

**Library Board
of Victoria**
Annual Report

2011–12



Library Board of Victoria Annual Report 2011–12

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President's report

I am delighted to present my first report as President of the Library Board of Victoria.

The State Library is one of Victoria's most important cultural institutions. For over 150 years it has been, in the words of Sir Redmond Barry, 'a great emporium of learning and philosophy, of literature, science and art'. Society and the way we use information have changed profoundly, and so has the Library, but its core *raison d'être* remains the same.

The Library has been very fortunate to have had the benefit of wise and committed leadership over many years, most recently under the Honourable John Cain, former Premier of Victoria. John served as President of the Library for six years until May 2012, and presided over a significant period of transformation and growth. During this time the Library embraced 21st-century technologies to deliver services in entirely new ways, and reinvigorated its relationship with Victoria's public library network. As a result, it experienced a 95 per cent increase in visitors through its doors and a 117 per cent increase in online visitation. We are deeply grateful to John for his effective counsel and passionate advocacy on behalf of the State Library.

In April this year we warmly welcomed our new Chief Executive Officer and State Librarian, Sue Roberts, following an extensive national and international search. Sue comes to the role with an outstanding record in strategic library leadership, including terms as Dean of Learning Services at Edge Hill University in the United Kingdom, and Director of SOLSTICE, a national centre for excellence in online learning. She was most recently University Librarian at Victoria University in New Zealand. I am pleased to report that Sue has been doing an outstanding job in the short time she has been in her role with us.

Our thanks go also to Sue Hamilton, who postponed her retirement to act as Chief Executive Officer and State Librarian from February 2011 until Sue Roberts' commencement. Her sure hand and hard work ensured a seamless leadership transition.

I thank also my fellow Board members, the State Library of Victoria Foundation, our volunteers and – of course – the wonderful Library staff, all of whom make tremendous contributions to the Library.

These are interesting, indeed exciting, times for libraries everywhere. The digital revolution is just that – a revolution – and it is incumbent upon the Board and management of a public institution like the State Library to reconsider, from first principles, how it should remain relevant, engaging and cost effective for the community it serves. This is the first and most important task for the new leadership team at your Library.

A particular highlight for the coming year will be the centenary of the opening of the domed reading room, one of the world's great domed buildings and the symbolic heart of the Library. This will be a great opportunity to reconnect many Victorians with this beautiful room and the Library itself, and to introduce many others for the first time.

In accordance with the *Financial Management Act 1994*, I am pleased to present the Library Board of Victoria's annual report for the year ending 30 June 2012.



John Wylie AM
President, Library Board of Victoria

Chief Executive Officer and State Librarian's year in review



Andrew Lloyd

In 2011–12 the State Library consolidated its position as one of Australia's most popular public libraries. Visitation again grew, with the Library welcoming 1,580,338 onsite visitors and 3,201,020 online visitors.

I am pleased to highlight for 2011–12 that the Library's consolidated result before depreciation shows a satisfactory outcome, reporting a small surplus for the year. This year, however, has also seen a significant increase in the depreciation charge for the Library's heritage building assets, which impacts on the consolidated result. While this has no impact on the Library's day-to-day operations or on the sustainability of its activities, it does highlight the need for the Library to reappraise the asset life of its heritage buildings, and this will inform our forward projections on the useful life of these important public assets into the future.

Pages 6–16 of this report provide a detailed account of the Library's activities over the year in line with our Corporate Plan 2010–13. The following sample illustrates the breadth of the Library's endeavour and shows why we are supported so enthusiastically by the Victorian community.

Notable acquisitions and service achievements

We were honoured by the decision of Scholastic Australia to transfer trusteeship of the renowned Scholastic Dromkeen Children's Literature Collection to the Library. This collection includes a wealth of original artworks, prepublication material, historical books and several bronze sculptures relating to some of Australia's favourite and most significant children's stories.

The acquisition of the Suncorp Insurance Archive, comprehensively covering the history of insurance in Australia from 1833 to the present, was another collecting highlight.

Embracing the opportunities of the digital age, the Library began piloting acquisition of a born-digital archive created by the Flowerdale community immediately following the 2009 bushfires, and we began a user-driven ebook acquisitions pilot with the introduction of the Australian Electronic Book Library.

In 2011–12 we digitised over 70,000 collection items ranging from Victorian newspapers of the World War I era to medieval manuscripts, making them accessible to anyone, anywhere, via the internet.

The Library's new online copy order service received the 2011 Arts Portfolio Leadership Award in the category of 'Business improvement'. This service enables users to order digital copies of collection items via a portal linked directly from the catalogue. The ease and speed of this service resulted in a 40 per cent increase in orders during 2011–12.

Demand for information services remained strong, with 2,619,717 catalogue searches undertaken throughout the year.

