



**STATE LIBRARY  
VICTORIA**  
What's your story?

# Library Board of Victoria Annual Report 2016-17



**Library Board of Victoria Annual Report 2016–17**

Published by State Library Victoria  
328 Swanston Street  
Melbourne VIC 3000  
Australia

Also published on [slv.vic.gov.au](http://slv.vic.gov.au)

© State Library Victoria 2017

This publication is copyright. No part may be reproduced by any process  
except in accordance with the provisions of the *Copyright Act 1968*.

Authorised by the Victorian Government  
328 Swanston Street  
Melbourne VIC 3000  
Australia

Typeset by Cannon Typesetting

Cover photograph: *The night garden*, illumination created by Nick Azidis,  
Lisa Greenaway and Rose Staff for White Night Melbourne 2017.  
Photograph by James Braund.

# Contents

2	President's report
4	Chief Executive Officer's year in review
6	Vision and values
7	Report of operations
22	Financial summary
24	2016–17 key performance indicators
25	Service Agreement with the Minister for Creative Industries
26	Output framework
28	Acquisitions statistics
29	Library Board and corporate governance
33	Library Executive
34	Organisational structure
35	Occupational health and safety
37	Public sector values and employment principles
38	Statement of workforce data and merit and equity
40	Environmental performance
42	Diversity and Social Inclusion Plan
43	Freedom of information
44	<i>Protected Disclosure Act 2012</i>
44	Compliance with the <i>Building Act 1993</i>
45	Victorian Industry Participation Policy
45	National Competition Policy
46	Government advertising expenditure
46	Major contracts
47	Consultancies
48	Financial information
49	Risk attestation
	<b>Financial statements</b>
51	Auditor-General's report
53	Library Board of Victoria letter
54	Financial report for year ended 30 June 2017
59	Notes to the financial statements
105	Disclosure index



# President's report



I am pleased to present my sixth report as the President of the Library Board of Victoria.

During the year, two million visitors came through our doors and more than four million used our services online, making State Library Victoria the busiest state library in Australia. These figures are a testament to the Library's central role in Victoria's cultural life and its contribution to the state's economy.

Increasingly, we see that the Library is a drawcard for tourists and for international students, who make education Victoria's most important export. These are numbers we expect to see increase with our Vision 2020 redevelopment and our plan to reinvent and extend the Library's online presence.

We were delighted to be able to reveal the architectural designs for Vision 2020 in March. Created with generations of new Library users in mind, the designs balance respect for the building's heritage with innovations tailored to meet the changing needs of the people we serve.

In June, Built Pty Ltd was appointed as the Library's Vision 2020 builders and construction is due to begin in October. In Ballarat, we are about to start work on the Library's second offsite storage facility with construction to be carried out by Hansen Yuncken Pty Ltd. This critical project is an initiative of the Victorian Government's *Creative State* strategy and will ensure the long-term security and accessibility of the state's growing collection.

Our Vision 2020 community fundraising appeal was launched with a \$3 million donation by longstanding Library supporters and philanthropists Maria Myers AC and Allan Myers AC QC. Library Board member Christine Christian

donated \$2 million to establish Start Space, a new centre to support early-stage entrepreneurs in developing their business ideas, and also provide funding for an annual Entrepreneur-in-Residence. The John and Myriam Wylie Foundation is proud to have contributed \$8 million to reopen and reinvigorate the Russell Street entrance and to transform the eastern end of the Library with a new exhibition space, the Victoria Gallery, which will showcase the treasures of the State Library in an entertaining and informative way.

These donors join the Ian Potter Foundation as major contributors to Vision 2020. Through the generosity of major gifts, public donations and pledges, we have reached our first fundraising milestone, raising \$27.7 million to complete capital works that will transform the Library. This milestone fulfils our original pledge to government, who committed \$2 for every \$1 we raised towards this capital project. This is a fantastic achievement and a credit to the vision and hard work of everyone involved, especially our wonderful team at the Library. I thank sincerely all those who have supported this campaign in large or small ways. You have contributed to what will be a terrific asset for Victoria.

The Victorian Government also committed an additional \$5 million to enhance and activate all entrances to the Library and the surrounding streetscape. We thank the Andrews Government for their continued outstanding support for this great project for Victoria.

We are now focused on the next phase of fundraising. This vital support will enable the delivery of new and innovative programs and services to meet the growing and changing needs of our community, and continue to build and preserve the Library's collections for future generations.

On behalf of the Library Board, I would like to thank our Library team, led by CEO Kate Torney, for their professionalism, focus and commitment as we work together to create a truly 21st-century library. We are fortunate, indeed, to have a team of their calibre.

Sincere thanks also to all our supporters – Friends of the Library, volunteers, partners, sponsors and others – and to my fellow Board members. Without your generous support the Library would not be what it is: a cultural and economic hub that sets a benchmark for others around Australia and the world.

In accordance with the *Financial Management Act 1994*, I present the Library Board of Victoria's annual report for the year ending 30 June 2017.

A handwritten signature in black ink, appearing to read 'J Wylie', with a stylized, cursive script.

John Wylie AM  
President, Library Board of Victoria

# Chief Executive Officer's year in review



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

For the first time the Library has hosted more than 2 million visits in a year – a milestone marking continued growth in demand for library services and the success of our exhibitions and programs in bringing new audiences to Australia's oldest library.

As ever, growing, preserving and sharing the collection is central to our work. Significant items acquired during the year included the 19th-century journals of a young man who travelled from Ohio to Victoria's goldfields; the Baldessin and Friends folio, featuring works by influential artists such as Rick Amor, Jan Senbergs and Imants Tillers; and, in our first significant purchase using funds from the John Emmerson bequest, the Powderham Castle Theological Tracts, which include 150 works from the 1640s that reflect the ties between politics and religion in the English Civil War period. We continued to build our collection of images by celebrated Melbourne photographer Rennie Ellis with a further acquisition from his archive, enhancing access to this candid, colourful record of late 20th-century life in Victoria.

Extending our online reach remains a focus, and during the year we developed a 10-point Digital Transformation Strategy aimed at delivering new and improved online services. Digitisation of our collection continues, with completed projects including 26,000 images from the Coles Myer collection, 7700 pages from the Felton Bequest

and more than 11,000 images from the Works on Paper project digitising original drawings, prints and watercolours by Victorian artists.

Our Public Libraries team continues to work closely with Victoria's public library network, participating in a range of programs and projects focused on leadership and development in the sector. The Library is proud to be partnering with 42 Victorian public library services, representing more than 250 branch libraries, to deliver the *1000 Books Before School* campaign. The program encourages parents and carers to read with their children from the time they are born; it aims to enrol 50,000 children across the state. The Library has also launched a number of initiatives with Victorian public libraries to support their work in adult literacy.

Partnerships have played an important part in presenting a range of initiatives. We collaborated with community radio station Triple R to present the *ON AIR: 40 years of 3RRR* exhibition. One of the most popular exhibitions the Library has ever hosted, it attracted more than 100,000 visitors and exceeded daily visitor targets by more than 20 per cent. The exhibition was timed to coincide with Melbourne Music Week, which was another successful joint venture, presented in partnership with the City of Melbourne.

Collaboration has been central to some of the year's most exciting initiatives, including partnering with Bad Producer Productions, Writers Victoria, Readings and Swinburne University to present *The Garret: writers on writing*, a literary

podcast series featuring an array of Australian and international authors including Christos Tsiolkas, Amie Kaufman, John Marsden and Sofie Laguna. The Library also partnered with Black Inc. and the University of Melbourne on a new publishing venture: *Writers on writers* is a series of six short books with acclaimed Australian authors reflecting on other authors who have influenced them. The first two books, by Alice Pung and Erik Jensen, will be launched in October 2017.

It has been a busy year across the Library. During 2016–17, we had:

- 2,071,250 visits onsite
- 4,241,307 visits online
- 40,993 reference queries
- 29,932 new member registrations
- 174,224 collection items accessed
- 1,464,965 uses of digitised collection items.

It is a credit to my colleagues that these results have been achieved at a time when we have been preparing for the construction phase of Vision 2020, a task that has posed particular challenges for the teams responsible for moving thousands of metres of our stored collections from Melbourne to Ballarat.

As an adjunct to Vision 2020, we have embarked on major workforce planning to scope requirements and changes needed for the transformed Library. The Library's People Plan 2017–20 will analyse our existing workforce and forecast future needs, allowing us to develop the skills and strategies we will need for the Library we will be in 2020. The plan will guide our workforce initiatives over the next three years.

There have been several significant Vision 2020 milestones during the year, including the public release of the designs and raising \$27.7 million towards the redevelopment capital costs through both private and community

fundraising activities. By 30 June our community campaign had raised \$515,000, the highest amount we've ever received in a public appeal, and we are grateful to the Victorian community for their extraordinary support. We have also been especially fortunate to receive generous major gifts from Maria Myers AC and Allan Myers AC QC, Christine Christian, and the John and Myriam Wylie Foundation, in addition to last year's significant donation from the Ian Potter Foundation.

My sincere thanks to 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 to the Board and committee members for the time and expertise they generously provide to the Library. Minister for Creative Industries, Martin Foley MP, and Deputy Secretary, Creative and Visitor Economies, Andrew Abbott, continue to offer crucial support to the Library, as does Secretary, Economic Development, Jobs, Transport and Resources, Richard Bolt. I am most grateful to them and their respective teams.

Finally, thank you to the Library volunteers and to all my colleagues, particularly the Library Executive – it is a privilege to be part of such a dedicated and talented team. We are very proud of what we have achieved together this year, and we look forward to leading the next phase of this historic institution's evolution.



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

### *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

Two key initiatives delivered during the reporting period were presenting the exhibition *Heroes and villains: Strutt's Australia*, in conjunction with the National Library of Australia, as well as completing the redevelopment design and appointing a builder in the next stage of Vision 2020.

Three key initiatives for 2017–18 will be:

- completion of the Library's second offsite storage facility, BOSS2, by the end of June 2018
- implementation of a new 10-point Digital Transformation Strategy
- implementation of a People Plan to support staff development and training over the next three years, in line with the needs of Vision 2020.

## People at the heart

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

Throughout the year the Library has continued to invest in consultation, data gathering and continuing analysis to develop a deeper understanding of changing community needs, both onsite and online. Using this data to inform and direct our activities has resulted in rising visitation, growing engagement, and increased visitor satisfaction.

## Vision 2020

The strategic initiative to redevelop our building and open 40 per cent more public space received a \$13 million boost in December with the announcement of an \$8 million donation by the John and Myriam Wylie Foundation coupled with an additional \$5 million from the Victorian Government. The \$8 million, one of the biggest donations in the Library's history, will transform the Library's eastern end. A new gallery – to be known as the Victoria Gallery, endowed by the John and

Myriam Wylie Foundation – will focus on telling the state's stories by showcasing the best of the Library's collection alongside items from other institutions and private collections. The Victoria Gallery will use cutting-edge technology to create an immersive and interactive exhibition experience, a drawcard for Victorians and visitors to the state.

The Victorian Government's additional \$5 million will enhance and activate all entrances to the Library and the surrounding streetscape, which covers an entire city block. It will also increase access to one of Australia's busiest public libraries with a new universally accessible entrance on La Trobe Street.

We reached an important milestone in March 2017 with the public release of Vision 2020 building designs. Our Vision 2020 community fundraising campaign launched the same day, with a \$3 million donation from Maria Myers AC and Allan Myers AC QC.

A \$2 million donation from Christine Christian, announced in June, will fund a new centre to support early-stage entrepreneurs. The first of its kind in Victoria, Start Space will provide emerging entrepreneurs with resources, services, programs and mentors to take their business ideas from concept to reality, making an important contribution to Victoria's creative and innovation economies. The Christine Christian Entrepreneur-in-Residence will also be established, with dedicated funding for an individual each year.

Preparation of the site for the new Russell Street entrance is underway, with construction due to begin in October 2017. The new entrance is scheduled to be operational in late 2018.

The project to build a second Ballarat offsite store officially began on 1 July 2016. The BOSS2 project is the second stage of the Library's 30-year collection storage plan to deliver sustainable access to the collection for all Victorians. The project is part of our response to the Victorian government's *Creative State* strategy.

BOSS2 is the first component of Creative Victoria's *Collection Storage Victoria* project to provide a long-term storage solution for the state's collections.

This state-of-the-art facility is fully funded by the Victorian Government to provide secure housing and a way to share Victoria's collection with the wider community and future generations.

BOSS2 will supplement the existing Ballarat offsite store, BOSS1. The project continues to progress on budget and on schedule with key consultants appointed and construction commencing in the second part of 2017.

### Community engagement programs

Hosting the official launch of the 2017 White Night program on 18 February was a highlight of the Library's contribution to key Melbourne festivals and events through the year. Projections lit the Library's facade through until dawn, while the domed La Trobe Reading Room became an 'underwater lair' revealing the seascapes of Port Phillip Bay. This spectacular digital artwork, created by Sheree Marris and John Power and accompanied by a soundscape by Lisa Greenaway, was also live-streamed to audiences online. Onsite, the night drew more than 23,000 visitors – our largest White Night attendance yet.

The Big Ideas under the Dome lecture series again featured high-profile, thought-provoking speakers. Allan Myers AC QC delivered the 2016 Redmond Barry Lecture, addressing the question 'What did Barry's optimistic vision give us, and how much remains of it today?' In the 2016 Stephen Murray-Smith Memorial Lecture, Paul Grabowsky AO discussed the role of artistic life in national debate. For the 2017 Foxcroft Lecture, Cambridge scholar Rosamond McKitterick looked at how and why Rome established its authority in early medieval Europe.

As part of Melbourne Knowledge Week, award-winning entrepreneur Sebastien Eckersley-Maslin, founder of BlueChilli, spoke on the pillars of innovation culture, exploring how speed of execution, empowerment of people and tolerance of failure drives innovation. The Policy Pitch series, in association with Grattan Institute, continued with expert panels discussing a range of hot-button topics, including the 2016 federal election.

A hotly contested series of heats in Melbourne and regional Victoria culminated in 13 poets battling it out in the state final of the 2016 Australian Poetry Slam, one of the Library's annual highlights. Arielle Cottingham won with an exhilarating incantation involving wayward women, history and weather. The Library again took part in the architectural festival Open House Melbourne, and staged the 13th annual Family History Feast.

The Library's History of the Book team delivered another successful Rare Book Week program, with eight one-hour sessions held onsite, many led by Library staff.

In the summer period, Melbourne Music Week was a nine-day celebration of the Victorian music industry for which the Library partnered with the City of Melbourne to host performances throughout the building. An outside stage drew visitors to the forecourt to enjoy daily live music, along with pop-up bars and food stalls.

Our hugely successful summer exhibition, *ON AIR: 40 years of 3RRR*, also featured an after-hours bar supplied by our onsite partner, Mr Tulk. Other programming developed around Triple R included debates, panel discussions and floor talks. More than 1200 people attended these events during the course of the exhibition.

In a new program funded by the City of Melbourne, local authors talked about their Melbourne-based books. Titled *Thursday night book club*, these well-attended sessions, running over 12 weeks, were chaired by staff from Readings.

As part of our partnership with the Asia TOPA festival, Indonesian artist Tisna Sanjaya created an installation on the Library courtyard titled *Art is a prayer*. Over two weeks, 1200 people visited the external installation and a further 828 people viewed a video of his art practice in Experimedia.

The Library also partnered with the Transport Accident Commission (TAC) to present *Graham*, a sculptural work by Patricia Piccinini that explores what humans might look like if we were built to survive road accidents. Created in collaboration with emergency medical and road trauma specialists, the work was commissioned by the TAC and displayed in the Cowen Gallery.

### Connecting with the community

Visitation, online engagement and satisfaction have remained strong during the past year. We hosted a record 2,071,250 visits onsite, against a target of 1,500,000.

Online, the Library's websites have hosted 4,241,307 visits against a target of 3,200,000. The areas with the most significant traffic increases were blogs, digitised items from the collection, the research guides and the databases.

Visitor satisfaction has increased significantly among Melbourne locals, from 86 per cent to 94 per cent, and overseas visitors, from 88 per cent to 98 per cent. Our overall satisfaction rating has increased to 92 per cent against a target of 90 per cent. Wayfinding, interactions with staff and ease of using the Library's services all received positive feedback from the public.

Social media continued to be a path through which many online visitors interacted with the Library.

Our online community grew 29 per cent across our key platforms, including Facebook (28 per cent), Twitter (12 per cent) and Instagram (79 per cent). Social media continues to direct significant traffic to Library websites, accounting for 27 per cent of Library blog visits and 4 per cent of corporate site visits. The year's social media highlights included White Night and Women's History Month, as well as the Vision 2020 fundraising appeal.

The value of the Library's media coverage during the reporting period was \$27.7 million with an estimated reach of 185,619,388. Media highlights included numerous interviews with our expert staff and major events such as the White Night launch, the Vision 2020 design release and the major gifts donated to the redevelopment by the John and Myriam Wylie Foundation, Maria and Allan Myers, and Christine Christian.

#### Digital delivery

The Library developed a Digital Transformation Strategy to refine the user experience and services offered to Library visitors online. Under the new strategy, which will be implemented over the coming year, a move to co-creation will offer new ways for the public to engage with and understand Victorian content and stories. Our online services will be easier to find and offer a smart and engaging digital experience that will stimulate visitors to further explore our collections and services.

The Library's partnership with online publishing start-up Tablo, announced in November 2016, exemplifies the way we are putting these priorities into action. Created by Melbourne entrepreneur Ash Davies, Tablo is an innovative platform that supports emerging Victorian writers, connecting them with other writers, readers, industry experts and potential publishers.

Management of digital collections is being upgraded with the implementation of the Rosetta digital collection management system replacing Digitool, the Library's current digital object management system. As well as improving access, use and sharing of the Library's growing digital collection, Rosetta allows the Library to undertake digital preservation of this increasingly significant collection.

#### ICT expenditure 2016-17

BAU ICT expenditure Total	Non-BAU ICT expenditure Total = A+B	Operational expenditure A	Capital expenditure B
\$3,639,558	\$1,068,000	\$1,017,000	\$51,000

#### Customer service

Reshaping front-of-house customer service is a priority under the *Strategic Plan 2016-20*. Throughout the year, all front-of-house staff took part in tailored customer service training that identified current needs and canvassed challenging situations. Debriefing meetings for front-of-house staff were trialled during the year to provide an opportunity for staff to talk about the good and bad experiences in customer service, and to share information about emerging trends and issues.

#### Volunteers

Enhanced volunteer engagement is an important part of our drive to serve community needs. The Library's volunteers are a diverse community from all walks of life and age groups, and we highly value their skills, experience and generosity. Volunteers are involved in front-of-house and behind-the-scenes activities within the Library – these can range from leading Library tours to transcribing handwritten collection items or listing collection items. Our 104 volunteers contributed 7151 hours during the year, well above the target of 3400 hours.

#### No barriers

*We are accessible to everyone and welcoming to all.*

The Library has a longstanding commitment to remove barriers to access and open up opportunities for all Victorians. The Library provides a welcoming and safe place where all Victorians can discover, learn, create and connect, a cultural and heritage destination for Victorians as well as visitors from other places, and is a leader in the discovery of information to enable the generation of new knowledge and ideas.

Onsite and online, the Library is identifying and removing barriers that may limit or discourage diverse community audiences from accessing spaces, collections, services and programs. Our four focus areas are:

- early literacy
- students and schools
- digital literacy
- universal access.

The Library's tradition of engaging with a wide range of community sectors continued, with a focus on people who face practical, cultural, technological or distance-related obstacles to discovering or making the most of our resources.

A cross-divisional working group has developed a Diversity and Social Inclusion Action Plan aligned to the Library's four goals, with adoption of best practice principles in line with our legislative responsibilities to support diversity and provide inclusive services for all Victorians. The plan incorporates the previous Disability Access Plan and will be lodged with the Human Rights and Equal Opportunity Commission.

### Cultural and linguistic diversity

Victoria's cultural diversity is clearly reflected in the Library's visitor demographics: more than 60 per cent of our onsite visitors were born outside Australia and over half speak a language other than English at home, with Mandarin and Cantonese at 24 per cent and 14 per cent respectively being the dominant languages. Approximately 30 per cent of Library visitors are students, with international students making up 48 per cent of this cohort.

