Management Act 1994

General government sector

The general government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those which are mainly non-market in nature, those which are largely for collective consumption by the community and those which involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

Grants and other transfers

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature. Grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers.

Grants can be paid as general-purpose grants, which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific-purpose grants that are paid for a particular purpose and/or have conditions attached regarding their use.

Grants for on-passing

All grants paid to one institutional sector (e.g. a state general government) to be passed on to another institutional sector (e.g. local government or a private non-profit institution).

GST

Goods and Services Tax introduced by the Federal Government with the *A New Tax System (Goods and Services Tax) Act 1999*.

Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance.

Interest expense

Costs incurred in connection with the borrowing of funds; interest expense includes the interest component of finance leases repayments.

Interest revenue

Interest revenue includes interest received on bank term deposits, interest from investments, and any other interest received.

KMP

Key Management Personnel

LSL

Long-service leave

MPV

Major Projects Victoria (now called Development Victoria)

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other economic flows - other comprehensive income'.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

8 OTHER DISCLOSURES (Cont'd)

8.10 Glossary of terms (Cont'd)

Net result from transactions/net operating balance

Net result from transactions or net operating balance is a key fiscal aggregate and is income from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

Non-financial assets

Non-financial assets are all assets that are not 'financial assets'. It includes inventories, land, buildings, plant and equipment, cultural and heritage assets and intangible assets.

Other economic flows included in net result

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. It includes gains and losses from disposals, revaluations and impairments of non-financial physical and intangible assets fair value changes of financial instruments.

Other economic flows – other comprehensive income

Other economic flows – other comprehensive income comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards. The components of other economic flows – other comprehensive income include:

- (a) changes in physical asset revaluation surplus
- (b) share of net movement in revaluation surplus of associates and joint ventures, and
- (c) gains and losses on remeasuring available-for-sale financial assets.

Payables

Includes short-term and long-term trade debt and accounts payable, grants and interest payable.

Receivables

Includes short-term and long-term trade credit and accounts receivable, grants, taxes and interest receivable.

Sales of goods and services

Refers to revenue from the direct provision of goods and services. Includes fees and charges for services rendered, and sales of goods and services.

SLV

State Library of Victoria, registered business name of the Library Board of Victoria

Supplies and services

Generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the Library.

TCV

Treasury Corporation of Victoria

Transactions

Those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. Transactions also include flows within an entity such as depreciation, where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset.

VFMC

Victorian Funds Management Corporation

VGv

Valuer-General Victoria

VAGO

Victorian Auditor-General's Office

Disclosure index

The Annual Report of the Library Board of Victoria is prepared in accordance with the *Financial Management Act 1994* and the Directions of the Minister for Finance. This index has been prepared to facilitate identification of compliance with statutory disclosure requirements.

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