During the year the Library has sought opportunities to promote Victoria's cultural diversity through large-scale programs such as White Night Melbourne, the Poetry Slam heats and state final, as well as smaller, more targeted events such as installation art on the Library forecourt by Indonesian artist Tisna Sanjaya as part of the Asia TOPA festival, and early literacy programming such as Storytime and Baby Bounce, which attract growing numbers of families with young children from culturally and linguistically diverse (CALD) backgrounds. The New Users program for newly arrived international students responds to the needs of people with limited English skills.

### Aboriginal and Torres Strait Islanders

Victoria has adopted a whole-of-government approach, focusing on self-determination, to work with the Aboriginal community to address and reverse areas of disadvantage. The Library acknowledges the heritage and culture of Victoria's First Peoples. We are committed to support nationally and internationally recognised protocols and are 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.

From its early days as the first collecting institution in the new settlement of Port Phillip, the Library has been in a unique position to develop holdings of books, photographs and other material relating to Aboriginal people. Beyond collecting, the Library has undertaken a number of initiatives designed to promote understanding and recognition of Aboriginal cultural heritage. Recent examples include: *Native dignity*, a performance presented in partnership with the Malthouse Theatre as part of the Blak and Bright Indigenous Literary Festival; a lecture and discussion led by the Victorian Aboriginal Corporation for Languages which is working to revive and maintain unique Aboriginal and Torres Strait Islander cultures and languages; *Right wrongs*, a digital exhibition developed in partnership with the National and State Libraries Australasia (NSLA), the Australian Broadcasting Commission (ABC) and the Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS) to commemorate the 50th anniversary of the 1967

Constitutional referendum, which would see Aboriginal and Torres Strait Islander people counted in the national census and made the Federal Government responsible for making laws for Indigenous people.

Library activities with members of Victoria's Aboriginal community included a short film and discussion with Victorian Koori descendants of Aboriginal woman Bessy Flowers, one of five women from Western Australia sent to a Victorian mission in 1867. We also displayed a portrait series of Aboriginal community members from the Gippsland region in a display called *On Gunaikurnai Country: Gippsland Aboriginal Elders, leaders and artists* created by photographer Angela Lynkushka. As part of the Yirramboi festival, a First Nations arts festival, the Library ran Songs at Lunch, a four-day program for which Indigenous Australian musicians with diverse musical talents performed sets on the forecourt.

The Library has also developed a new program that provides Indigenous researchers in the community with an introduction to the Library's collections and services, how best to use the internet and digitised newspapers, and how to manage research. A group of 10 Indigenous researchers working on a variety of projects took part in a pilot in April; their feedback will be used to refine an ongoing program.

### Universal access and regional engagement

Research into Library access by people with a disability began in December 2016, with a user survey focusing on disability services. Around one third of respondents said they were aware of our accessibility services, with 22 per cent saying that they used the Library's accessibility services in some way. Analysis of some of the qualitative questions is continuing; the goal is to find out how people with a disability are using the Library and respond to their needs onsite and online. Events through the year aiming to engage diverse community audiences included The Other Film Festival, for which the Library partnered with Arts Access Victoria to celebrate the lived experience of people with disability and deafness.

Programs connecting the Library to regional and outer metropolitan Victorians, especially communities with limited access to literary resources and events, featured strongly throughout the year. Highlights include:

- The revival of the High Road to Reading program began in February, with author visits to 18 public libraries across the state from the Latrobe Valley in the south-east to Mildura in the north-west. Authors taking part in the program included Rosalie Ham, Jane Harper, Alec Patric, Liz Porter and Matt Zurbo.
- The Family History team took services to regional Victoria and outer metropolitan Melbourne, with staff visiting and presenting in libraries and historical

centres across the state. Public response has been strong and there is capacity to extend this program.

- As coordinator of the Victorian heats and final of the Australian Poetry Slam, the Library called for regional and metropolitan libraries to host heats, encouraging participation in areas where there are fewer opportunities to experience similar events.

### Digital inclusion

Introducing programming to build digital literacy, access to digital information, and exploration of new creative technologies is central to the Library's goal of removing online barriers for audiences of all ages across the state.

The Library launched our online learning hub in September 2016, beginning with two self-paced modules for adults designed to teach beginners online and search skills. These self-paced modules for adults are complemented by onsite programming for people who are not confident learning online. A third module went live in April that leads people through finding and using materials held in collections such as museums, archives and libraries.

The Library's six-week online course, Shift Alt Story, helped 52 teachers, school library teams and individuals to explore how digital platforms have transformed the way we read, write and share our experience of stories.

Redevelopment of the popular Inside a Dog website began. The site enables young people to find a community of teens who would like to share the books they enjoy in a safe, teen-led space. The redeveloped site will make it easier for teens to explore, share and create online content.

The Department of Education and Training successfully reviewed and renewed the Kindergarten IT program. It will continue to deliver digital inclusion services to community-based kindergartens with a contract to 2019.

### Engaging and educating

Creating enriching experiences for young learners and their families, carers and teachers paves the way for engagement with libraries and learning throughout children's kindergarten and school years, and ultimately into adulthood. Much of the Library's work in this field is in collaboration with Victoria's public libraries, such as the statewide *1000 Books Before School* campaign, and a new program to develop public library staff skills in delivering early years literacy programs.

Onsite, four main programs for children and families – Play Pod, Storytime, Baby Bounce and school holiday programming – encouraged a love of learning and books through play, stories, songs and interaction between carers and children. Baby Bounce and

Storytime programs were amended to offer more frequent sessions in smaller groups, providing more opportunity for in-depth engagement and greater flexibility for families. They attracted 21,484 visitors, almost 4000 more than in 2015–16.

The Library aims to expand learning opportunities for schoolchildren, with programming and events designed to appeal to primary and secondary students. In total 24,473 students attended school programs during the year.

The Library's programs and events for young adults continue to attract enthusiastic audiences and feedback. The Library's Centre for Youth Literature partnered with the Melbourne Writers Festival as chairs and panellists on six of the festival's school sessions, with Inky Awards teen judges featuring prominently. The Inky Awards recognise high-quality young adult literature, with winners selected by teenagers. At the October presentation ceremony, the 2016 Gold Inky Award went to *Illuminae* by Amie Kaufman and Jay Kristoff. The year's Silver Inky was awarded to Jandy Nelson for *I'll give you the sun*.

An early 2017 showcase event with presentations from 15 Australian publishers attracted a fully booked audience of young adult readers and professionals, resulting in the session trending #1 nationally for several hours on Twitter.

The Centre for Youth Literature's 12th biennial Reading Matters featured a sold-out four-day program that opened with a student day attended by groups from around the state, followed by a two-day conference that attracted 320 participants, up from 282 at the 2015 conference. The final day, open to the public, offered sessions on speculative and contemporary young adult fiction and an insight into publishing, as well as free writing workshops for people aged 20 or under. Three days of author tours to regional Victoria and Adelaide followed. International authors – Americans AS King, Jennifer Niven and Canadian Mariko Tamaki – joined a strong Australian contingent including Randa Abdel-Fattah, Lili Wilkinson and Gold Inky award-winner Jay Kristoff.

Improving adult literacy is another part of our plan to eliminate barriers, with the Library working closely with Victorian public libraries to provide inspiration and practical help. *Adult literacy: Victorian public libraries in action* is a best practice guide. To coincide with its launch in October 2016, the Library ran a professional development seminar for public library staff and facilitated a roundtable discussion between public library managers and other adult literacy service providers to explore how they can best work together. The Library



also launched a grants program, inviting applications from Victorian public libraries for funding to support initiatives in adult literacy programming.

### Open and inviting

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

The Library continued to introduce new ways to discover, share and use our collections through technology and expertise that support access and engagement. A year of broad-reaching, innovative exhibitions encouraged curiosity, discovery and participation, celebrating and further building the role of libraries as drivers of social, cultural, educational and economic growth.

### Collection development

During the year, 83,452 items were added to the Library's collection and 81,652 bibliographic records were added to the catalogue.

The ebook shelf continues to grow, having reached the 10,000 title milestone, delivering quality Australian and international resources to Victorians whether they are visiting the Library or at home. Collection strengths include works on history, politics, sciences and biography.

Licensed digital collections we have acquired and made available include:

- the 17th and 18th Century Burney Collection, the largest single collection of English news media from this period as gathered by the Reverend Charles Burney (1757–1817)
- the 17th and 18th Century Nichols Newspapers Collection features London newspapers and pamphlets gathered by antiquarian and printer John Nichols; this collection, from the Bodleian Library, covers the years 1672 to 1737
- British Theatre, Music, and Literature: High and Popular Culture offers a wide range of primary sources about the arts in the Victorian era. It includes playbills, opera scripts, scores, manuscripts, compositions, personal letters, annotated programs, meeting minutes and financial records. This digital collection was sourced from the British Library and other important institutions.

Significant acquisitions for the year included the Baldessin and Friends folio for the Pictures collection, and the Powderham Castle Theological Tracts for the John Emmerson Collection. The Baldessin Press is a limited print folio in celebration of the Baldessin Press and Studio. It features influential artists such as Rick Amor, GW Bot, Jock Clutterbuck, Michael Leunig, Jan Senbergs, Imants Tillers, John Woleseley and includes a print by George Baldessin (1939–1978), an artist not previously represented in the Library's collection.

The Powderham Castle Theological Tracts comprise 150 works from the English Civil War period of the 1640s, the primary collecting interest of Library benefactor John Emmerson. This was the first significant purchase of material for the John Emmerson Collection using the Emmerson bequest funds.

In December the manuscripts collection acquired another significant goldfields era travel and shipboard diary, purchased at auction from the United States. The journal, by an unnamed young man, documents his journey from Ohio to New York and then to Victoria in 1853. The journal contains detailed descriptions of the passengers, and details about individuals with whom the writer worked on the goldfields. The Library also acquired the diary of Charles Farmer, an account of his voyage from Birkenhead to Geelong on the ship *Confiance*, also in 1853.

The manuscripts collection was further enhanced by the papers and music collection of Sophia Letitia Davis (1800–1850); these detail the life of a colonial music teacher and performer in Van Diemen's Land and Victoria.

A unique record of early Victorian photography was acquired with a collection of glass negatives recording Australian sceneries circa 1860 by John H Jones.

Our relationship with the Rennie Ellis Archive remains key and we have acquired the majority of photographs from Ellis' A Selection, comprising 66,000 images. Many of these images featured in his publications, including *Life's a beach*, *Life's a parade* and *Railway stations of Australia*.

The Library was able to complete our set of the botanical illustrations that introduced Australian flora to European eyes after acquiring further plates for Joseph Banks' *Florilegium*. These delicate, detailed images cover the Australian plants described by British naturalist and botanist Joseph Banks and Daniel Solander, and illustrated by Sydney Parkinson during the first of James Cook's voyages of exploration.

### Digital collection discovery

New, intuitive digital viewers are being developed as part of the Rosetta digital preservation technology implementation project and will provide new ways to discover and share our digital collections.

The Library has begun to create a metadata roadmap that will support and streamline the opening up of our collections. As we increase our digitisation, digital collecting and digital preservation work, this includes structural information that controls the way digital items are delivered to users, and technical information about

how digital items were created, their formats and any preservation actions. All this metadata will work together across current and future systems to enhance discovery, access, sharing and using.

Digitisation of the Library's existing collections continued. At the end of June, 753,701 digitised items could be found on the Library's website and via the National Library of Australia's Trove database, to which the Library has contributed thousands of pages of digitised Victorian newspapers. This is a substantial increase from 734,880 in 2015–16.

This total included 193,641 images in the Library's digital image pool, which are out of copyright and available to the public to freely use and share. We have increased the number of images available from 184,951 at the end of June 2016.

Key digitisation achievements for the year included the Coles Centenary Digitisation Partnership Project. The *Records of Coles Myer* is among the Library's most significant manuscript collections. This two-year project concluded in July, involving staff from across the Library preserving, rehousing and listing significant components of the collection; curatorial selection of representative items from a collection measuring more than 1150 linear metres; and digitisation of 26,000 images. An online finding aid was created to improve user access to the whole collection.

The digitising of the records of the Felton Bequest was completed in late November 2016 with more than 72 items comprising 7700 pages made available online. This included manuscript material such as papers, correspondence, minutes and business records relating to the activities and purchases made by the bequest and its administrators.

Other key digitisation projects completed included the *Journal of the Department of Agriculture of Victoria* (1902–55), a monthly journal covering rural changes in Victoria, improvements in agriculture and horticulture, and farming history. *Australian Bicycling News* (1882–86), the *Australian Cyclist* (1893–1905), and the *Australian Medical Gazette* (1869–71) were digitised for online access. The two former titles were the earliest Australian cycling magazines, documenting the history of the bicycle in Victoria and Australia, with information on races and clubs. The last was a bi-monthly journal of medical science, literature and news.

The digitising of the Vulgate Bible in late 2016 marked the completion of the significant Australian Research Council Illuminated Manuscript Project than began in 2011. In all, 36 volumes (9623 scans) have been digitised and made available online.

We also completed the important Works on Paper project that began in 2008. More than 11,000 digitised images of the Library's unique and historically important holdings of original drawings, prints and watercolours by significant Victorian artists are now discoverable online.

Assessment and treatment began on a number of collections for digitisation, including Coppin playbills, pre-1920 theatre programs, *UNA Nurses Journal*, the *Ballarat Evening Echo* (the World War I years), Sands & McDougall directories, and *Madame Weigel's Journal of Fashion* – a journal of clothing trends, advice and travel notes from a Prussian-born pattern-maker and trendsetter influential in Australian fashion for more than 60 years from the late 19th century.

A significant step away from providing newspaper access via microfilm came with the introduction of digital editions of the *Herald Sun*. Pre-press files sourced directly from the publishers News Ltd are now available on all PCs within the Library, with all issues from July 2014 to be available in this form. The Library was the first National and State Libraries Australasia member to take this step.

### Collection storage

As the Library prepares for construction of the reopened Russell Street entrance we have moved 8.9 linear kilometres of collection:

- 4.5 linear kilometres have been moved at our Swanston Street site
- 2.6 linear kilometres have moved from Swanston Street to BOSS1
- 1.8 linear kilometres have been moved internally at BOSS1.

The continuing Victorian Newspaper Reconfiguration Project, which is extending the storage capacity of BOSS1, continued on schedule with an additional 1.4 linear kilometres of Victorian newspapers barcoded, catalogued and repositioned during the year. The project is due for completion by December 2017.

### Conservation and preservation

In 2016–17 the Library preserved and conserved more than 77,000 items, assessed and treated 142 newly acquired collections through the quarantine store, processed more than 24,000 new items into the collection, and treated and prepared more than 800 collection items for exhibition at the Library.

Preparation for Vision 2020 continued during the year, with the Preservation team assessing, moving, treating, rehousing and listing 154 collections, creating 650 new enclosures (such as boxes and albums) of sorted and listed collection material. Most of this material from the manuscripts collection is now accessible to the public.

A significant achievement for the year was the completion of conservation treatment of *Meek's Atlas*, an enormous chart produced in the 1860s that described the history of the Australian colonies. This oversized work is now catalogued and available online.

Among the year's many outward loans was *The Press Dress*, an elaborate gown worn to the Mayor of Melbourne's fancy dress ball in 1866. Created for the flamboyant Mrs Matilda Butters, the cream silk dress was pieced together from images of pages from *The Age*, *The Australasian*, *The Herald* and *Punch* custom-printed on fabric. The dress created a sensation on its debut and remains a treasured item: the National Gallery of Victoria nominated it as a highlight of its exhibition *Making of the Australian quilt 1800–1950*.

We continue to share the Library's collection as widely as possible by supporting external exhibitions. Over the past year we loaned more than 100 collection items to the following institutions, where the exhibitions in which our items were displayed drew more than 850,000 visitors.

- Queen Victoria Museum and Art Gallery and South Australian Maritime Museum touring exhibition, *The art of science: Baudin's voyagers 1800–1804*
- Museum Victoria, Immigration Museum, *Behind the wheel*
- National Gallery of Victoria: Australia, *Making of the Australian quilt 1800–1950*
- Noel Shaw Gallery, Baillieu Library, University of Melbourne, *After Shakespeare*
- Museum Victoria, *WWI: Love and sorrow*
- State Library of New South Wales, *Planting dreams: shaping Australian gardens*
- Public Records Office at the Old Treasury Building, *Wild colonial boys: bushrangers in Victoria*
- Whitehorse Artspace, *Thoroughly modern: the art of Ian Armstrong*
- The Lyceum Club, Melbourne, *Mary Meek portrait display*
- Glen Eira Town Hall Gallery, *The wounded soldier: Glen Eira and a community of care*
- Ian Potter Museum of Art, University of Melbourne, *Don't be too polite: posters and activism*
- RMIT Gallery, *Photography 130 – behind the lens: 130 years of RMIT photography*
- Art Gallery of Ballarat, *Harold Freeman: artist for the people*
- National Portrait Gallery, *Trukanini: resistance, culture, continuity*
- Post Office Gallery, Bendigo Art Gallery, *Vantage point: aerial views of Bendigo*
- Baillieu Library, University of Melbourne, *Rare Book Week 2017*.

### Exhibition journey

In an enormously successful year for exhibitions the Library inspired people to connect to our collections in imaginative ways through creative and contemporary curation and design – onsite, regionally and online. Exhibition attendance for the year was 930,930, significantly above the target of 665,850.

*Heroes and villains: Strutt's Australia*, opened in July 2016 and drew more than 63,000 visitors – 25 per cent above target. Strutt, a 19th-century artist, chronicled Victoria's golden age through paintings, sketches and drawings. The display included works from Victorian and interstate library and gallery collections. The Strutt exhibition completed our partnership project with the National Library of Australia, which began with the exhibition *Australian sketchbook: colonial life and the art of ST Gill*. Both the Strutt and Gill exhibitions were displayed at both institutions.

Our other major exhibition during the period was *ON AIR: 40 years of 3RRR*. It opened in late 2016 and attracted more than 100,000 visits, making it one of the most popular exhibitions the Library has ever hosted and exceeding its daily visitor target by 21 per cent. The exhibition showcased the community radio station's history, culture and character. As part of the partnership, Triple R donated some of its archive to the Library including artworks, photographs, posters, magazines, and videos of live-to-air performances. Live events and broadcasts at the Library highlighted different aspects of the exhibition and celebrated this milestone in the station's history. This has been the final exhibition in the Keith Murdoch Gallery before the Vision 2020 construction phase begins.

For *On Gunaikurnai Country: Gippsland Aboriginal Elders, leaders and artists*, the Library commissioned Angela Lynkushka to produce a stunning portrait series of Aboriginal community leaders and artists. *Peace or war: the big picture* by Creative Fellow William Kelly was a large-scale artwork reflecting on artists' perspectives on peace and war; spanning more than three storeys, it was displayed under the dome in the La Trobe Reading Room.

Community displays included *The Big Issue portraits*, paintings of local vendors by Virginia Hodgkinson inspired by their moving personal histories; *Yesterday once more*, a photographic display of old and new photographs by David Collopy showing how Melbourne landmarks have changed over time; and *Building a home away from home*, a photographic series featuring Iranian immigrants to Victoria by photographer Katayoun Javan.

Two panel exhibitions touring public libraries were *Story Island: an adventure in pictures*, showcasing the

Scholastic Dromkeen Children's Literature Collection and *Writing the war: personal stories from World War I*. The latter features letters, diaries, photographs and drawings from the Library's heritage collections and will continue to tour during 2017–18, 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.

In 2017 a new Digital Fellowship has been offered, to encourage innovative uses of the Library's digitised collections and data. This Fellowship was awarded to Natalie Wallis and Anthony Mockler for a web application that collects biographical and genealogical data from an individual and intersperses it with the history of Victoria to create *My Victorian story: a hyper-personal timeline of Victoria, made by State Library Victoria and you*.

The Library awarded the following Creative Fellowships for 2017–18:

- Dr Kelly Gardiner for a work of history and memoir tracing two generations of Victorian women
- Martin King for a work exploring and evaluating the native flora and fauna in William Strutt's painting *Black Thursday, February 6th, 1851*
- Texta Queen for a series of artworks to be made into a poster series contextualising the experiences of marginalised diverse artists in contemporary Australia
- Dr Robert Reid for development of a new playscript, *Mostly untrue (the exaggerated life of George Coppin)*
- Dr Lucy Sussex for research into the lives of pioneering detective author Mary Fortune and her habitually criminal son, George.

The Centenary of WWI Fellowship was awarded to Deborah McKay for a project using oral histories held by the Library to bring to life the stories of veterans of the Great War interviewed by historian Patsy Adam-Smith between 1976 and 1978. A series of six separate but linked podcasts will be grouped by geographic location and supported by images from the Library's collection.

The Children's Literature Fellowship was awarded to Dr Lili Wilkinson for *The wild kindness*, a young adult novel informed by her exploration of the motif of the Australian lost child.

The Amor Residency at the Baldessin Press and Studio was awarded to Kyoko Imazu for a project that will explore imagination and memories from the artist's childhood in Japan and juxtapose them against Australian landscapes in a series of etchings and a limited edition artist book.

The Georges Mora Fellowship was awarded to Catherine Evans for *The view from Mount Disappointment* – a cross-disciplinary artwork that will explore the ways in which place and history are remembered.

The Redmond Barry Fellowship was awarded to Dr Luke Keogh, whose book *Garden State: the Wardian case, Victoria and the global nursery trade* will examine Victoria's role in the 19th-century global trade in live plants.

The John Emmerson Research Fellowship was awarded to Dr Gordon Raeburn, to investigate the presence and use of emotions in the John Emmerson Collection's Civil War tracts and pamphlets.

The La Trobe Society Fellowship was awarded to Dr Monique Webber, who will explore the ways in which Governor Charles La Trobe's ideals informed Melbourne's cultural and physical landscape and reveal a 'lost chapter' in the history of the city's gardens.

The Russell Beedles Performing Arts Fellowship was awarded to Andrew Watt, who will use the pages of entertainment magazine *InPress* to examine the evolution of the Melbourne live entertainment scene between 1987 and 1997.

The Ukrainian Studies Foundation in Australia Fellowship was not awarded in this round.

An Honorary Fellowship was awarded to Yasmin Kelsall for her work exploring human influence on the Victorian landscape.

### Publications

In a groundbreaking collaboration between the Library, independent publisher Black Inc. and the University of Melbourne, some of Australia's most acclaimed writers, including Christos Tsiolkas and Alice Pung, agreed to contribute to a series of six short books. In *Writers on writers*, to be launched in October 2017, each author will reflect on another Australian writer who inspired and influenced them. In one of the two titles that will launch the series, Melbourne-based author and editor Alice Pung writes about John Marsden, one of Australia's most popular writers of fiction for children and young adults; in the other, Erik Jensen delves into the world of celebrated Australian novelist and poet Kate Jennings.

In partnership with Monash University Press, the Library published *The Vagabond papers*, the unconventional accounts of a renowned colonial journalist who recorded first-hand the degradation of life in the slums of the Victorian era as well as the emergence of a well-off middle class. Author Maggie Black's *Up came a squatter: Niel Black of Glenormiston, 1839–1880* was

published with NewSouth Publishing and tells the story of a Scot who became one of the most successful squatters in the Western District. Black's letters and journals, now held at the Library, inspired the book.

The 98th issue of the *La Trobe Journal*, 'Collecting and commemorating', was a special issue exploring the Library's World War I collections. Issue 99 had a biographical flavour: individuals featured included explorer and linguist Alfred Howitt, and writers Marcus Clarke and Henry Lawson. To complement this issue the Library hosted a conversation with Creative Fellow Minna Muhlen-Schulte and researcher Dr Sandra McComb about writing biographies. With the journal's 100th issue due for publication in September 2017, many collection staff have been involved in writing articles showcasing works purchased for the collection with the support of the Friends and Foundation over the past 50 years.

#### **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.*

Maintaining the Library's position as a global leader in library services means ensuring our decisions are based on measuring and meeting our audiences' needs, and on working to secure funding and revenue from diverse sources. Leading Victorian organisations and companies, along with many generous individuals, help us find new ways to contribute to the state's social, economic and cultural growth.

#### **Public libraries partnership**

Twelve months of intensive consultation with public libraries across the state culminated in final approval from the Library Board of Victoria for the *2017-20 Statewide public library development projects plan*. The focus of the plan is:

- leading and supporting public libraries in the delivery of early years and adult literacy and adult reader development programming
- training for public library staff in the new skills required to deliver library services of the future
- development of sector leadership capability
- advocacy for public libraries.

The Board also approved the revision of the Library Board of Victoria and Public Libraries Victoria Network *Framework for collaborative action*. This important document defines how the Board and Victoria's public libraries work together to deliver improved library services to Victoria's communities.

Raising literacy levels has been a focus of the Library's continuing collaborative work with Victoria's public libraries. In August, a program was launched to develop public library staff skills in delivering early years literacy

programs; 15,000 children across Victoria attend these sessions every week.

The statewide *1000 Books Before School* campaign that launched at the Library in October encourages parents and carers to read with their children from the time they are born, to develop the foundation language and literacy skills that help ensure success at school. The Library is partnering with 42 Victorian public library services, representing more than 250 branch libraries, to deliver this program with a target of enrolling 50,000 children across the state.

The Board's Advisory Committee on Public Libraries approved five applications from Victorian public library services for Adult Literacy Innovation Grants from 17 applications. Successful applicants were Maribyrnong Public Library Service, Melton City Council Library Service, Monash Public Library Service, Goldfields Library Corporation and East Gippsland Shire Library. The work of public libraries in the adult literacy domain was also supported through publication of a best practice guide, *Reading and literacy for all: adult literacy - Victorian public libraries in action*.

The Library continues to support sector leadership, with five Library staff selected to participate in the 2017 Shared Leadership Program for Victorian public library and State Library staff. The Library's 2016 Margery C Ramsay Scholarship for leadership development in the public library network was awarded to Sarah Bingle of Casey-Cardinia Library Corporation. She will use the \$15,000 scholarship to further her outreach work in a bicultural partnership to link Indigenous children in Cranbourne with their culture and foster their sense of belonging, develop their early years literacy skills and help connect them with their local libraries.

One of the main ways in which the Library supports the public library network and helps position it for the future is by providing professional development programs. In October, the Library launched the third round of *Jump Start*, a six-week online digital literacy training program with 148 participants from libraries across the state. Other statewide professional development programs during the year covered workshops on community engagement essentials, event management and delivery fundamentals, and digitisation, as well as the Transforming Public Libraries mini conference at the State Library during April.

The High Road to Reading program of author visits to regional public libraries resumed in February, with sessions scheduled for 18 libraries across the state. The Library's two panel exhibitions on tour in public libraries, *Story Island* and *Writing the war*, continue to draw strong audiences.



### Entrepreneurship and partnerships

Taking the Library's online presence from websites to digital experience is critical to the strategic initiative to make the Library a hub for digitally connected events with regional, national and international participants. Increasingly, events hosted or organised by the Library reach a wider audience through real-time online connections.

The biennial Australian Learning Lecture, a joint project with Koshland Innovation Fund, was an example of the Library's work to bring events to wider audiences. Speaker Charles Fadel, global education thought leader and founder of Boston's Center for Curriculum Redesign, addressed big questions: What skills do our children need to thrive in the 21st century? How does education need to change for everyone to succeed? What will the 'new success' look like? Jennifer Westacott, CEO of the Business Council of Australia, introduced the lecture, which was live-streamed; satellite events included one at the State Library of Western Australia.

Work began on building a statewide network of entrepreneurship hubs for the creative industries, with REMIX Summits holding intensive discussions with Victoria's public library services about extending the Library's new co-working space and business support. This is to be delivered as part of Vision 2020; the proposal is to develop a statewide network of services in partnership with public libraries and Creative Victoria. Many public libraries have been working in this space for some time and Vision 2020 is an opportunity to work with the public library network to provide a coordinated offering and enhance the role of libraries in supporting entrepreneurs. Fourteen public library services in regional Victoria, Melbourne's outer growth corridors and in metropolitan Melbourne expressed interest in joining as initial partners.

The Library partnered with Nicolas Brasch and Astrid Edwards of Writers Victoria and award-winning Bad Producer Productions to sponsor a new literary podcast series: *The Garret: writers on writing*. The podcasts have been recorded at and co-branded with the Library, with the first season released in late 2016 featuring authors such as Amie Kaufman, Jay Kristoff, Kerry Greenwood and Andrew Rule. A second season in March included Carmel Bird, Alicia Sometimes, Jeff Sparrow and Andy Griffiths, and a third, beginning in June, featured interviews with Ian McGuire, Christos Tsiolkas and Sofie Laguna, among others.

### Creative and education sector partnerships

Our partnerships with Australian academic institutions ranged from Australian Research Council funded research projects, to publishing activities and research fellowships and experiential learning.

Examples include the Library's collaboration with La Trobe University to present the Poison Cabinet, an immersive program for young people aged 16–20 on the brink of choosing a university course. Two sessions of this program were presented during the year: a quest based on the Labyrinth myth, it is designed for six teams of 10 people moving through the Library simultaneously. As the teams solve each challenge they are rewarded with clues for next challenge; in the process, they explore the Library after dark and experience our collections in a unique and fascinating way.

With the University of Melbourne, the Library engaged four final-year Bachelor of Commerce students to develop an outcome/impact framework aligned to the *2016–2020 Strategic Plan*. The University sees this project as a way to bring together high-achieving students and industry professionals. The University of Melbourne also joined us in partnering with Black Inc. for the *Writers on writers* series.

The CAVAL cross-institutional mentoring program began in April, bringing together mentors and mentees from the Library and Victorian university libraries. In 2017, the Library had nine staff participating as mentors and mentees. Our relationship with CAVAL has been further strengthened by Sarah Slade, Head of Digital Engagement and Collection Services, joining the CAVAL board.

The Library continued to contribute to peak bodies such as the National and State Libraries of Australasia (NSLA), working with NSLA partner libraries to develop shared solutions and focusing on issues such as digital collection development, digital preservation, open access and copyright.

In August the Library joined fellow NSLA members in launching Born Digital 2016, a five-day program of discussion and debate. In a series of online interviews, an array of expert speakers – including astronomer Dr Alan Duffy, social researcher Dr Rebecca Huntley and gaming commentators Stephanie Bendixsen and Stephen O'Donnell – talked about our digital lives and the technical, social and philosophical questions raised by the immense volume of data our society is generating online. This inaugural digital preservation week raised awareness of the importance of preserving digital content for future generations.

### International relationships

The Library signed Memorandums of Understanding with two major Chinese libraries, Nanjing Public Library and Sichuan Public Library. The State Library has had a sister library relationship since 1985 with Nanjing, the third-largest public library in China; it houses more than 10 million items, including some of China's most valuable

collections of ancient books and scriptures. The new partnership with Sichuan Public Library was formalised during the Premier's visit to China in September, complementing existing international relationships with Nanjing and the National Library Board of Singapore. During the year the Library hosted a delegation of six from the Singapore National Library.

Forty-five public library leaders from India visited Melbourne as part of the Gates Foundation's International Network of Emerging Library Innovators. The Public Libraries team hosted Indian colleagues in March and helped lead a tour to some of Victoria's newest public libraries. The Library also hosted a visit from a trade delegation led by the Mayor of Busan, South Korea; and, at Trade Victoria's request, led a tour for international education agents from Bangladesh, Nepal, Taiwan, Thailand, Vietnam, Hong Kong, Sri Lanka and China.

### **Commercial partnerships**

The Library achieved good results through our new and existing commercial partnerships. Our venue hire business exceeded annual sales targets by 17 per cent. The Meetings and Events Association named the Library the Victorian Specialty Event Venue of the Year.

We continued our valued partnership with Readings, our onsite bookshop and 2016 International Bookshop of the Year, securing a commitment to relocate to the Russell Street Welcome Zone as part of Vision 2020. The new location will provide a 60 per cent increase in size for Readings' flagship city store.

### **Continuous improvement**

The Library began a major piece of workforce planning to scope requirements and changes needed to resource the redeveloped Library and best meet community needs. The Library's People Plan 2017–20 will analyse the current workforce, forecast future needs, and develop strategies to address the gaps. The plan will be critical for effective delivery of Vision 2020 and will underpin all workforce initiatives over the next three years, including organisation structure, job design, learning and development, recruitment, talent management and succession planning.

### **Professional development**

Throughout the year, Library staff across all divisions and levels have undertaken professional development and taken part in leadership and development exercises with school and public libraries in Victoria.

Approximately 100 front-of-house staff took part in training as part of the *Strategic Plan 2016–20* initiative to reshape customer service. Participants and stakeholders in Rosetta, our digital preservation technology

implementation project, undertook a day's training in fundamentals of agile project management.

### **Support and sponsorship**

With fundraising for Vision 2020 a priority throughout 2016–17, the Foundation Council, Library Board of Victoria members, the Development team and senior leaders across the Library focused on identifying and securing sources of funding.

Landmark donations included the John and Myriam Wylie Foundation's \$8 million endowment, coupled with the Victorian Government's commitment of an additional \$5 million, a \$3 million donation by Maria Myers AC and Allan Myers AC QC to launch the public fundraising campaign that began in late March, and \$2 million from Christine Christian for our new entrepreneur centre, Start Space. These donors join the Ian Potter Foundation as major contributors to Vision 2020.

By the end of June, we had received donations and pledges of \$27.9 million against our initial capital campaign fundraising target of \$27.7 million. The Library will continue to encourage donations from individuals, trusts and foundations to support new programming and collection development.

Our tradition of providing free access to knowledge, culture and education owes much to the generosity of those who support us through bequests. These supporters are invited to join our Redmond Barry Society. We acknowledge the legacies left this year from Dr Robert Jones, a Friend of the Library and Foundation member for more than 25 years and (Eva) Rifka Knox, who founded Knitters for Melbourne's Needy and was recognised with a medal of the Order of Australia in 2006. Joan Maslen, a reference librarian for almost 40 years, played a key role in creating the Library's Theatre Programme Collection in the 1960s. Her bequest reflects her generosity over many years to her fellow staff and to Library users. Our thanks and thoughts are with their families.

Further fundraising events included a sold-out Keith Murdoch Oration by Noel Pearson. Proceeds went towards supporting Vision 2020, as did funds from ticket sales, donations and a live auction of donated prizes at the second Finish Line fundraising dinner.

We welcomed several new corporate members, with membership growing from 21 to 28 during the year. Some of the high-profile speakers in our Corporate Member speaker series this year included former Prime Minister, The Hon. Paul Keating; BHP Billiton Chair, Jacques Nasser AO; San Francisco-based entrepreneur Tim Leberecht; and Virgin Galactic Commercial Director Stephen Attenborough.

We thank our longstanding and new members for their ongoing support and commitment:

ANZ Banking Group  
Architectus  
BHP  
BMW Australia  
Deloitte  
Deutsche Bank AG  
Egon Zehnder  
Ellerston Capital  
food&desire  
GHD  
Herbert Smith Freehills  
Jenny Young Costs Lawyer  
King & Wood Mallesons  
K&L Gates  
La Trobe University  
Lovell Chen  
Maxxia  
Monash College  
Monash University  
NAB  
Obst Legal  
Orica  
RMIT University  
Ruralco  
Root Partnerships  
Schwartz Media  
Spotless  
University of Melbourne

### Donors and sponsors

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

#### Donors

##### \$100,000+

Christine Christian  
Ellen Koshland  
Allan Myers AC QC and Maria Myers AC  
John Wylie AM and Myriam Boisbouvier-Wylie  
In memory of Joan Maslen  
Anonymous (1)

##### \$25,000+

Anita and Graham Anderson  
Robin Campbell and Bruce Parncutt AO  
Glenda and Greg Lewin AM  
The Lothian Family  
Margaret Plant  
Margaret Ross AM and Dr Ian Ross  
Karen Wood and Alex Sloan  
In memory of Dr John Emmerson  
In memory of Dr Robert Jones  
In memory of Eva Rifka Knox

##### \$10,000+

Janet Calvert-Jones AM  
Terry Henderson  
Wallace and Joan Kirsop  
Andrew Sisson  
Anonymous (1)

##### \$5000+

Bruce Akhurst  
Rick Amor and Meg Williams  
Stewart Anderson QC  
Jenny Barbour  
Dr Anne Colman and Prof. Peter Colman AC  
Melissa Conley-Tyler  
Prof. Carolyn Evans  
Rodger Gardner  
Leon Gorr  
Louise Gourlay OAM  
Mr D and Mrs P Habersberger  
John Higgins  
Julie Kantor  
Zara Kimpton OAM  
Dr George Morstyn  
Michael Nossal  
Tim Orton  
Michael and Rosalba Renzella  
Sharon Rowell  
Margie Seale  
Brenda Shanahan  
Dr Robert and Josephine Shanks  
Helen and Stephen Silk  
Emma Stott  
Anonymous (2)

##### \$500+

Michael Aitken  
April Albrecht  
John D and Dagnija Balmford  
Dr John Barlow and Mary Barlow  
Marc Besen AC and Eva Besen AO  
Paulene Blackman  
Peter Booth  
Christobel Botten  
Howard and Jenny Brown  
Nan Brown  
Rhonda Brown  
Jenny Brukner  
Michael Burn  
Dr James Butler and Gail Butler  
Nicholas and Libby Callinan  
Clare and Andrew Cannon AM  
Fiona Caro  
Colin and Angela Carter  
Tracey Cheetham  
Alan Cobb  
Georgie Coleman  
Peter Collinson QC

Julie Ann Cox AM and Laurie Cox AO  
 Glenn Cumming  
 Dr Andrew Cuthbertson  
 Andrew and Sandy de Crespigny  
 The Hon. Associate Justice David Derham  
 Nicole Devlin  
 Dr John Dwyer QC  
 The Rev. Fr Michael Elligate  
 Margaret Eva  
 Antony Yusuf Firmanto  
 Mel and Valerie Forbes  
 John Haig and Norma Gaidzkar  
 Bruce Goodwin  
 Prof. John Gregory  
 Peter Griffin AM  
 John and Margaret Harrison  
 Charles Henry  
 Roger Heslop  
 Robin Hunt  
 Dr Anthea Hyslop  
 Neil Jens  
 Anne Kantor  
 Irene Kearsey and Michael Ridley  
 Anne Kelso  
 Elisabeth Kerdelhué and Mark Mountford  
 Dr Judith Kinnear  
 Robert Laird  
 Julie and Michael Landvogt  
 Prof. Richard Larkins AO  
 Dr Andrew Lemon and Judith Cordingley  
 Diana Lempriere  
 Gaelle Lindrea  
 Kevin Lu  
 Susanna Mason  
 Dr Trevor McAllister  
 Darren McClelland  
 Ian and Margaret McKellar  
 Bruce WR Miller  
 Ross and Judy Milne-Pott  
 Susan Molony  
 Patrick and Katharine Moore  
 Hugh Morgan AC and Elizabeth Morgan  
 Paul Mullaly QC  
 Baillieu Myer AC  
 Stephen Newton AO  
 Patricia Nilsson  
 Sally and Prof. Justin O'Day AM  
 Jennifer Overend  
 Kenneth Park  
 John and Betty Pizzev  
 Ian and Anne Pyman  
 Ian Renard  
 Ralph and Ruth Renard  
 Dr Sam Richardson  
 John Rickard

Mark Rubbo OAM  
 Douglas Savige and Diane Moseley  
 Greg Shalit and Miriam Faine  
 Adrienne Shaw  
 Jennifer Shaw  
 Kate and Stephen Shelmerdine AM  
 Dr Peter Sherlock  
 Philip Solomon QC  
 Janine Tai  
 Naum Tered  
 Kate Torney  
 Ruth Trait  
 Noel and Jenny Turnbull  
 Diana Courtney Wellford Turner  
 Adam Van Rooijen  
 Ian Watts  
 Margaret Webster  
 Pera Wells  
 Linda White  
 Norman and Meryll Wodetzki  
 Harrison Young  
 Jenny Young  
 In memory of Jean Conochie  
 In memory of Margaret Endersby  
 Anonymous (21)

#### **Foundation Council**

Maria Myers AC, Chair  
 Robin Campbell  
 Christine Christian  
 Peter Hay  
 Jennifer Hutchison  
 Howard Obst  
 Karen Wood

#### **Trusts and foundations**

AGL Shaw  
 Crown Resorts Foundation  
 John and Myriam Wylie Foundation  
 JS Chambers Foundation  
 Limb Family Foundation  
 Packer Family Foundation  
 Percy Baxter Foundation  
 RE Ross Trust  
 Rockwell Foundation  
 Silver Gold Fund  
 The Ian Potter Foundation  
 The Koshland Innovation Fund  
 The Permsee Foundation  
 The Sirius Foundation  
 The Stuart Leslie Foundation  
 The Sir Wilfred Brookes Charitable Foundation  
 Ukrainian Studies Foundation in Australia  
 William George Alma Estate

## Sponsors and partners

---

Aēsop®

archival<sup>as</sup>survival  
your partner in preservation

bhpbilliton



  
Deutsche Bank

food&desire.

John Higgins

 **LA TROBE**  
UNIVERSITY

LAZARD



Obst  Legal



Readings®



Inglis | 150  
Since 1867 YEARS



THE  
**SATURDAY PAPER**



# Financial summary

## Summary of financial results with five-year comparatives

	2017 \$'000	2016 \$'000	2015 \$'000	2014 \$'000	2013 \$'000
Revenue from government	81,081	77,223	83,410	80,565	81,529
Other revenue	19,886	18,664	15,302	11,765	9,455
<b>TOTAL REVENUE</b>	<b>100,967</b>	<b>95,887</b>	<b>98,712</b>	<b>92,330</b>	<b>90,984</b>
<b>TOTAL EXPENSES (excluding depreciation)</b>	<b>(86,082)</b>	<b>(85,870)</b>	<b>(92,806)</b>	<b>(86,744)</b>	<b>(86,265)</b>
<b>NET RESULT FOR THE YEAR BEFORE DEPRECIATION</b>	<b>14,885</b>	<b>10,017</b>	<b>5,906</b>	<b>5,586</b>	<b>4,719</b>
<b>DEPRECIATION</b>	<b>(13,654)</b>	<b>(12,980)</b>	<b>(12,971)</b>	<b>(13,234)</b>	<b>(13,300)</b>
<b>TOTAL EXPENSES</b>	<b>(99,736)</b>	<b>(98,850)</b>	<b>(105,777)</b>	<b>(99,978)</b>	<b>(99,565)</b>
<b>NET RESULT FOR THE YEAR AFTER DEPRECIATION</b>	<b>1,231</b>	<b>(2,963)</b>	<b>(7,065)</b>	<b>(7,648)</b>	<b>(8,581)</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>13,752</b>	<b>9,058</b>	<b>(305)</b>	<b>(1,830)</b>	<b>2,648</b>
<b>TOTAL ASSETS</b>	<b>891,857</b>	<b>860,627</b>	<b>893,808</b>	<b>900,207</b>	<b>908,616</b>
<b>TOTAL LIABILITIES</b>	<b>12,609</b>	<b>11,468</b>	<b>10,216</b>	<b>9,240</b>	<b>10,354</b>

### Notes

- 1 Revenue from government includes \$39.309m in operating funding, \$0.369m in capital funding and \$41.403m of capital assets charge.
- 2 Other revenue includes revenues from commercial, donations, bequests, investment and other external sources.
- 3 Total expenses include \$41.403m of Capital Assets Charge and expenses from transactions.
- 4 The comparative amounts for 2016 and prior years show the consolidated entity (State Library of Victoria and State Library of Victoria Foundation).
- 5 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 2016–17 of \$1.231m surplus compared to \$2.963m deficit for 2015–16.
- The Library Board achieved a net result before depreciation for 2016–17 of \$14.885m surplus compared to \$10.017m surplus for 2015–16.

Factors contributing to the net result are outlined below.

- Total revenue has increased by \$4.9m to \$100.9m and has been affected by the following items:
  - operating funding from government increased by \$3.489 to \$39.309m in recurrent funding
  - capital revenue received from government of \$0.369m
  - donations include philanthropic donations in excess of \$6.4m received for the redevelopment project
  - donations include items donated to the Library collection in 2016–17, valued at \$1.236m (\$4.646m in 2015–16)
  - bequests of \$3.386m were received in 2016–17 (\$0.12m in 2015–16). This included a franked dividend of \$2.745m.
- Funding of \$12.803m received from government for the Vision 2020 redevelopment and BOSS2 projects is shown as an increase in contributed capital rather than capital revenue.
- Payments made to Development Victoria for the redevelopment and BOSS2 projects are shown as capital works in progress rather than expenses (\$13.5m at 30 June 2017).
- The revaluation of long-service leave liability due to changes in bond rates resulted in a gain of \$209k (\$331k loss in 2015–16).
- Net assets have increased by \$30.1m primarily as a result of the revaluation of the land, philanthropic donations received, bequests received and capital work in progress.
- Total liabilities have increased by \$1.1m to \$12.6m due to increases in leave provisions, creditors and accrued expenses.

# 2016–17 key performance indicators

The Library's 2016–17 planning framework was designed to achieve outcomes articulated in the *Strategic Plan 2016–20*.

Description	Unit of measure	Actual 2013–14	Actual 2014–15	Actual 2015–16	Target 2016–17	Actual 2016–17
Onsite visitation <sup>1</sup>	Number	1,775,855	1,781,690	1,894,268	1,918,016	2,071,250
Website visitation <sup>2</sup>	Number	3,384,738	3,441,756	4,358,031	4,029,760	4,241,307
Visitor satisfaction <sup>3</sup>	%	83%	83%	87%	90%	92%

## 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 1,500,000 onsite visits, as outlined in the Library's Service Agreement with the Minister for Creative Industries. The Library hosted more than 2.07 million visits in 2016–17. Innovative and engaging programming throughout the year drew 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.
- 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. Visits to hosted websites are not included in this measure. As with onsite visitation, the Library sets an ambitious target (above the BP3 target of 3,200,000) for website visitation. In 2016–17, performance exceeded this ambitious target by 5%.
- 3 Visitor satisfaction measured via the annual intercept survey has increased. Satisfaction increased significantly for Melbourne locals (from 86% to 94%) and overseas visitors from 88% to 98%. This marks a trend in satisfaction for both overseas and Melbourne-based visitors, as both groups have also seen an increase in propensity to recommend, and satisfaction with their visit overall. This shows the Library is succeeding in meeting the needs of both these groups.

# 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	Actual 2015-16	Target 2016-17	Actual 2016-17
<b>OUTPUT GROUP 1 – Guardianship of the State Collection</b>				
<b>OG1a Collection development</b>				
Acquisitions and deaccessions in accordance with collection development policies / strategic directions	%	100%	100%	100%
<b>OG1b Collection management</b>				
New acquisitions (received in current period), electronically registered to agreed standards and targets	%	95%	95%	99%
BP3 Agency collections storage meeting industry standard	%	99%	99%	99%
<b>OUTPUT GROUP 2 – Access and participation</b>				
<b>OG2a Community engagement activities</b>				
Events <sup>1</sup>	Number	905	1,100	1,516
BP3 Access – attendances/users	Number	1,894,268	1,500,000	2,071,250
BP3 Volunteer hours <sup>2</sup>	Number	7,353	3,400	7,151
Volunteers	Number	113	85	104
BP3 Members and Friends <sup>3</sup>	Number	1,301	870	1,061
<b>OG2b Community use of facilities</b>				
Events	Number	430	450	461
<b>OG2c Education programs</b>				
Events – sessions, performances, workshops	Number	612	868	724
BP3 Students attending educational programs	Number	50,434	25,700	24,473
<b>OG2d Exhibitions and displays</b>				
Events – new (permanent or temporary) exhibitions	Number	5	5	5
Attendees <sup>4</sup>	Number	742,120	665,850	930,930
<b>OG2h Public access to collection / information</b>				
Virtual access to collection	%	95%	95%	94%
BP3 Access – Library website visitation	No. of user sessions	4,358,031	3,200,000	4,241,307
<b>OG2i Visitor experience activities</b>				
BP3 Visitors satisfied with visit	%	87%	90%	92%



Description	Unit of measure	Actual 2015-16	Target 2016-17	Actual 2016-17
<b>OUTPUT GROUP 3 – Sector development</b>				
<b>OG3a Professional development and other services</b>				
Collaborative projects with NGOs/agencies <sup>5</sup>	Number	58	40	57
Touring programs/exhibitions available from the arts body in reporting period	Number	96	44	74
Regional centres receiving touring programs/exhibitions offered by the arts body	Number	14	12	18
Loans to NGOs/agencies from the collection	Number	2263	1,670	1,868
Investment in staff training	\$/Staff	313	575	512
<b>OUTPUT GROUP 4 – Cultural infrastructure and facilities</b>				
<b>OG4a BP3 All facility safety audits conducted</b>				
Conduct yearly safety audit and advise CV audit has taken place by 31 May	Number	Yes	Yes	Yes
<b>OG4b BP3 Cultural Facilities Maintenance Fund projects delivered within agreed timeframes **</b>	%	75%	90%	100%

#### Notes

- 1 Above-target performance has been driven by increased tours and family programs to meet demand as well as partnership programs such as Melbourne Music Week.
- 2 Volunteers again contributed above-target support to the Library in 2016-17. Our volunteers support a large number of collection-related activities. Performance over the year has been driven by increased demand for volunteer-led tours of exhibitions as well as volunteer support for increased family programming.
- 3 The membership base of Friends of the Library grew during 2016-17. A focus on relationship-building and aligning member offers and benefits has resulted in increased retention and engagement.
- 4 The Library hosted a record number of exhibition visits during the year. Strong performance is largely due to the popularity of the William Strutt and Triple R exhibitions. Triple R attracted more than 100,000 visits, making it one of the most popular exhibitions the Library has ever hosted and exceeding its daily visitor target by 21%. Increased tourism marketing for our permanent exhibitions has also had a positive impact on visitation.
- 5 The Library has continued to leverage our offer through an increase in collaborative projects resulting in programs, research and publishing. New opportunities for partnerships arose in 2016-17. Projects included week-long programming with Melbourne Music Week, *Ex libris* sculptural work made by Anzara Clark with the Melbourne Fringe Festival, and partnering with Tablo at the Digital Writers' Festival.

# Acquisitions statistics 2016–17

## VOLUMES ADDED TO STOCK JULY 2016 – JUNE 2017

	Purchase	Donation	Govt donation	Legal deposit	Method of acquisition	
					Total 2016–17	Total 2015–16
Monographs	7,529	5,390	966	3,303	17,188	31,638
Newspapers	135	119	1	608	863	1,079
Other serials	1,462	334	771	3,401	5,968	5,618
<b>TOTAL VOLUMES</b>	<b>9,126</b>	<b>5,843</b>	<b>1,738</b>	<b>7,312</b>	<b>24,019</b>	<b>38,335</b>

## CONSOLIDATED STOCK HOLDINGS 2015–2017

Stock holdings (volumes)	30 June 2015	30 June 2016	30 June 2017
Newspapers	108,572	109,651	110,514
Monographs and serials	2,191,532	2,228,788	2,251,944
<b>TOTAL</b>	<b>2,300,104</b>	<b>2,338,439</b>	<b>2,362,458</b>
Maps	113,770	114,414	114,556
Sound recordings	54,298	59,820	62,173
Video recordings	6,317	6,363	6,436
Exhibition catalogues	166,488	171,959	176,148
Theatre programs (linear metres)	97	99	100.84
Ephemera (linear metres)	76	77	94.39
Manuscripts (linear metres)	7,998	8,142	8,196
Pictures	1,010,640	1,062,842	1,114,672

## CONSOLIDATED ELECTRONIC STATISTICS 2015–2017

	30 June 2015	30 June 2016	30 June 2017
PANDORA (online titles & websites)	12,812	14,140	15,365
Ebooks (titles)	6,698	8,609	11,383
Born-digital serials (titles)		44	96
Born-digital monographs (titles)			22
Electronic collections	32	41	53

### 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.

Collecting of Victorian published, born-digital monograph titles began 2016–17.

# Library Board and corporate governance

## Functions and powers of the Library Board of Victoria

The affairs of State Library 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 2016 to 30 June 2017.

Mr John Wylie AM, President (attended 6 meetings)  
 Ms Christine Christian, Deputy President (attended 6 meetings)  
 Mr Bruce Akhurst (attended 6 meetings)  
 Professor Carolyn Evans (attended 5 meetings)  
 The Hon. Petro Georgiou AO, until 23 May 2017 (attended 5 meetings)  
 Mr Dennis Goldner (attended 5 meetings)  
 Ms Maxine McKew (attended 5 meetings)  
 Ms Maria Myers AC (attended 5 meetings)  
 Ms Karen Quinlan (attended 4 meetings)

## About Board members

### John Wylie AM, President

John Wylie was appointed President of the Library Board in May 2012 and reappointed in May 2015. 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, Lonsac 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 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*.

#### **Petro Georgiou AO**

Petro Georgiou was appointed to the Library Board in July 2011 and reappointed in October 2014. He served on the Executive Appointments and Remuneration Committee, and as a member of the Audit and Risk Management Committee until October 2015. Petro was a member of the House of Representatives in the electorate of Kooyong from 1994 until 2010. He was Chair of the Joint Standing Committee on Science and Innovation, State Director of the Victorian division of the Liberal Party, and Director of the Institute of Multicultural Affairs. He was a Vice-Chancellor's Professorial Fellow at Monash University and the University of Melbourne.

#### **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.

#### **Maxine McKew**

Maxine McKew was appointed to the Board in 2015. 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 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 2016 to 30 June 2017.

##### *2016–17 membership*

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

##### *SLV representatives*

Ms Kate Torney  
 Ms Justine Hyde

##### *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 8 occasions during the period 1 July 2016 to 30 June 2017 and once jointly with the Finance Committee. During 2016–17 the committee met with independent assessor Mr Ian Renard, a past President of the Library Board, to exercise its function under the Board's Conflict of Interest Policy. A number of proposed philanthropic deeds of gift were reviewed and recommendations made to the Board.

##### *2016–17 membership*

Mr Dennis Goldner, Chair (attended 6 meetings)  
 Professor Carolyn Evans (attended 6 meetings)  
 Mr Michael Hill (independent member, attended 8 meetings)  
 Ms Anne Jackson (independent member, attended 8 meetings)

##### *SLV representatives*

Ms Kate Torney  
 Ms Hanh Chau

##### *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 (formerly Major Projects Victoria) project managers, Department of Treasury and Finance, and Department of Premier and Cabinet. The committee met 7 times during the period 1 July 2016 to 30 June 2017.

##### *2016–17 membership*

Mr John Wylie AM, Chair (attended 6 meetings)  
 Mr Bruce Akhurst (attended 3 meetings)  
 Mr Dennis Goldner, from October 2016 (attended 2 meetings)  
 Ms Karen Quinlan, until March 2017 (attended 2 meetings)



*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.

*2016–17 membership*

Mr John Wylie AM, Chair

Mr Bruce Akhurst

Ms Christine Christian

The Hon. Petro Georgiou AO, until 23 May 2017

*SLV representative*

Ms Kate Torney

*Executive Officer*

Ms Kate Torney, from October 2016

Mr Jim Johnston, until October 2016

**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 2016 to 30 June 2017 and once jointly with the Audit and Risk Management Committee.

*2016–17 membership*

Ms Christine Christian, Chair (attended 7 meetings)

Mr Bruce Akhurst (attended 5 meetings)

Ms Anne Jackson (attended 7 meetings)

Ms Marina Kelman, from October 2016 (attended 5 meetings)

Mr Glenn Mescher (attended 6 meetings)

*SLV representatives*

Ms Kate Torney

Ms Hanh Chau

*Executive Officer*

Ms Frances Savage

**State Library Victoria Foundation Council**

The objective of the Foundation Council is to support the strategic objectives of State Library Victoria and to secure donations to the Foundation Capital Fund. The Council met on 5 occasions during the period 1 July 2016 to 30 June 2017.

*2016–17 membership*

Ms Maria Myers AC, Chair (attended 4 meetings)

Ms Christine Christian (attended 4 meetings)

Ms Robyn Campbell (attended 5 meetings)

Mr Peter Hay (attended 4 meetings)

Ms Jennifer Hutchison (attended 4 meetings)

Mr Howard Obst (attended 4 meetings)

Ms Karen Wood, from August 2016 (attended 5 meetings)

*SLV representatives*

Ms Kate Torney

Ms Hanh Chau

Ms Gaelle Lindrea, from July 2016 until May 2017

*Executive Officer*

Ms Dawn Nisbet, until October 2016

Ms Corinne Smith, from November 2016

# 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
- managing the State Collection
- enhancing the Library's services and offerings
- strengthening community and partner relations
- sound corporate governance
- delivering on major capital projects
- managing the Library's operations, including for financial sustainability.

## **Hanh Chau, Director Corporate Services and Chief Financial Officer**

Hanh Chau is responsible for the Library's corporate functions, including:

- business and fiscal planning, including for financial sustainability
- corporate governance and risk management
- strategic marketing and communications
- commercial activities
- resource management, including fiscal, people and infrastructure
- strategic planning, policy and evaluation.

## **Justine Hyde, Director Library Services and Experience**

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

- the onsite and digital experience
- customer services, information services and access
- public programs and learning programs
- collection development and management
- exhibitions, publishing and creative fellowships
- public libraries strategic relationship
- the Library's Vision 2020 building redevelopment project.

## **Gaelle Lindrea, Director Development (from July 2016 until May 2017)**

The Director Development is responsible for the activities of the Library Foundation, including:

- fundraising
- Friends of the Library Membership
- Corporate Membership
- sponsorship and partnerships.

## **Jo Ritale, Head of Collections**

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

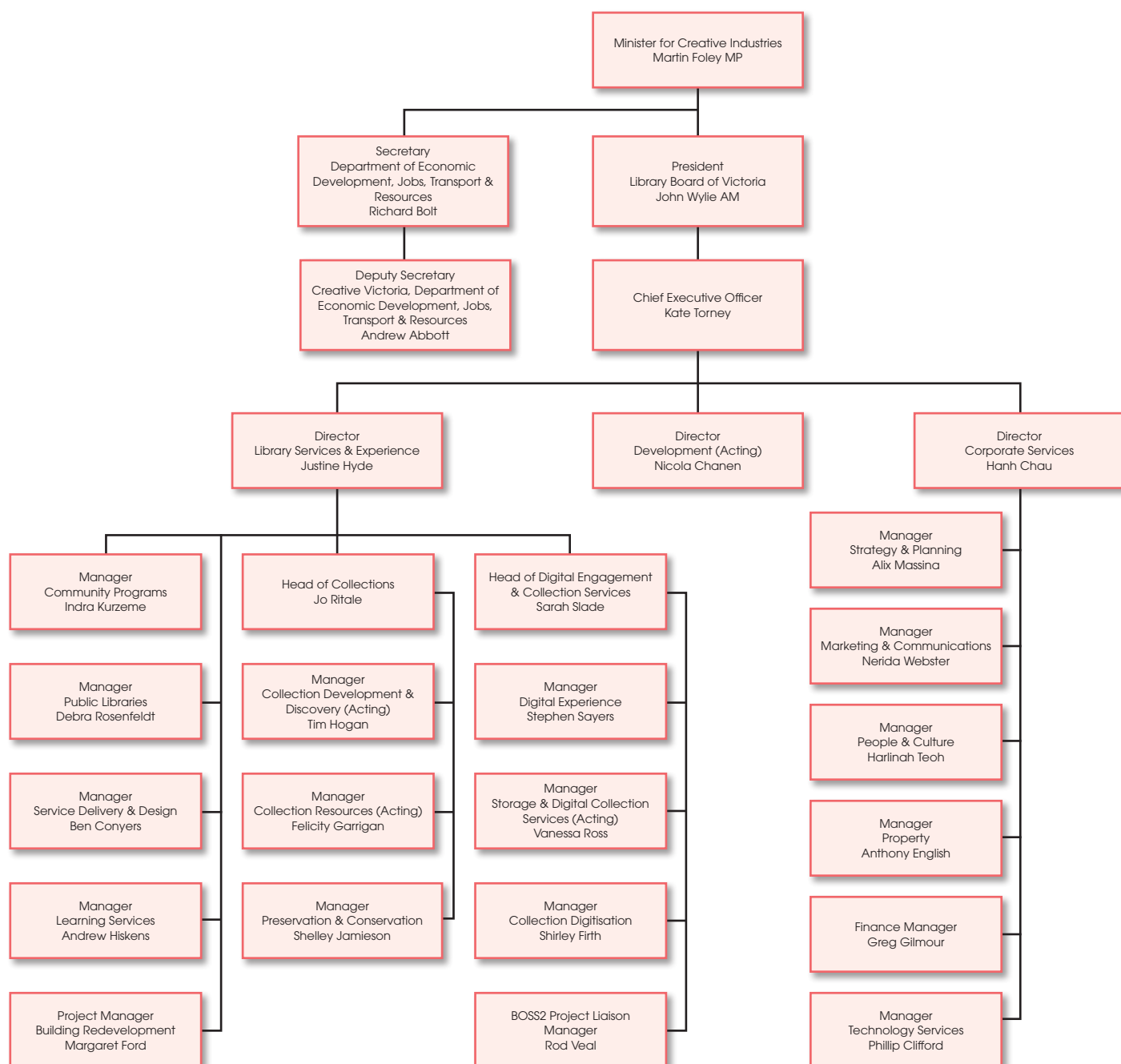
- selection and acquisition
- collection description and cataloguing
- preservation and conservation.

## **Sarah Slade, Head of Digital Engagement and Collection Services**

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

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

# Organisational structure (as at 30 June 2017)



# Occupational health and safety

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 8.1% (greater than 15% warrants investigation). Employee absenteeism (unplanned) averaged approximately 4.2% (greater than 5% warrants investigation). These performance measures compare to 8.7% and 4.0% respectively in 2015–16.

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 1.7% over the previous year, while claims performance continues to show a position of sector leadership 0.5250% weighted industry rate.

Category	Measure	2014-15	2015-16	2016-17
Policy currency (review cycle 3 years)	OH&S Policy current	Yes	Yes	Yes
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	2	0
	Notices received	0	0	0
	Visits (including as a result of notifiable incidents)	0	0	0
	% of identifiable issues actioned	N/A	2	–
WorkCover claims management	Number of standard claims	3	1 (continued from 2014-15)	0
	Rate per 100 FTE	1.0	0.37	–
	Number of lost time claims	2	1	1
	Rate per 100 FTE	0.69	0.37	0.35
	Number claims exceeding 13 weeks	2	0	1
	Rate per 100 FTE	0.69	0	0.35
	Fatality claims	0	0	–
	Average cost per standard claim	\$1105.66	\$2307 (continued from 2014-15)	–
	% claims with a RTW plan > 30 days	0	0	100%

## OCCUPATIONAL HEALTH AND SAFETY (CONT'D)

Incident reporting across the Library increased by 87.5% in 2016–17. Incidents include injuries and other hazards (non-injury) related incidents. In real terms, the increase equates to 63 additional reported incidents compared with the previous year. The majority of incidents (69%) relate to behaviour by members of the public towards staff or other patrons. The increase in incident reports 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 (OHS) strategy is to ensure all staff remain safe and healthy at work and a safe environment for visitors.

The Library retained accreditation under the Australian and New Zealand Standard 4801:2001 following successful surveillance audit in October 2016. The Library continues to provide a number of initiatives to support employee health and wellbeing, including a comprehensive Employee Assistance Program, resilience workshops, influenza vaccinations, onsite bicycle storage facilities and support for a bicycle users group. The Library conducted a program aimed at raising manual handling awareness during the year.



# 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 provides 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 access to information, customer service, building knowledge, respect, teamwork, the networked future and lifelong learning.

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 2017							June 2016						
		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	131	104.9	77	23	93.4	31	11.5	131	104.6	80	21	95.0	30	9.6
	Female	229	179.7	127	49	158.8	53	20.9	220	166.9	125	32	140.9	63	26.0
	Age														
	15–24	16	6.3	3	0	3.0	13	3.3	21	6.8	1	0	1.0	20	5.8
	25–34	72	48.0	25	5	28.7	42	19.3	66	39.9	21	5	24.3	40	15.6
	35–44	76	61.5	50	12	57.2	14	4.3	66	54.9	45	7	47.9	14	7.0
	45–54	80	69.9	53	22	67.8	5	2.2	81	69.8	56	16	66.5	9	3.3
	55–64	89	79.3	63	21	77.2	5	2.2	93	82.7	70	18	79.9	5	2.8
65+	27	19.7	10	12	18.4	5	1.3	24	17.6	12	7	16.3	5	1.3	
Classification data	VPS 1–6 grades	357	281.6	201	72	249.3	84	32.4	345	265.5	199	53	229.9	93	35.6
	VPS 1	1	1.0	1	0	1.0	0	0.0	39	11.3	1	0	1.0	38	10.3
	VPS 2	119	68.9	31	24	46.3	64	22.6	79	53.3	37	16	43.6	26	9.7
	VPS 3	113	94.4	67	31	87.3	15	7.1	109	92.3	68	20	81.0	21	11.3
	VPS 4	53	49.3	41	8	46.8	4	2.5	52	45.1	36	10	42.7	6	2.4
	VPS 5	47	45.0	39	8	45.0	0	0.0	46	43.6	38	6	41.6	2	2.0
	VPS 6	24	23.1	22	1	22.9	1	0.3	20	20.0	19	1	20.0	0	0.0
	Senior employees	3	3.0	3	0	3.0	0	0.0	6	6.0	6	0	6.0	0	0.0
	STS	0	0.0	0	0	0.0	0	0.0	2	2.0	2	0	2.0	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	4	4.0	4	0	4.0	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		360	284.6	204	72	252.3	84	32.4	351	271.5	205	53	235.9	93

### Note

In accordance with FRD 29A, executive officers (3) are now reflected in the figure for ongoing employment type. In the previous period, executive staff (4) were included in the figure for fixed term staff.

## 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	0	(1)	2	(0)
<b>TOTAL</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>(1)</b>	<b>3</b>	<b>(0)</b>

**Table 2** Reconciliation of executive numbers

		2017	2016
	Executives (Financial Statement Note 33)	4	5
	Accountable Officer (CEO)	1	1
Less	Separations	(2)	(2)
	<b>Total executive numbers at 30 June</b>	<b>3</b>	<b>4</b>

**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						2 <sup>^</sup>
\$180,000 – \$199,999						
\$200,000 – \$219,999	1					
\$220,000 – \$239,999						
\$240,000 – \$259,999	1					
\$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						
<b>TOTAL</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>

### Notes

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

<sup>^</sup> These are non-executive staff paid above to maximum of a VPS Grade 6 – \$146,921, recognising senior technical speciality required in role.

# Environmental performance

Energy	2016-17				2015-16			
Indicator	Electricity	Natural gas	Green power	Total	Electricity	Natural gas	Green power	Total
Total energy usage segmented by primary source (MJ)	20,205,450	11,397,000	1,409,905	33,012,355	27,099,000	11,028,000	1,400,796	39,527,796
Greenhouse gas emissions associated with energy use, segmented by primary source and offsets tonnes (CO <sub>2</sub> e)	5,163	-	-	5,163	5,686	-	-	5,686
Percentage of electricity purchased as green power	25	0		25	25	0		25
Units of energy used per FTE (MJ/FTE)	73,474				98,542			
Units of energy used per unit of office area (MJ/m <sup>2</sup> )	404				542			
Waste	2016-17				2015-16			
Indicator	Landfill	Com-mingled recycling	Compost	Total	Landfill	Com-mingled recycling	Compost	Total
Total units of waste disposed of by destination (kg/yr)	42,350	13,830		56,170	27,555	23,921		51,476
Units of waste disposed of per FTE by destinations (kg/FTE)	154	50			100	87		
Recycling rate (percentage of total waste)								
Greenhouse gas emissions associated with waste disposal (CO <sub>2</sub> e)	42	14		56	28	24		52
No compost from SLV is collected								
Paper	2016-17				2015-16			
Total units of copy paper used (reams)	2,510				2,520			
Units of copy paper used per FTE (reams/FTE)	8.8				10			
Percentage of 100% recycled content copy paper	100				100			

<b>Water</b>	<b>2016-17</b>				<b>2015-16</b>			
Total units of metered water consumed by usage types (kilolitres)	22,587				26,804			
Units of metered water consumed in offices per FTE (kilolitres/FTE)	82				105			
Units of metered water consumed in offices per unit of office area	0.9				0.54			
<b>Transport</b>	<b>2016-17</b>				<b>2015-16</b>			
<b>Indicator</b>	4 cyl	6 cyl	4wd	<b>Total</b>	4 cyl	6 cyl	4wd	<b>Total</b>
Total energy consumption by vehicles (GJ)	0	21	0	21	0	29	0	
Total vehicle travel associated with entity operations (km)	0	20,269	0	20,269	0	11,544	0	11,544
Total greenhouse gas emissions from vehicle fleet (CO <sub>2</sub> e)	0	4.1	0	4.1	0	2.3	0	2.3
Greenhouse gas emissions from vehicle fleet per 1,000km travelled (CO <sub>2</sub> e)	0		0		0		0	
<b>Greenhouse gas emissions</b>	<b>2016-17</b>				<b>2015-16</b>			
Total greenhouse gas emissions associated with energy use (CO <sub>2</sub> e)	5163				5686			
Total greenhouse gas emissions associated with vehicle fleet (CO <sub>2</sub> e)	4.1				2.3			
Total greenhouse gas emissions associated with waste production (CO <sub>2</sub> e)	56.2				52			



# Diversity and Social Inclusion Plan

The Library is currently developing a comprehensive Diversity and Social Inclusion Action Plan, which will supercede the previous Disability Access Plan in providing an overarching and integrated approach to service provision for diverse audiences. The plan will encompass the built environment, notably the transformation of physical spaces that will take

place under Vision 2020, communications, service design and delivery, workforce and employment practices, and community engagement. 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](http://www.slv.vic.gov.au/plan-your-visit/disability-access).

# 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 2017, the Library received no applications.

## Making a request

Access to documents may only be obtained through written request and accompanied by a non-refundable application fee as noted on the Library's website. 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. The application fee may be waived or reduced if it is a routine request, or if the applicant would be caused hardship as a result of paying the fee.

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 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.

## **Compliance with the *Protected Disclosure Act 2012***

The Library is not a public body to which disclosures may be made. 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](http://www.ibac.vic.gov.au). Alternatively, 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](http://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 its website.

# Compliance with the *Building Act 1993*

The Library is compliant with the Building Code of Australia and with the relevant Australian standards for all buildings and building works. Essential services are maintained in accordance with the Building Code and the relevant Australian standards specific to the maintenance of essential services.

# 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 \$1 million in regional Victoria.

During 2016–17, 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.

# National Competition Policy

Under the National Competition Policy (NCP), the guiding legislative principle is that legislation, including future legislative proposals, should not restrict competition unless it can be demonstrated that:

- the benefits of the restriction to the community as a whole outweigh the costs; and
- the objectives of the legislation can only be achieved by restricting competition.

The Library complies with the requirements of the NCP. 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. The aim of this review is to ensure that all Library fees and charges comply with the NCP.

# 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.  
Major contracts relating to Vision 2020: redevelopment and the construction of Ballarat Off-Site Storage Module 2 (BOSS2) are managed by Development Victoria.

# Consultancies

## Consultancies \$10,000 and over

In 2016–17 there were five consultancies where the total fees payable to the consultants were \$10,000 or more. The total expenditure incurred during 2016–17 in relation to these consultancies was \$142,780 (excl. GST).

## Consultancies under \$10,000

In 2016–17 there were three consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2016–17 in relation to these consultancies was \$18,600 (excl. GST).

Consultant	Details	Start date	End date	Total approved fee (excl GST) \$	Expenditure in 2016–17 (excl GST) \$	Future expenditure (excl GST) \$
Curie Consulting	Leadership and change management	1 July 2016	31 December 2017	\$20,000	\$19,250	\$750
Data Management Australia	ICT Strategic Plan	5 May 2017	30 June 2017	\$20,000	\$20,000	Nil
SACS Consulting Pty Ltd	Strategic Workforce Plan 2017–20	1 April 2017	30 November 2017	\$77,780	\$19,445	\$58,335
SmartApps Intelligent Applications	Customer Relationship Management Scope	28 April 2017	31 August 2017	\$29,700	\$23,160	\$6,540
Upton Martin Consulting	Shared Leadership Program 2016–17	1 March 2017	30 June 2017	\$64,181	\$60,925	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 2017 that will have an impact on the 2016–17 reporting period.

# Risk attestation



STATE LIBRARY  
VICTORIA  
What's your story?

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](http://slv.vic.gov.au)

17 August 2017

## ATTESTATION FOR COMPLIANCE WITH MINISTERIAL STANDING DIRECTION 3.7.1

I, John Wylie, President of the Library Board of Victoria certify that State Library Victoria has complied with the *Ministerial Standing Direction 3.7.1 – Risk Management Framework and Processes*. To assist verification, the State Library Victoria Audit and Risk Management Committee requested confirmation from the Redevelopment Project Steering Committee of compliance in respect of the Redevelopment and BOSS2 Projects. Confirmation has been provided.

John Wylie AM  
President

# Financial statements

51	Auditor-General's report
53	Library Board of Victoria letter
54	Financial report for the financial year ended 30 June 2017
59	Notes to the financial statements
102	Glossary of terms

# Auditor-General's report



Victorian Auditor-General's Office

## Independent Auditor's Report

### To the Board Members, Library Board of Victoria

<b>Opinion</b>	<p>I have audited the financial report of the Library Board of Victoria which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2017</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including a summary of significant accounting policies</li> <li>• declaration by the President, Chair, Accountable officer and Chief Finance Officer</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the Library Board of Victoria as at 30 June 2017 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>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described 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 Library Board of Victoria 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 Australia. 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>
<b>Board Members' responsibilities for the financial report</b>	<p>The Board Members of the Library Board of Victoria are 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 Members determine 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 Members are responsible for assessing the Library Board of Victoria's ability to continue as a 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 our 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 Library Board of Victoria's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board Members
- conclude on the appropriateness of the Board Members' 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 Library Board of Victoria'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 Library Board of Victoria 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 Members 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.



Anna Higgs

*as delegate for the Auditor-General of Victoria*

MELBOURNE  
30 August 2017

# Library Board of Victoria letter



**STATE LIBRARY  
VICTORIA**  
What's your story?

**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](http://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 2017 and financial position of the Library Board of Victoria at 30 June 2017.

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 15 August 2017.

John Wylie  
President  
15 August 2017

Dennis Goldner  
Chair, Audit and Risk Management  
Committee  
15 August 2017

Kate Torney  
Chief Executive Officer  
15 August 2017

Hanh Chau  
Director Corporate Services  
Chief Finance Officer  
15 August 2017



# Library Board of Victoria financial report for the financial year ended 30 June 2017

## BALANCE SHEET AS AT 30 JUNE 2017

	Note	2017 \$'000	2016 \$'000
<b>Financial assets</b>			
Cash and deposits	2	19,867	23,746
Receivables	3	2,029	901
Investments and other financial assets	4	17,579	–
<b>Total financial assets</b>		<b>39,475</b>	<b>24,647</b>
<b>Non-financial assets</b>			
Prepayments		383	418
Library collections	5	396,562	395,785
Property, plant and equipment	6	455,436	439,776
Deferred expenditure	8	1	1
<b>Total non-financial assets</b>		<b>852,382</b>	<b>835,980</b>
<b>Total assets</b>		<b>891,857</b>	<b>860,627</b>
<b>Liabilities</b>			
Payables	9	2,754	1,944
Other liabilities	10	1,176	892
Interest-bearing liabilities	11	55	87
Provisions	12	8,624	8,545
<b>Total liabilities</b>		<b>12,609</b>	<b>11,468</b>
<b>Net assets</b>		<b>879,248</b>	<b>849,159</b>
<b>Equity</b>			
Contributed capital	13(a)	572,567	559,764
Accumulated surplus	13(b)	(17,376)	(14,467)
Physical asset revaluation surplus	13(c)	314,980	299,680
General reserve	13(d)	–	1,000
Donations and bequests reserve	13(e), 14	7,030	2,424
Specific purpose grants reserve	13(f), 15	1,292	758
Financial assets valuation reserve	13(g)	755	–
<b>Net worth</b>		<b>879,248</b>	<b>849,159</b>

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

## COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Note	2017 \$'000	2016 \$'000
<b>Income from transactions</b>			
Grant from State Government – government appropriation	16	39,309	35,820
Grant from State Government – capital funding	16	369	–
Trading	17	2,389	1,928
Projects funded from external sources	18	3,737	3,501
Donations and bequests	19	10,037	12,274
Trust distribution from SLVF		–	210
Investment revenue	20(a)	3,723	955
State Government – capital asset charge		41,403	41,403
<b>Total income from transactions</b>		<b>100,967</b>	<b>96,091</b>
<b>Expenses from transactions</b>			
Employee expenses	21	30,480	27,616
Buildings and facilities expenses	22	5,938	5,752
Depreciation	23	13,654	12,980
Professional and finance expenses	24	1,565	1,774
Borrowing costs	25	–	2
Grants distributed	26	90	–
Other expenses from ordinary activities	27	6,792	6,554
Capital asset charge		41,403	41,403
<b>Total expenses from transactions</b>		<b>99,922</b>	<b>96,081</b>
<b>Net result from transactions</b>		<b>1,045</b>	<b>10</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on financial instruments	32(a), 20(b)	(21)	149
Net gain/(loss) on non-financial assets	32(b)	(2)	(2,581)
Other gains/(losses) from other economic flows	32(c)	209	(331)
<b>Total other economic flows included in net result</b>		<b>186</b>	<b>(2,763)</b>
<b>Net result for the year</b>		<b>1,231</b>	<b>(2,753)</b>
<b>Other economic flows – other comprehensive income</b>			
Changes in physical asset revaluation surplus	13(c)	15,300	(33,420)
Fair value re-measurement gains on available-for-sale financial assets	13(g)	755	–
<b>Total other economic flows – other comprehensive income</b>		<b>16,055</b>	<b>(33,420)</b>
<b>Comprehensive result for the year</b>		<b>17,286</b>	<b>(36,173)</b>

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 2017

		Equity at 1 July 2016	Total compre- hensive result	Transactions with owners in their capacity as owners	Equity at 30 June 2017
	Note	\$'000	\$'000	\$'000	\$'000
<b>Contributed capital</b>		559,764	-	-	559,764
Equity contribution from government		-	-	12,803	12,803
	13(a)	<b>559,764</b>	<b>-</b>	<b>12,803</b>	<b>572,567</b>
<b>Accumulated surplus</b>		(14,467)	1,231	-	(13,236)
Transfer from general reserve		-	-	1,000	1,000
Transfer to donations and bequests reserve		-	-	(4,606)	(4,606)
Transfer to specific purpose grants reserve		-	-	(534)	(534)
	13(b)	<b>(14,467)</b>	<b>1,231</b>	<b>(4,140)</b>	<b>(17,376)</b>
<b>Asset revaluation surplus</b>		299,680	-	-	299,680
Revaluation of land, buildings and collection assets		-	15,300	-	15,300
	13(c)	<b>299,680</b>	<b>15,300</b>	<b>-</b>	<b>314,980</b>
<b>General reserve</b>	13(d)	1,000	-	-	1,000
Transfer to accumulated surplus		-	-	(1,000)	(1,000)
		<b>1,000</b>		<b>(1,000)</b>	<b>-</b>
<b>Donations and bequests reserve</b>		2,424	-	-	2,424
Transfer from accumulated surplus		-	-	4,606	4,606
	13(e)	<b>2,424</b>	<b>-</b>	<b>4,606</b>	<b>7,030</b>
<b>Specific purpose grants reserve</b>		758	-	-	758
Transfer from accumulated surplus		-	-	534	534
	13(f)	<b>758</b>	<b>-</b>	<b>534</b>	<b>1,292</b>
<b>Financial assets valuation reserve</b>	13(g)	-	755	-	755
<b>Total equity at end of financial year</b>		<b>849,159</b>	<b>17,286</b>	<b>12,803</b>	<b>879,248</b>

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

## STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONT'D)

	Note	Equity at 1 July 2015 \$'000	Total compre- hensive result \$'000	Transactions with owners in their capacity as owners \$'000	Equity at 30 June 2016 \$'000
<b>Contributed capital</b>		<b>557,814</b>	<b>-</b>	<b>-</b>	<b>557,814</b>
Equity contribution from government		-	-	1,950	1,950
	13(a)	<b>557,814</b>	<b>-</b>	<b>1,950</b>	<b>559,764</b>
<b>Accumulated surplus</b>		<b>(13,345)</b>	<b>(2,753)</b>	<b>-</b>	<b>(16,098)</b>
Transfer from donations and bequests reserve		-	-	1,393	1,393
Transfer from specific purpose grants reserve		-	-	238	238
	13(b)	<b>(13,345)</b>	<b>(2,753)</b>	<b>1,631</b>	<b>(14,467)</b>
<b>Asset revaluation surplus</b>	13(c)	333,100	-	-	333,100
Revaluation of land, buildings and collection assets		-	(33,420)	-	(33,420)
	13(c)	<b>333,100</b>	<b>(33,420)</b>	<b>-</b>	<b>299,680</b>
<b>General reserve</b>	13(d)	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>1,000</b>
<b>Donations and bequests reserve</b>		3,817	-	-	3,817
Transfer from specific purpose grants reserve		-	-	-	-
Transfer from accumulated surplus		-	-	(1,393)	(1,393)
	13(e)	<b>3,817</b>	<b>-</b>	<b>(1,393)</b>	<b>2,424</b>
<b>Specific purpose grants reserve</b>		996	-	-	996
Transfer to specific purpose grants reserve		-	-	-	-
Transfer to accumulated surplus		-	-	(238)	(238)
	13(f)	<b>996</b>	<b>-</b>	<b>(238)</b>	<b>758</b>
<b>Total equity at end of financial year</b>		<b>883,382</b>	<b>(36,173)</b>	<b>1,950</b>	<b>849,159</b>

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 2017

	Note	2017 \$'000	2016 \$'000
<b>Cash flows from operating activities</b>			
Grants from State Government – appropriation		39,309	35,820
Grants from State Government – capital		369	–
Donations (other than in kind) and bequests		8,801	7,628
Trading receipts		2,661	2,163
Other grants		4,222	3,776
Dividends and interest		2,764	722
GST recovered from the ATO		2,172	1,244
Payments to suppliers and employees		(46,546)	(42,510)
<b>Net cash flows from/(used in) operating activities</b>	29(b)	<b>13,752</b>	<b>8,843</b>
<b>Cash flows from investing activities</b>			
Proceeds from/(payments for) investments		(17,600)	9,671
Proceeds from sale of property, plant and equipment		20	4
Payment for property, plant and equipment		(10,959)	(2,100)
Payment for Library collection		(1,863)	(1,982)
<b>Net cash used in investing activities</b>		<b>(30,402)</b>	<b>5,593</b>
<b>Cash flows from financing activities</b>			
Repayment of finance lease		(32)	(31)
Contributed capital		12,803	1,950
Receipt from SLVF		–	215
<b>Net cash used in financing activities</b>		<b>12,771</b>	<b>2,134</b>
Net decrease in cash and cash equivalents		(3,879)	16,570
Cash and cash equivalents at beginning of year		23,746	7,176
<b>Cash and cash equivalents at end of year</b>	29(a)	<b>19,867</b>	<b>23,746</b>

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 2017

Note		Page
1	Summary of significant accounting policies	60
2	Cash and deposits	71
3	Receivables	71
4	Investments and other financial assets	71
5	Library collections	72
6	Property, plant and equipment	73
7	Fair value measurement	74
8	Deferred expenditure	77
9	Payables	77
10	Other liabilities	77
11	Interest-bearing liabilities	77
12	Provisions	78
13	Equity and movements in equity	79
14	Donations and bequests reserve	80
15	Specific purpose grants reserve	81
16	Government funding	81
17	Trading income	81
18	Projects funded from external sources	82
19	Donations and bequests	83
20	Investment revenue	84
21	Employee expenses	84
22	Buildings and facilities expenses	84
23	Depreciation	84
24	Professional and finance expenses	85
25	Borrowing costs	85
26	Grants distributed	85
27	Other expenses from ordinary activities	85
28	Remuneration of auditors	85
29	Notes to the cash flow statement	86
30	Financial instruments	87
31	Superannuation	97
32	Other economic flows included in net result	97
33	Responsible persons	98
34	Related parties	100
35	Contingent assets and contingent liabilities	101
36	Commitments for expenditure	101
37	Subsequent events	102
38	Glossary of terms	102

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 38.

#### a) Statement of compliance

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). Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

The annual financial statements were authorised for issue by H Chau, Chief Finance and Accounting Officer, Library Board of Victoria on 15 August 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.

#### b) Basis of accounting preparation and measurement

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.

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 (refer to Note 1(n))
- 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.

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.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2017 and the comparative information presented for the year ended 30 June 2016.

#### c) 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*.

Its principal address is:  
State Library Victoria  
328 Swanston Street  
Melbourne VIC 3000

The financial statements include all the controlled activities of the Board.

The following statutory body is included in the Board's reporting entity:

- 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.

#### Objectives and funding

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.

#### d) Basis of consolidation

Consolidated financial statements were prepared until 30 June 2016. The consolidated financial statements of the Board incorporated assets and liabilities of the Board and their income and expenses for the reporting period. The consolidated entity comprised the Library Board of Victoria, trading as the State Library of Victoria and the State Library of Victoria Foundation. The Library Board of Victoria was the sole trustee for the State Library of Victoria Foundation.

In the process of preparing consolidated financial statements for the Board, all material transactions and balances between consolidated entities were eliminated.

The Australian Taxation Office (ATO) introduced new regulations, which came into effect on 1 July 2015, that govern the relationship between a public ancillary fund (PAF) and its trustee. The effect of these regulations is that a PAF cannot provide a benefit directly to its trustee. The State Library of Victoria Foundation was a PAF, and the Library Board of Victoria is its trustee. As such, to ensure compliance with the ATO regulations, and after due consideration of external expert advice, the trustee decided the only viable option was to transfer the assets of the Foundation to the State Library of Victoria as at 30 June 2015, and then, with the permission of the Minister and the ATO, wind up the Foundation as a legal entity as soon as practical after that date. The activities of the Foundation have continued largely unchanged from within the Library.

#### e) Scope and presentation of financial statements

##### Comprehensive operating statement

Income and expenses in the comprehensive operating statement are classified according to whether or not they arise from 'transactions' or 'other economic flows'. This classification is allowed under AASB 101 *Presentation of Financial Statements*.

'Transactions' are those economic flows that are considered to arise as a result of policy decisions, usually interactions between two entities by mutual agreement. 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. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash.

'Other economic flows' are changes arising from market re-measurements. They include:

- gains and losses from disposals, revaluations and impairments of non-financial physical and intangible assets
- actuarial gains and losses arising from defined benefit superannuation plans
- fair value changes of financial instruments, and the net result is equivalent to profit or loss derived in accordance with AAS.

##### Balance sheet

Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets. Current and non-current assets and liabilities

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(those expected to be recovered or settled beyond 12 months) are disclosed in the notes, where relevant.

#### Cash flow statement

Cash flows are classified according to whether or not they arise from operating, investing or financing activities. This classification is consistent with requirements under AASB 107 *Statement of cash flows*.

#### Statement of changes in equity

The statement of changes in equity presents reconciliations of each non-owner and owner equity opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the comprehensive result and amounts recognised in other comprehensive income related to other non-owner changes in equity.

#### Rounding of amounts

Amounts in the financial statements (including the notes) have been rounded to the nearest thousand dollars, unless otherwise stated. Figures in the financial statements may not equate due to rounding.

#### Prior-year comparative figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

#### f) Changes in accounting policy

There have been no changes in accounting policy in the year ended 30 June 2017.

#### g) Income from transactions

Income is recognised to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured. 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:

#### Government appropriations

Appropriated income becomes controlled and is recognised by the Board when it is appropriated from the Consolidated Fund by the Victorian Parliament and applied to the purposes defined under the relevant Appropriations Act.

#### Investment income

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.

#### Sale of goods and services

##### Income from the supply of services

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 the stage-of-completion 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.

##### Income from sale of goods

Income from the sale of goods 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
- it is probable that the economic benefits associated with the transaction will flow to the Board, and
- sale of goods and services includes regulatory fees that are recognised at the time the regulatory fee is billed.

#### Grants

Grants from government and other third parties (other than contribution by owners) are recognised as income in the reporting period in which the Board gains control over the underlying assets.

#### Fair value of assets and services received free of charge or for nominal consideration

Contributions of resources received free of charge or for nominal consideration are recognised at fair value when control is obtained over them, irrespective of whether these contributions are subject to restrictions or conditions over their use. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not received as a donation. An amount equivalent to the arms-length value of both the goods and services received and the operational or capital

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

expenses have been included in the financial statements. Where the donation is an item or items to be added to the Library collections, the valuation has been performed by Library staff except where the donation has been externally valued under the Cultural Gifts program.

#### Other income

Other income includes donations, bequests, sponsorships and memberships. Donations and bequests for specific purposes have been brought to account as revenue upon 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.

Sponsorships and memberships are recognised on receipt.

#### h) Expenses from transactions

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

#### Employee expenses

These expenses include all costs related to employment (other than superannuation which is accounted for separately), including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments and WorkCover premiums.

#### Superannuation – state superannuation defined benefit plans

The amount recognised in the comprehensive operating statement in relation to employer contributions for members of defined benefit superannuation plans is simply the employer contributions that are paid or payable to these plans during the reporting period. The level of these contributions will vary depending upon the relevant rules of each plan, and is based upon actuarial advice. The Department of Treasury and Finance (DTF) in its Annual Financial Statements discloses on behalf of the state as the sponsoring employer, the net defined benefit cost related to the members of these plans as an administered liability. Refer to DTF's Annual Financial Statements for more detailed disclosures in relation to these plans.

#### Depreciation and amortisation

Depreciation on buildings in prior years has taken into account the heritage and historical nature of each building. This approach applied a depreciation rate based on a useful life of 100 years for buildings. The Library has adopted depreciation rates applied by the VGV based on the depreciated replacement cost method. This method has resulted in depreciation being calculated on buildings with remaining useful lives in the range of 1 to 50 years.

Plant and equipment and other non-financial physical assets (excluding items under operating leases, land and heritage collection items) that have finite useful lives are depreciated. Depreciation is calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

The following are typical estimated useful lives for the different asset classes for current and prior years

Asset class	Useful life	Remaining useful life
Buildings	100 years	1–50 years
Plant and equipment	5–20 years	1–20 years
Collection assets	50 years	1–50 years

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.

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.

#### Interest expense

Interest expense is recognised in the period in which it is incurred.

#### Grants distributed

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable.

#### Capital asset charge

The capital asset charge represents the opportunity cost of capital invested in the non-financial physical assets used in the provision of outputs and is calculated on the budgeted carrying amount of applicable non-financial physical assets.

#### Other operating expenses

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

#### Supplies and services

Supplies and services expenses are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when distributed.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Bad and doubtful debts

Refer to Note 1(l) *Impairment of financial assets*.

#### i) Other economic flows included in the net result

'Other economic flows' measure the change in volume or value of assets or liabilities that do not result from transactions.

#### Net gain/(loss) on non-financial assets

Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

#### Revaluation gains/(losses) of non-financial physical assets

Refer to Note 1(m) *Revaluations of non-financial physical assets*.

#### Disposal of non-financial assets

Any gain or loss on the sale of non-financial assets is recognised at the date that control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at that time.

#### Gain/(loss) arising from transactions in foreign exchange

Refer to Note 1(j) *Foreign currency transactions*.

#### Impairment of non-financial assets

All other assets are assessed annually for indications of impairment, except for inventories (refer Note 1(m)).

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 an 'other 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 change in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. This reversal of the impairment loss occurs only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured

at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

Refer to Note 1(m) in relation to the recognition and measurement of non-financial assets.

#### Net gain/(loss) on financial instruments

Net gain/(loss) on financial instruments includes:

- realised and unrealised gains and losses from revaluations of financial instruments at fair value
- impairment and reversal of impairment for financial instruments at amortised cost (refer to Note 1(k)), and
- disposals of financial assets.

#### Revaluations of financial instruments at fair value

Refer to Note 1(k) *Financial instruments*.

#### Other gains/(losses) from other economic flows

Other gains/(losses) from 'other economic flows' include the gains or losses from:

- transfer of amounts from the reserves and/or accumulated surplus to net result due to disposal or derecognition or reclassification
- the revaluation of the present value of the long-service leave liability due to changes in the bond interest rates
- net realised gain/(loss) on sale of available-for-sale financial assets, and
- net gain/(loss) on disposal of non-financial assets.

#### j) Foreign-currency transactions

All foreign-currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign-currency translation differences are recognised in 'other economic flows' and accumulated in a separate component of equity, in the period in which they arise.

#### k) Financial instruments

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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Categories of non-derivative financial instruments

##### 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 1(l)), 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.

Fair value is determined in the manner described in Note 30 *Financial instruments*.

The available-for-sale category includes 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.

#### Offsetting financial instruments

Financial instrument assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Board has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### Reclassification of financial instruments

Subsequent to initial recognition and under rare circumstances, non-derivative financial instruments assets that have not been designated at fair value through profit or loss upon recognition may be reclassified out of the fair value through profit or loss category, if they are no longer held for the purpose of selling or repurchasing in the near term.

Financial instrument assets that meet the definition of loans and receivables may be reclassified out of the fair value through profit and loss category into the loans and receivables category where they would have met the definition of loans and receivables had they not been required to be classified as fair value through profit and loss. In these cases, the financial instrument assets may be reclassified out of the fair value through profit and loss category if there is the intention and ability to hold them for the foreseeable future or until maturity.

Available-for-sale financial instrument assets that meet the definition of loans and receivables may be reclassified into the loans and receivables category if there is the intention and ability to hold them for the foreseeable future or until maturity.

### 1) Financial assets

#### 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.

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, cash at bank, deposits at call, Australian dollar term deposits, Australian dollar fixed-interest securities and cash management accounts with investment managers.

#### Receivables

Receivables consist of:

- statutory receivables, which include predominantly amounts owing from the Victorian Government and GST input tax credits recoverable, and
- contractual receivables, which include mainly debtors in relation to goods and services, accrued investment income, and finance lease receivables (refer to Note 1(o) *Leases*).

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

A provision for doubtful receivables is made when there is objective evidence that the debts may not be collected and bad debts are written off when identified (refer to Note 1(l) *Impairment of financial assets*).

#### 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.

#### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired, or
- the Board retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement, or
- the Board has transferred its rights to receive cash flows from the asset and either:
  - a) has transferred substantially all the risks and rewards of the asset, or
  - b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Board has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Board's continuing involvement in the asset.

#### Impairment of financial assets

At the end of each reporting period, the Board assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

Bad and doubtful debts for financial assets are assessed on a regular basis. Bad debts not written off by mutual consent and the allowance for doubtful receivables are classified as 'other economic flows' in the net result.

The amount of the allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

#### m) Non-financial assets

##### Property, plant and equipment

All non-financial physical assets 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 (refer to Note 1(o)) 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 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.

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

acquisition. For the accounting policy on impairment of non-financial physical assets, refer to impairment of non-financial assets under Note 1(i) *Impairment of non-financial assets*.

#### **Restrictive nature of cultural and heritage assets, Crown land and infrastructures**

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.

#### **Revaluations of non-financial physical assets**

Non-financial physical assets are measured at fair value, in accordance with the Financial Reporting Directions (FRDs) issued by the Minister for Finance. A full revaluation normally occurs every five years, based upon the asset's government purpose classification but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are generally used to conduct these scheduled revaluations. Certain infrastructure assets are revalued using specialised advisors. Any interim revaluations are determined in accordance with the requirements of the FRD's. An independent valuation of the Board's land, buildings and collection was carried out as at 30 June 2016. A Management valuation of the Board's land was made as at 30 June 2017, based on indices published by VGV.

Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

Net revaluation increases (where the carrying amount of a class of assets is increased as a result of a revaluation) are recognised in 'other economic flows – other movements in equity' and accumulated in equity under the asset revaluation surplus. However, the net revaluation increase is recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of property, plant and equipment previously recognised as an expense (other economic flows) in the net result.

Net revaluation decreases are recognised immediately as other economic flows in the net result, except that the net revaluation decrease is recognised in 'other economic flows – other movements in equity' to the extent that a credit balance exists in

the asset revaluation surplus in respect of the same class of property, plant and equipment. The net revaluation decrease recognised in 'other economic flows – other movements in equity' reduces the amount accumulated in equity under the asset revaluation surplus.

Revaluation increases and decreases relating to individual assets within a class of property, plant and equipment, are offset against one another within that class but are not offset in respect of assets in different classes. Any asset revaluation surplus is not normally transferred to accumulated funds on derecognition of the relevant asset.

At the date of the revaluation, the balance of accumulated depreciation is eliminated against the gross carrying amount of the asset and the net carrying amount of the asset is increased or decreased to the revalued amount of the asset.

#### **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.

#### **Other non-financial assets**

Other non-financial assets include prepayments, which 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 that period.

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Refer to Note 1(h) *Depreciation and amortisation* and Note 1(i) *Impairment of non-financial assets*.

### **n) Liabilities**

#### **Payables**

Payables consist of:

- contractual payables, such as accounts payable, and unearned income including deferred income from concession arrangements. Accounts payable represent liabilities for goods and services provided to the Board prior to the end of the financial year that are unpaid, and arise when the Board 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 at amortised cost (refer to Note 1(k)). Statutory payables are recognised and measured similarly



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

#### Provisions

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.

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.

#### Employee benefits

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.

#### (i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries and annual leave are recognised in the provision for employee benefits, classified as current liabilities. Those liabilities that are expected to be settled within 12 months of the reporting period are measured at their nominal values.

Those liabilities that are not expected to be settled within 12 months are also recognised in the provision for employee benefits as current liabilities, but are measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

#### (ii) Long-service leave

Liability for long-service leave (LSL) is recognised in the provision for employee benefits.

**Unconditional LSL** is disclosed in the notes to the financial statements 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:

1. nominal value component that the Board expects to settle within 12 months, and
2. present value component that the Board does not expect to 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 liability 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' (refer to Note 1(i)).

#### Employee benefits on-costs

Employee benefits on-costs such as payroll tax, workers compensation and superannuation are recognised separately from the provision for employee benefits.

#### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

#### o) 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.

#### Finance leases

##### Board as lessee

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

#### Operating leases

##### Board as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

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 given to the lessee, the aggregate cost of incentives are recognised as a reduction of rental income over the lease term, on a straight-line basis unless another systematic basis is more representative of the time pattern over which the economic benefit of the leased asset is diminished.

Operating leases include premises for Mr Tulk Cafe and the Wheeler Centre.

##### 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.

#### p) Equity

##### Contributions by owners

Additions to net assets that have been designated as contributions by owners are recognised as contributed

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

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners.

#### Specific purpose grants reserve

This represents grants received by the Library and Foundation for specific projects with the proceeds brought to account as revenue upon receipt. The balance of unexpended grants is transferred to the specific purpose grants 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.

#### Donations and bequests reserve

Represents the balance of unexpended donations and other income for the Library.

#### General reserve

In 2002 the Library Board created the general reserve to provide for unavoidable future expenditures that cannot be met from funding. The Library Board resolved to extinguish this reserve as at 30 June 2017, with the balance transferred to Accumulated surplus.

#### Financial assets valuation reserve

Unrealised capital gains on assets classified as available-for-sale are recognised in the financial assets valuation reserve.

#### q) Commitments

Commitments are disclosed at their nominal value and inclusive of the goods and services tax (GST) payable.

#### r) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

#### s) Accounting for the goods and services tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities that are recoverable from or payable to the taxation authority are presented as operating cash flow.

#### t) Events after the reporting period

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the Board and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period. Adjustments are made to amounts recognised in the financial statements for events that occur after the reporting period and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed in the reporting period. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions that arose after the end of the reporting period and may have a material impact on the results of subsequent reporting periods.

#### u) 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 2017 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 2017, 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 2017. 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 from 1 January 2018. 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.

#### 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.

#### 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.

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

AASB 9	Financial Instruments.
AASB 2010-7	Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).
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 2016-4	Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash Generating Specialised Assets of Not-for-Profit Entities.
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 2017

	Note	2017 \$'000	2016 \$'000
<b>2 CASH AND DEPOSITS</b>			
Cash on hand	29(a)	4	4
Cash at bank	29(a)	19,863	23,742
		<b>19,867</b>	<b>23,746</b>

<b>3 RECEIVABLES</b>			
<b>Current</b>			
<b>Contractual</b>			
Debtors – external		1,010	525
Franking credits receivable		712	159
Accrued interest receivable		3	4
		1,725	688
Statutory GST recoverable		304	213
Total current receivables		<b>2,029</b>	<b>901</b>

## a) Ageing analysis of contractual receivables

Please refer to Note 30 for the ageing analysis of contractual receivables.

## b) Nature and extent of risk arising from contractual receivables

Please refer to Note 30 for the nature and extent of risks arising from contractual receivables.

<b>4 INVESTMENTS AND OTHER FINANCIAL ASSETS</b>			
<b>Current</b>			
<b>Available-for-sale financial assets</b>			
Cash management (at fair value)	30(b)	17,579	–
Total other financial assets		<b>17,579</b>	<b>–</b>

## a) Ageing analysis of investments and other financial assets

Please refer to Note 30 for the ageing analysis of investments and other financial assets.

## b) Nature and extent of risk arising from investments and other financial assets

Please refer to Note 30 for the nature and extent of risks arising from investments and other financial assets.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

## 5 LIBRARY COLLECTIONS

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

	Gross carrying amount		Public Administration Accumulated depreciation		Net carrying amount	
	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Heritage collection at fair value	277,952	277,952	–	–	277,952	277,952
Heritage collection	516	–	–	–	516	–
Non-heritage collection at fair value	117,833	117,833	(2,357)	–	115,476	117,833
Donated material at fair value	1,236	–	–	–	1,236	–
Non-heritage collection	1,382	–	–	–	1,382	–
<b>Closing balance</b>	<b>398,919</b>	<b>395,785</b>	<b>(2,357)</b>	<b>–</b>	<b>396,562</b>	<b>395,785</b>

## b) Collections carried at fair value

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.

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

	Heritage collection at independent fair value	Heritage collection at management fair value	Non-heritage collection at independent fair value	Donated material at fair value	Non-heritage collection at management fair value	Total
2017	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	277,952	–	117,833	–	–	395,785
Purchases	–	516	–	–	1,382	1,898
Donated materials	–	–	–	1,236	–	1,236
Revaluation	–	–	–	–	–	–
Depreciation	–	–	(2,357)	–	–	(2,357)
<b>Closing balance</b>	<b>277,952</b>	<b>516</b>	<b>115,476</b>	<b>1,236</b>	<b>1,382</b>	<b>396,562</b>
<b>2016</b>						
Opening balance	331,867	3,226	146,107	11,865	4,561	497,626
Purchases	–	761	–	–	1,260	2,021
Donated materials	–	–	–	4,646	–	4,646
Revaluation	(53,915)	(3,987)	(25,098)	(16,269)	(5,727)	(104,996)
Depreciation	–	–	(3,176)	(242)	(94)	(3,512)
<b>Closing balance</b>	<b>277,952</b>	<b>–</b>	<b>117,833</b>	<b>–</b>	<b>–</b>	<b>395,785</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

## 6 PROPERTY, PLANT AND EQUIPMENT

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

	Gross carrying amount		Public Administration Accumulated depreciation		Net carrying amount	
	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land at fair value	132,992	117,692	–	–	132,992	117,692
Buildings at fair value	318,691	318,691	(10,997)	–	307,694	318,691
Equipment at fair value	15,304	15,347	(285)	(14,132)	1,150	1,215
Equipment under lease at fair value	81	116	(15)	(30)	54	86
Work in progress at cost	13,546	2,092	–	–	13,546	2,092
<b>Closing balance</b>	<b>480,614</b>	<b>453,938</b>	<b>(11,297)</b>	<b>(14,162)</b>	<b>455,436</b>	<b>439,776</b>

## b) Land and buildings carried at fair value

An independent valuation of the Board's land and buildings was performed by the Valuer-General Victoria to determine their fair value. The valuation, which conforms to Australian Valuation Standards, 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 to determine the fair value, in accordance with FRD 103F, using the market approach adjusted for CSO as at 30 June 2017.

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

	Land at fair value	Buildings and building improvements at fair value	Equipment at fair value	Equipment under lease at fair value	Work in progress at cost	Total
2017	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
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)
<b>Closing balance</b>	<b>132,992</b>	<b>307,694</b>	<b>1,150</b>	<b>54</b>	<b>13,546</b>	<b>455,436</b>
<b>2016</b>						
Opening balance	46,116	330,150	1,782	36	107	378,191
Additions	–	–	8	81	1,985	2,074
Disposals	–	–	–	(12)	–	(12)
Revaluations	71,576	(2,585)	–	–	–	68,991
Depreciation	–	(8,874)	(575)	(19)	–	(9,468)
<b>Closing balance</b>	<b>117,692</b>	<b>318,691</b>	<b>1,215</b>	<b>86</b>	<b>2,092</b>	<b>439,776</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

## 7 FAIR VALUE MEASUREMENT

**Restricted assets**

The Board holds \$710.4m (2016: \$714.3m) worth of property listed as heritage assets (land, buildings and collection). These heritage assets cannot be modified or disposed of without formal ministerial approval.

	Carrying amount as at 30 June 2017 \$'000	Fair value measurement at end of reporting period using:		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>2017</b>				
Specialised 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
<b>Closing balance</b>	<b>838,452</b>	<b>–</b>	<b>45,028</b>	<b>793,424</b>
<b>2016</b>				
Specialised land at fair value	117,692	–	–	117,692
Buildings at fair value				
Specialised buildings	9,176	–	–	9,176
Heritage buildings	309,515	–	–	309,515
Total buildings at fair value	318,691	–	–	318,691
Equipment at fair value	1,215	–	1,215	–
Equipment under lease at fair value	86	–	86	–
Cultural assets at fair value	395,785	–	43,824	351,961
<b>Closing balance</b>	<b>833,469</b>	<b>–</b>	<b>45,125</b>	<b>788,344</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 7 FAIR VALUE MEASUREMENT (CONT'D)

#### Non-specialised land, non-specialised buildings and collection items

Non-specialised land, non-specialised buildings and artworks are valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

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.

#### Specialised land, specialised buildings and heritage buildings

The market approach is also used for specialised land, although the value is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

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.

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 land and specialised buildings 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 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.

#### Vehicles

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.

#### Plant and 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 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.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

## 7 FAIR VALUE MEASUREMENT (CONT'D)

## Reconciliation of Level 3 fair value

	Specialised land \$'000	Specialised buildings \$'000	Heritage buildings \$'000	Cultural Assets \$'000
<b>2017</b>				
Opening balance	117,692	9,176	309,515	351,961
Additions	-	-	-	3,134
Transfers in (out) of Level 3	-	-	-	-
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)
<b>Closing balance</b>	<b>132,992</b>	<b>8,740</b>	<b>298,954</b>	<b>352,738</b>
<b>2016</b>				
Opening balance	46,116	5,864	323,651	-
Additions	-	-	635	-
Transfers in (out) of Level 3	-	-	-	351,961
Gains or losses recognised in other economic flows – other comprehensive income				
Revaluation	71,576	3,580	(6,165)	-
Gains or losses recognised in net result				
Depreciation	-	(268)	(8,606)	-
<b>Closing balance</b>	<b>117,692</b>	<b>9,176</b>	<b>309,515</b>	<b>351,961</b>

## Description of significant unobservable inputs to Level 3 valuations for 2017 and 2016

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$'000	2016 \$'000
<b>8 DEFERRED EXPENDITURE</b>		
CARM Centre, Bundoora	1,000	1,000
Less accumulated amortisation	(999)	(999)
	<b>1</b>	<b>1</b>

<b>9 PAYABLES</b>		
<b>Current Contractual</b>		
Creditors – external	2,502	1799
Prepaid revenue	252	145
	<b>2,754</b>	<b>1,944</b>

a) **Maturity analysis of contractual payables**

Please refer to Note 30 for the ageing analysis of contractual payables.

b) **Nature and extent of risk arising from contractual payables**

Please refer to Note 30 for the nature and extent of risks arising from contractual payables.

<b>10 OTHER LIABILITIES</b>		
Accrued expenses	1,176	892

<b>11 INTEREST-BEARING LIABILITIES</b>		
<b>(motor vehicles)</b>		
Finance lease – current	15	32
Finance lease – non-current	40	55
	<b>55</b>	<b>87</b>

a) **Maturity analysis of interest-bearing liabilities**

Please refer to Note 30 for the ageing analysis of interest-bearing liabilities.

b) **Nature and extent of interest-bearing liabilities**

Please refer to Note 30 for the nature and extent of risks arising from interest-bearing liabilities.

c) **Defaults and breaches**

During the current and prior year, there were no defaults or breaches of any of the leases.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$'000	2016 \$'000
<b>12 PROVISIONS</b>			
<b>Current provisions</b>			
Employee benefits			
Annual leave entitlements			
– Unconditional and expected to be settled within 12 months		1,296	1,069
– Unconditional and expected to be settled after 12 months		642	561
Long-service leave entitlements			
– Unconditional and expected to be settled within 12 months		552	550
– Unconditional and expected to be settled after 12 months		4,646	4,725
Provision for back pay		–	214
		7,136	7,119
Provisions related to benefit on-costs			
– Unconditional and expected to be settled within 12 months		240	211
– Unconditional and expected to be settled after 12 months		809	809
		1,049	1,020
<b>Total current provisions</b>		8,185	8,139
<b>Non-current provisions</b>			
Employee benefits		381	352
Provisions related to benefit on-costs		58	54
<b>Total non-current provisions</b>		439	406
<b>Total provisions</b>	12(a)	<b>8,624</b>	<b>8,545</b>
<b>(a) Employee benefits and related on-costs</b>			
<b>Current employee benefits</b>			
Annual leave entitlements		1,937	1,630
Unconditional long-service entitlements		5,199	5,275
Provision for back pay		–	214
<b>Non-current employee benefits</b>			
Conditional long-service entitlements		381	352
<b>Total employee benefits</b>		7,517	7,471
Current on-costs		1,049	1,020
Non-current on-costs		58	54
Total on-costs		1,107	1,074
<b>Total employee benefits and related on-costs</b>		<b>8,624</b>	<b>8,545</b>
<b>(b) Movement in provisions</b>			
<b>Movement in long-service leave</b>			
Opening balance		6,491	6,226
Additional provisions recognised		598	745
Reductions arising from payments		(653)	(480)
<b>Closing balance</b>		<b>6,436</b>	<b>6,491</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$'000	2016 \$'000
<b>13 EQUITY AND MOVEMENTS IN EQUITY</b>			
<b>(a) Contributed capital</b>			
Balance at beginning of the year		559,764	557,814
Equity contribution from government		12,803	1,950
<b>Balance at end of the year</b>		<b>572,567</b>	<b>559,764</b>
<b>(b) Accumulated surplus</b>			
Accumulated surplus at beginning of the year		(14,467)	(13,345)
Net result for the year		1,231	(2,753)
Transfer (to)/from general reserve		1,000	-
Net transfer (to)/from donations and bequests reserve		(4,606)	1,393
Net transfer (to)/from specific purpose grants reserve		(534)	238
<b>Accumulated surplus at end of the year</b>		<b>(17,376)</b>	<b>(14,467)</b>
<b>(c) Physical asset revaluation surplus</b>			
<b>Land asset revaluation surplus</b>			
Balance at beginning of the year		95,192	23,616
Movement		15,300	71,576
<b>Balance at end of the year</b>		<b>110,492</b>	<b>95,192</b>
The revaluation surplus arises on the revaluation of land and buildings			
<b>Collection asset revaluation surplus</b>			
Balance at beginning of the year		204,488	309,484
Movement		-	(104,996)
<b>Balance at end of the year</b>		<b>204,488</b>	<b>204,488</b>
The revaluation surplus arises on the revaluation of the collection			
<b>Total of the asset revaluation surplus</b>			
Balance at beginning of the year		299,680	333,100
Movement		15,300	(33,420)
<b>Balance at end of the year</b>		<b>314,980</b>	<b>299,680</b>
<b>(d) General reserve</b>			
Balance at beginning of the year		1,000	1,000
Transfer (to)/from accumulated surplus		(1,000)	-
<b>Balance at end of the year</b>		<b>-</b>	<b>1,000</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$'000	2016 \$'000
<b>13 EQUITY AND MOVEMENTS IN EQUITY (CONT'D)</b>			
<b>(e) Donations and bequests reserve</b>			
Balance at beginning of the year		2,424	3,817
Transfer (to)/from accumulated surplus		4,606	(1,393)
<b>Balance at end of the year</b>	14	<b>7,030</b>	<b>2,424</b>
<b>(f) Specific purpose grants reserve</b>			
Balance at beginning of the year		758	996
Transfer (to)/from accumulated surplus		534	(238)
<b>Balance at end of the year</b>	15	<b>1,292</b>	<b>758</b>
<b>(g) Financial assets valuation reserve</b>			
Balance at beginning of the year		-	-
Fair value remeasurement gains/(losses) on available-for-sale financial assets		755	-
<b>Balance at end of the year</b>		<b>755</b>	<b>-</b>
<b>Total equity at the end of the year</b>		<b>879,248</b>	<b>849,159</b>

**14 DONATIONS AND BEQUESTS RESERVE**

During the 2016-17 financial year donations and bequests were received to be applied for specific purposes. This 'Donations and Bequests reserve' is a balance of those funds that remain unexpended as at 30 June 2017.

	2016 B/fwd balance \$'000	2017 Transfer from reserve \$'000	2017 Transfer to reserve \$'000	2017 C/fwd balance \$'000
	2,424	(1,007)	5,613	7,030
	<b>2,424</b>	<b>(1,007)</b>	<b>5,613</b>	<b>7,030</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

**15 SPECIFIC PURPOSE GRANTS RESERVE**

During the 2016–17 financial year funds were received from external organisations to be applied for specific purposes. This 'Specific purpose grants reserve' is a balance of all grant funds that remain unexpended as at 30 June 2017.

	<b>2016 B/fwd balance \$'000</b>	<b>2017 Transfer from reserve \$'000</b>	<b>2017 Transfer to reserve \$'000</b>	<b>2017 C/fwd balance \$'000</b>
	758	(2,648)	3,182	1,292
	<b>758</b>	<b>(2,648)</b>	<b>3,182</b>	<b>1,292</b>

	<b>2017 \$'000</b>	<b>2016 \$'000</b>
<b>16 GOVERNMENT FUNDING</b>		
Government appropriation	39,309	35,820
Capital funding	369	–
<b>Total</b>	<b>39,678</b>	<b>35,820</b>
<b>17 TRADING INCOME</b>		
Venue hire	1,507	1,409
Other	882	519
	<b>2,389</b>	<b>1,928</b>

Other income includes lease rental, ticket sales, direct delivery, vicnet and cost recoveries.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$'000	2016 \$'000
<b>18 PROJECTS FUNDED FROM EXTERNAL SOURCES</b>		
<b>Department of Economic Development, Jobs, Transport and Resources</b>		
Building redevelopment cost recovery	485	805
BOSS2 cost recovery	159	-
Creative Victoria – <i>Writing the war</i> grant	-	52
Creative Victoria – <i>Self-made:Zines and artist books</i> grant	57	-
<b>Department of Education and Training</b>		
Kindergarten IT Project	1,382	1,120
Strategic Partnerships Program	26	26
Australian Learning Lecture	-	48
<b>Department of Environment, Land, Water &amp; Planning</b>		
Ceri digitisation project	40	-
<b>RE Ross Trust</b>		
Learn	50	50
<b>Coles Supermarkets Australia Pty Ltd</b>		
Newspaper digitisation	50	50
<b>Other externally funded grants</b>		
ACMI – Australian Centre for the Moving Image	9	9
Australia Council	-	50
Australian Institute of Aboriginal and Torres Strait Islander Studies	-	15
BHP Billiton Ltd	20	-
City of Melbourne	96	-
Department of Communications and the Arts	157	90
Department of Premier and Cabinet	-	15
Equity Trustees Limited	-	28
La Trobe University	58	32
Linc Tasmania	33	36
Melbourne Press Club	-	17
Museum Victoria	18	18
National Gallery of Victoria	34	36
National Library of Australia	111	108
National Library of New Zealand	56	64
State Libraries – NSW, WA, QLD, SA, NT, ACT	501	491
The Wheeler Centre	268	219
Ukrainian Studies Foundation in Australia Ltd	22	26
University of Queensland	10	-
Victorian Arts Centre Trust	9	9
Visit Victoria / Victorian Major Events Company	65	53
Other	21	34
	<b>3,737</b>	<b>3,501</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$'000	2016 \$'000
<b>19 DONATIONS AND BEQUESTS</b>		
<b>State Library of Victoria</b>		
Donations in kind – Open Gardens Scheme	–	2,500
Donations in kind – other collection items	1,236	2,146
Donations – Redevelopment	7,033	6,650
Bequests	641	120
Memberships	204	196
Other donations	923	662
	<b>10,037</b>	<b>12,274</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$'000	2016 \$'000
<b>20 INVESTMENT REVENUE</b>		
<b>(a) Investment revenue</b>		
Interest received	328	344
Distributions received	651	95
Dividends received	2,744	516
	<b>3,723</b>	<b>955</b>
<b>(b) Capital movements</b>		
Realised capital gains /(losses)	(21)	149
	<b>(21)</b>	<b>149</b>
<b>21 EMPLOYEE EXPENSES</b>		
Salaries	22,998	21,229
Superannuation	2,307	2,160
Other salary-related costs	5,175	4,227
	<b>30,480</b>	<b>27,616</b>
<b>22 BUILDINGS AND FACILITIES EXPENSES</b>		
Security	1,326	1,245
Repairs and maintenance	2,063	1,838
Insurance	638	691
Cleaning	715	711
Utilities	1,088	1,172
Other	108	95
	<b>5,938</b>	<b>5,752</b>
<b>23 DEPRECIATION</b>		
Buildings	10,997	8,874
Plant and equipment	285	575
Motor vehicles	15	19
Library collection	2,357	3,512
	<b>13,654</b>	<b>12,980</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$'000	2016 \$'000
<b>24 PROFESSIONAL AND FINANCE EXPENSES</b>		
Audit – internal and external	185	156
Consultancy and other costs	1,380	1,618
	<b>1,565</b>	<b>1,774</b>
<b>25 BORROWING COSTS</b>		
Finance lease interest	-	2
<b>26 GRANTS DISTRIBUTED</b>		
Library networks	90	-
	<b>90</b>	<b>-</b>
<b>27 OTHER EXPENSES FROM ORDINARY ACTIVITIES</b>		
Information technology	2,449	3,035
IT operating leases	653	734
Office administration	221	182
Storage and conservation	334	301
Marketing and promotion	2,260	1,614
Communications	324	332
Travel and related expenses	373	290
Publications	178	66
	<b>6,792</b>	<b>6,554</b>
<b>28 REMUNERATION OF AUDITORS</b>		
Fees paid and payable to the Auditor-General for auditing the financial report	<b>39</b>	<b>33</b>

The Auditor-General provided no other services.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$'000	2016 \$'000
<b>29 NOTES TO THE CASH FLOW STATEMENT</b>			
<b>a) Reconciliation of cash</b>			
For the purpose of the Cash Flow Statement, the Library Board of Victoria considers cash to include cash on hand, cash in banks and term deposits, net of bank overdrafts. Cash at end of the reporting period, as shown in the Cash Flow Statement, is reconciled to the related items in the Balance Sheet as follows:			
Cash on hand	2	4	4
Cash at bank	2	19,863	23,742
		<b>19,867</b>	<b>23,746</b>
<b>b) Reconciliation of net result for the year</b>			
<b>Net result for the year</b>		<b>1,231</b>	<b>(2,753)</b>
<b>Non-cash movements</b>			
Depreciation		13,654	12,980
Revaluation decrement of buildings		-	2,585
Donations in kind		(1,236)	(4,646)
Loss/(gain) on sale of available-for-sale financial assets		21	(149)
Loss on sale non-financial assets		2	-
Other non-cash movements		-	(4)
<b>Non-operating items</b>			
Assets transferred from Foundation		-	(215)
<b>Movements in assets and liabilities</b>			
Increase in provisions		79	437
Decrease/(increase) in receivables		(1,128)	(196)
Decrease/(increase) in prepayments		35	39
Increase/(decrease) in payables		810	604
Increase/(decrease) in other liabilities		284	161
<b>Net cash flows from/(used in) operating activities</b>		<b>13,752</b>	<b>8,843</b>

**c) Non-cash financing and investing activities***Acquisition of collections*

During the year the Board received collections with an aggregate fair value of \$1,235,561 (2016: \$4,646,597) 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 (2016: \$80,912). These acquisitions are not reflected in the cash flow statement.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

## 30 FINANCIAL INSTRUMENTS

## a) Financial risk management objectives and policies

The Board's principal financial instruments comprise cash assets, term deposits, receivables, cash management funds, payables and finance lease payables.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial

liability and equity instrument are disclosed in Note 1 to the financial statements.

The Board's main financial risks include credit risk, liquidity risk, interest rate risk and equity price risk.

The Board uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Chief Finance and Accounting Officer.

## b) Categorisation of financial instruments

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

2017	Contractual financial assets - loans and receivables	Contractual financial assets available-for-sale	Contractual financial liabilities at amortised cost	Total
	\$'000	\$'000	\$'000	\$'000
<b>Contractual financial assets</b>				
Cash and deposits	19,867	-	-	19,867
Receivables				
Franking credits	712	-	-	712
Debtors	1,010	-	-	1,010
Accrued investment income	3	-	-	3
Investments and other financial assets				
Cash management account	-	17,579	-	17,579
<b>Total contractual financial assets</b>	<b>21,592</b>	<b>17,579</b>	<b>-</b>	<b>39,171</b>
<b>Contractual financial liabilities</b>				
Payables				
Supplies and services	-	-	2,754	2,754
Lease liabilities	-	-	55	55
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>	<b>2,809</b>	<b>2,809</b>
<b>2016</b>				
<b>Contractual financial assets</b>				
Cash and deposits	23,746	-	-	23,746
Receivables				
Franking credits	159	-	-	159
Debtors	525	-	-	525
Accrued investment income	4	-	-	4
Investments and other financial assets				
Cash management account	-	-	-	-
<b>Total contractual financial assets</b>	<b>24,434</b>	<b>-</b>	<b>-</b>	<b>24,434</b>
<b>Contractual financial liabilities</b>				
Payables				
Supplies and services	-	-	1,944	1,944
Lease liabilities	-	-	87	87
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>	<b>2,031</b>	<b>2,031</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

## 30 FINANCIAL INSTRUMENTS (CONT'D)

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

2017	Net holding gain	Total interest income / (expense)	Fee income / (expense)	Impairment loss	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Contractual financial assets</b>					
Contractual financial assets – loans and receivables	–	328	–	–	328
Contractual financial assets available-for-sale recognised in net result	734	651	–	–	1,385
<b>Total contractual financial assets</b>	<b>734</b>	<b>979</b>	<b>–</b>	<b>–</b>	<b>1,713</b>
<b>Contractual financial liabilities</b>					
Contractual financial liabilities at amortised cost	–	–	–	–	–
<b>Total contractual financial liabilities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>2016</b>					
<b>Contractual financial assets</b>					
Contractual financial assets – loans and receivables	–	344	–	–	344
Contractual financial assets available-for-sale recognised in net result	149	611	(99)	–	661
<b>Total contractual financial assets</b>	<b>149</b>	<b>955</b>	<b>(99)</b>	<b>–</b>	<b>1,005</b>
<b>Contractual financial liabilities</b>					
Contractual financial liabilities at amortised cost	–	(2)	–	–	(2)
<b>Total contractual financial liabilities</b>	<b>–</b>	<b>(2)</b>	<b>–</b>	<b>–</b>	<b>(2)</b>

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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

## 30 FINANCIAL INSTRUMENTS (CONT'D)

## d) 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:

2017	Financial institutions Double-A credit rating \$'000	Government agencies Triple-A credit rating \$'000	Other min Triple-B credit rating \$'000	Other \$'000	Total \$'000
<b>Contractual financial assets</b>					
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
<b>Total contractual financial assets</b>	<b>6,898</b>	<b>30,801</b>	<b>-</b>	<b>1,472</b>	<b>39,171</b>
<b>2016</b>					
<b>Contractual financial assets</b>					
Cash and deposits	2,235	21,507	-	4	23,746
Receivables	4	271	-	413	688
Investments and other financial assets	-	-	-	-	-
<b>Total contractual financial assets</b>	<b>2,239</b>	<b>21,778</b>	<b>-</b>	<b>417</b>	<b>24,434</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

## 30 FINANCIAL INSTRUMENTS (CONT'D)

## e) Ageing analysis of contractual financial assets

The ageing analysis of contractual financial assets is as follows:

2017	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
Contractual financial assets						
Receivables						
Debtors	1,010	596	407	7	-	-
Accrued investment income	3	3	-	-	-	-
Franking credits	712	712	-	-	-	-
Total contractual financial assets	1,725	1,311	407	7	-	-
2016						
Contractual financial assets						
Receivables						
Debtors	525	307	88	17	113	-
Accrued investment income	4	4	-	-	-	-
Franking credits	159	159	-	-	-	-
Total contractual financial assets	688	470	88	17	113	-

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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

## 30 FINANCIAL INSTRUMENTS (CONT'D)

## f) 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.

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.

2017	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
<b>Contractual financial liabilities</b>							
<b>Payables</b>							
Supplies and services	2,754	2,754	2,137	43	27	2	-
Lease liabilities	55	55	1	3	11	40	-
<b>Total contractual financial liabilities</b>	<b>2,809</b>	<b>2,809</b>	<b>2,138</b>	<b>46</b>	<b>38</b>	<b>42</b>	<b>-</b>
<b>2016</b>							
<b>Contractual financial liabilities</b>							
<b>Payables</b>							
Supplies and services	1,944	1,944	1,799	101	42	2	-
Lease liabilities	87	87	2	4	26	55	-
<b>Total contractual financial liabilities</b>	<b>2,031</b>	<b>2,031</b>	<b>1,801</b>	<b>105</b>	<b>68</b>	<b>57</b>	<b>-</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

## 30 FINANCIAL INSTRUMENTS (CONT'D)

**g) 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.

*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.

*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.

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.

2017		Weighted average interest rate	Carrying amount	Interest rate exposure		
		%	\$'000	Fixed interest rate \$'000	Variable interest rate \$'000	Non-interest bearing \$'000
<b>Contractual financial assets</b>						
Cash and deposits		1.6%	19,867	-	19,867	-
Receivables	Franking credits	-	712	-	-	712
	Debtors	-	1,010	-	-	1,010
	Accrued investment income	-	3	3	-	-
Investments and other financial assets						
	Cash management account	-	17,579	-	17,579	-
<b>Total contractual financial assets</b>			<b>39,171</b>	<b>3</b>	<b>37,446</b>	<b>1,722</b>
<b>Contractual financial liabilities</b>						
Payables	Supplies and services	-	2,754	-	-	2,754
	Lease liabilities	3.9%	55	55	-	-
<b>Total contractual financial liabilities</b>			<b>2,809</b>	<b>55</b>	<b>-</b>	<b>2,754</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

## 30 FINANCIAL INSTRUMENTS (CONT'D)

2016		Weighted average interest rate	Carrying amount	Interest rate exposure		
				Fixed	Variable	Non-interest
				interest rate	interest rate	bearing
		%	\$'000	\$'000	\$'000	\$'000
<b>Contractual financial assets</b>						
Cash and deposits		1.9%	23,746	–	23,746	–
Receivables	Franking credits	–	159	–	–	159
	Debtors	–	525	–	–	525
	Accrued investment income	–	4	4	–	–
Investments and other financial assets						
	Cash management account	–	–	–	–	–
<b>Total contractual financial assets</b>			<b>24,434</b>	<b>4</b>	<b>23,746</b>	<b>684</b>
<b>Contractual financial liabilities</b>						
Payables	Supplies and services	–	1,944	–	–	1,944
	Lease liabilities	4.8%	87	87	–	–
<b>Total contractual financial liabilities</b>			<b>2,031</b>	<b>87</b>	<b>–</b>	<b>1,944</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

## 30 FINANCIAL INSTRUMENTS (CONT'D)

*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 has appointed a fund manager to manage its investment portfolio. The fund manager on behalf of the Board closely monitors performance and manages the equity-price risk through diversification of its investment portfolio. 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.

*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 (base rates are sourced from Reserve Bank of Australia):

- a parallel shift of +1 per cent and -1 per cent in market interest rates (AUD) from year end rates of 1.5% (2016: 1.75%).

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.

*1) Interest-rate risk sensitivity*

	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
<b>Contractual financial assets</b>					
Cash and deposits	19,867	(199)	-	199	-
Receivables    Franking credits	712	-	-	-	-
Debtors	1,010	-	-	-	-
Accrued investment income	3	-	-	-	-
Investments and other financial assets					
Cash management account	17,579	(176)	-	176	-
<b>Total contractual financial assets</b>	<b>39,171</b>	<b>(374)</b>	<b>-</b>	<b>374</b>	<b>-</b>
<b>Contractual financial liabilities</b>					
Payables    Supplies and services	2,754	-	-	-	-
Lease liabilities	55	-	-	-	-
<b>Total contractual financial liabilities</b>	<b>2,809</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

2016	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
<b>Contractual financial assets</b>					
Cash and deposits	23,746	(237)	-	237	-
Receivables    Franking credits	159	-	-	-	-
Debtors	525	-	-	-	-
Accrued investment income	4	-	-	-	-
Investments and other financial assets					
Cash management account	-	-	-	-	-
<b>Total contractual financial assets</b>	<b>24,434</b>	<b>(237)</b>	<b>-</b>	<b>237</b>	<b>-</b>
<b>Contractual financial liabilities</b>					
Payables        Supplies and services	1,944	-	-	-	-
Lease liabilities	87	-	-	-	-
<b>Total contractual financial liabilities</b>	<b>2,031</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

## 30 FINANCIAL INSTRUMENTS (CONT'D)

## h) Fair value

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 cashflow analysis using unobservable market inputs.

The following table shows that the fair values of the contractual financial assets and liabilities are the same as the carrying amounts.

Fair value measurement at 30 June using:				Carrying amount	Fair value	Carrying amount	Fair value
Level				2017 \$'000	2017 \$'000	2016 \$'000	2016 \$'000
<b>Contractual financial assets</b>							
Cash and deposits				19,867	19,867	23,746	23,746
Receivables	Franking credits	2		712	712	159	159
	Debtors	2		1,010	1,010	525	525
	Accrued investment income	2		3	3	4	4
Investments and other financial assets							
	Cash management account	2		17,579	17,579	–	–
<b>Total contractual financial assets</b>				<b>39,171</b>	<b>39,171</b>	<b>24,434</b>	<b>24,434</b>
<b>Contractual financial liabilities</b>							
Payables	Supplies and services	2		2,754	2,754	1,944	1,944
	Lease liabilities	2		55	55	87	87
<b>Total contractual financial liabilities</b>				<b>2,809</b>	<b>2,809</b>	<b>2,031</b>	<b>2,031</b>

There have been no transfers between levels during the period.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate fair value:

The listed securities are valued at fair value with reference to a quoted (unadjusted) market price from an active market. The Board categorises these instruments as level 1. All other financial assets and liabilities are valued at fair value with reference to invoices or other third party documentation. The Board categorises these instruments as level 2.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

**31 SUPERANNUATION**

The Board made superannuation contributions for employees as follows:

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Defined benefit plan</b>		
State Superannuation Fund	481	487
<b>Defined contribution plans</b>		
VicSuper	1,426	1,345
Private superannuation funds	400	328
	<b>2,307</b>	<b>2,160</b>

There are no superannuation contributions outstanding as at 30 June 2017 (2016: 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.

<b>32 OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT</b>		
<b>(a) Net gain on financial instruments</b>		
Gain/(loss) on sale of available-for-sale financial assets	(21)	149
<b>(b) Net gain/(loss) on non-financial assets</b>		
Net gain/(loss) in disposal of non-financial assets	(2)	4
Revaluation decrement of buildings	-	(2,585)
	(2)	(2,581)
<b>(c) Other losses from other economic flows</b>		
Gain/(loss) on revaluation of long-service leave liability due to changes in bond rates	209	(331)
	<b>186</b>	<b>(2,763)</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 33 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	Martin Foley MP	1 July 2016 to 30 June 2017
Chief Executive Officer	Kate Torney	1 July 2016 to 30 June 2017

#### 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 \$350,000–359,999 (\$300,000–309,999 in 2016).

The names of Board members who have held office during the year are:

Mr John Wylie AM (President)	Mr Dennis Goldner
Mr Petro Georgiou AO (to 23 May 2017)	Ms Christine Christian
Mr Bruce Akhurst	Ms Karen Quinlan
Ms Maria Myers AC	Ms Maxine McKew
Prof. Carolyn Evans (from 1 July 2016)	

No member of the Board has received remuneration or retirement benefits during 2016–17 (2016: nil).

#### 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.

Share-based payments are an agreement between the entity and the employee that entitles them to receive cash or other assets for amounts that are based on the price of shares/share options, provided specified vesting conditions, if any, are met (*not applicable to the Library Board of Victoria*).

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 TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

## 33 RESPONSIBLE PERSONS (CONT'D)

	2017 \$'000	2016 <sup>(a)</sup> \$'000
<b>Remuneration of executive officers</b>		
Short-term employee benefits	622	
Post-employment benefits	56	
Other long-term benefits	11	
Termination benefits	94	
Share-based payments	n.a.	
<b>Total remuneration<sup>(a)(b)</sup></b>	<b>783</b>	
<b>Total number of executives</b>	<b>4</b>	<b>9</b>
<b>Total annualised employee equivalents</b>	<b>2.8</b>	<b>7.0</b>

**Notes**

- (a) No comparatives have been reported because remuneration in the prior year was determined in line with the basis and definition under FRD 21B. Remuneration previously excluded non-monetary benefits and comprised any money, consideration or benefit received or receivable, excluding reimbursement of out-of-pocket expenses, including any amount received or receivable from a related party transaction. Refer to the prior year's financial statements for executive remuneration for the 2015-16 reporting period.
- (b) 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 34).



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

## 34 RELATED PARTIES

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 arm's 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 (Also refer to note 18):

	<b>2017</b>
	<b>\$'000</b>
<b>Receipts</b>	
Department of Education and Training; funding for Kindergarten IT project	1,382
Department of Economic Development, Jobs, Transport and Resources; Recurrent appropriation	39,309
Department of Economic Development, Jobs, Transport and Resources; Capital funding for State Library Redevelopment and BOSS2	12,803
Treasury Corporation of Victoria; Funds withdrawn	54,516
<b>Payments</b>	
Development Victoria; Payments for State Library Redevelopment and BOSS2	11,454
Victorian Funds Management Corporation; Funds invested	16,600
Treasury Corporation of Victoria; Funds deposited	45,755
State Revenue Office; Payroll tax paid	1,278

**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 Service's Financial Report.

	<b>2017</b>
	<b>\$'000</b>
<b>Compensation of KMPs</b>	
Short-term employee benefits	952
Post-employment benefits	87
Other long-term benefits	14
Termination benefits	94
Share-based payments	n.a.
<b>Total<sup>(a)</sup></b>	<b>1,147</b>

**Notes**

(a) KMPs are also reported in the disclosure of remuneration of executive officers (Note 33).

**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 2016–17 was \$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 2016–17 were \$134,941 exclusive of GST. Dennis Goldner adverts to the

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 \$6,464,350 were received from the Library Board of Victoria members and their related parties. Donations totalling \$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.

### 35 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

#### Contingent assets

As at 30 June 2016 and 2017, the State Library of Victoria has been pledged donations which are expected to be honoured in the future, although they are not legally enforceable. The State Library of Victoria 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 2017 (2016: nil).

### 36 COMMITMENTS FOR EXPENDITURE

The following commitments have not been recognised as liabilities in the financial statements:

	2017 \$'000	2016 \$'000
<b>Capital expenditure commitments</b>		
Capital expenditure includes collection expenditure payable as follows:		
Not later than one year	–	80
Later than one year, not later than five years	–	55
	<b>–</b>	<b>135</b>
<b>Other expenditure commitments</b>		
Other expenditure includes mechanical and lift maintenance, security, cleaning and rental of Ballarat offsite storage site, payable as follows:		
Not later than one year	3,772	3,890
Later than one year, not later than five years	4,866	7,641
Later than five years	628	671
	<b>9,266</b>	<b>12,202</b>
<b>Operating leases</b>		
Commitments for minimum-lease payments in relation to non-cancellable operating leases are payable as follows:		
Not later than one year	492	440
Later than one year, not later than five years	998	414
	<b>1,490</b>	<b>854</b>
<b>Total commitments for expenditure (GST inclusive)</b>	<b>10,756</b>	<b>13,191</b>
Less GST recoverable from the ATO	(978)	(1,199)
<b>Total commitments for expenditure (GST exclusive)</b>	<b>9,778</b>	<b>11,992</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 37 SUBSEQUENT EVENTS

The Library Board of Victoria is not aware of any events occurring subsequent to 30 June 2017 that may have a material effect on the financial statements (2016: nil).

### 38 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.

#### 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 will commence in 2017–18.

#### 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.

#### 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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 38 GLOSSARY OF TERMS (CONT'D)

receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

#### 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 onpassing

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 38 GLOSSARY OF TERMS (CONT'D)

#### 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'.

#### 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 Victoria

#### SLVF

State Library Victoria Foundation

#### 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.

#### 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.

#### 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.

Legislation	Requirement	Page
<b>Ministerial directions and financial reporting directions</b>		
<i>Charter and purpose</i>		
FRD 22H	Manner of establishment and the relevant minister	29
FRD 22H	Purpose, functions, powers and duties	29
FRD 22H	Key initiatives and achievements	07
FRD 22H	Nature and range of services provided	29
<i>Management and structure</i>		
FRD 22H	Organisational structure	34
<i>Financial and other information</i>		
FRD 10A	Disclosure index	105
FRD 22H	Details of ICT expenditure	09
FRD 29B	Workforce data	38
FRD 22H	Summary of financial results for the year	22
FRD 22H	Significant changes in financial position during the year	23
FRD 22F	Operational and budgetary objectives and performance against objectives	24
FRD 22H	Employment and conduct principles	37
FRD 22H	Major changes or factors affecting performance	46
FRD 22H	Subsequent events	48
FRD 22H	Application and operation of <i>Freedom of Information Act 1982</i>	43
FRD 22H	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	44
FRD 22H	Statement on National Competition Policy	45
FRD 24C	Environmental performance	40
FRD 22H	Availability of additional information	43
FRD 22H	Application and operation of <i>Protected Disclosures Act 2012</i>	44
FRD 22H	Details of advertising expenditure	46
FRD 22H	Details of consultancies under \$10,000	47
FRD 22H	Details of consultancies over \$10,000	47
FRD 22H	Standard disclosures in the report of operations	43
FRD 12B	Disclosure of major contracts	46
FRD 22H	Occupational health and safety policy	35
FRD 15D	Executive officer disclosures	39
FRD 25C	Victorian Industry Participation Policy Disclosures	45
SD 5.2	Specific requirements under Standing Direction 5.2	53
<i>Declaration – report of operations</i>		
SD 5.2.3	Declaration in report of operations	03

## DISCLOSURE INDEX (CONT'D)

<i>Declaration – financial statements</i>		
SD 5.2.2	Declaration in financial statements	53
<i>Other requirements under Standing Directions 5.2</i>		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	60
SD 5.2.1(a)	Compliance with Ministerial Directions	53
<i>Other disclosures as required in notes to the financial statements</i>		
FRD 11A	Disclosure of ex-gratia expenses	48
FRD 13	Disclosure of Parliamentary appropriations	81
FRD 21C	Disclosures of responsible persons, executive officers and other personnel (contractors with significant management responsibilities) in the financial report	98
FRD 103F	Non-financial physical assets	66
FRD 110A	Cash flow statements	58
FRD 112D	Defined benefit superannuation obligations	97
<b>Legislation</b>		
<i>Building Act 1993</i>		44
<i>Carers Recognition Act 2012</i>		42
<i>Disability Act 2006</i>		42
<i>Freedom of Information Act 1982</i>		43
<i>Financial Management Act 1994</i>		53
<i>Multicultural Victoria Act 2011</i>		10
<i>Protected Disclosures Act 2012</i>		44
<i>Victorian Industry Participation Policy Act 2003</i>		45