Community engagement highlights

Love and Devotion: From Persia and Beyond was the Library's second major international exhibition and the centrepiece of our programming offer in 2011–12. Presented in partnership with the Bodleian Libraries at the University of Oxford, *Love and Devotion* featured an exquisite array of rare illuminated Persian, Mughal Indian and Ottoman Turkish manuscripts never before shown in Australia. The exhibition was seen by 102,850 people between March and June.

Love and Devotion brought many new visitors to the State Library, most notably members of the Iranian community, which was closely involved in developing and delivering a vibrant calendar of complementary events. Through the Library's Open Access program, many children from disadvantaged schools also visited to attend tours and workshops related to the exhibition.

All of our *Love and Devotion* programming was greatly enhanced by the presence and assistance of a dedicated band of 40 volunteers recruited especially to support the exhibition. The Library recommitted to our volunteers program during the year with our new Volunteering Strategy 2012–14.

Promotion of books and reading across Victoria was another important theme in the Library's programming. The State Library is a founding partner in the 2012 National Year of Reading, an initiative of Australia's state and territory libraries in conjunction with the peak bodies for public libraries.

In February Ted Baillieu MLA, Premier and Minister for the Arts, launched the Victorian program for the National Year of Reading. Also in February, the Library's Centre for Youth Literature celebrated its 21st birthday. In March we again partnered with the Wheeler Centre to deliver a second and bigger Children's Book Festival, and in May the new High Road to Reading program of events with popular authors commenced rollout across the state, in partnership with Victoria's public libraries.

Partnerships are a hallmark of much that the Library does. In 2011–12 we were especially proud of our work as the managing partner with other state and territory libraries on redevelopment of the MyLanguage website. This website provides online access to information and resources in nearly 70 community languages. New features include the facility for public libraries and culturally and linguistically diverse communities to actively share information about resources and programs.

I echo the President of the Board in thanking all of the Library's staff and supporters for the effort that has enabled so much to be achieved.



Sue Roberts
Chief Executive Officer and State Librarian

Vision and values

Vision

Victorians will have ready access to a comprehensive collection of Victorian documentary material and to worldwide information resources to enrich their cultural, educational, social and economic lives.

Values

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

Innovation

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

Collaboration

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

Engagement

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

Excellence

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

Respect

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

Report of operations

This section reflects the strategic directions and enablers of the Corporate Plan and reports on our activities in line with these priority areas:

- collecting and informing
- strengthening Victoria's culture
- reducing disadvantage
- connecting communities
- building partnerships
- delivering capability and governance.

Collecting and informing

The Library maintains, preserves and develops the State Collection for the people of Victoria. We aim to ensure that all Victorians can find, access and use the collection, information resources and services anytime, anywhere and in whatever way they choose.

Building the physical and digital collections

In 2011–12 we added 63,256 items to the collection and some 61,000 records to the catalogue. The collecting highlights of the year were the acquisition of the Scholastic Dromkeen Children's Literature Collection, the Suncorp Insurance Archive and the acquisition of two rare Persian manuscripts.

In February 2012 Scholastic Australia announced that it will transfer trusteeship of the internationally significant Scholastic Dromkeen Children's Literature Collection to the Library. The collection comprises approximately 7500 original artworks and other prepublication material from many of Australia's best children's books. This material is complemented by several bronze sculptures of beloved picture book characters, an historical book collection and the Dromkeen archive.

This news was followed in May by the announcement that the Library had acquired the Suncorp Insurance Archive as a cultural gift. This comprehensive archive covers the history of insurance in Australia from 1833 to the present and comprises over 3000 items, including our earliest surviving insurance policy.

Other cultural gifts and donations included the personal library of Bernard Smith, prominent Australian art historian, and a photographic collection by Rhonda Senbergs, a key figure in the Melbourne art scene during the 1970s and 1980s.

With the assistance of the State Library of Victoria Foundation we were able to purchase the Print Council of Australia's Print Commission Archive (1967–2011) and a collection of correspondence by prominent 19th-century German colonist Jacob Bauer. Inspired by the exhibition *Love and Devotion: From Persia and Beyond*, the Foundation's annual appeal focused on the acquisition

of two illustrated Persian manuscripts. A fine copy of the *Khamasa* of Nizami (1509–10) contains five classic Persian poems written in the 12th century and is illustrated with 15 full-page miniatures; the copy of the *Tutinama* (1808–09) is a book of fables told by a clever parrot to a travelling merchant's wife, translated into Persian from the Sanskrit by Nakhshabi, and illustrated with 110 miniatures.

Preservation and storage remains a priority as the collection develops and grows. In 2011–12 we continued to implement the Collection Storage Master Plan. Three new onsite collection stores were created, 4900 metres of collection was reconfigured within the Library to maximise storage space and improve access, and 750 metres of collection was relocated to our offsite store in Ballarat.

The digital age presents new collecting challenges and opportunities. This year we began piloting the acquisition of a community-created, born-digital archive compiled by the Flowerdale community immediately after the 2009 bushfires. It documents the recovery program that is now being considered a model for future disaster-recovery programs. The content includes images, PowerPoint presentations, Word and Excel documents, video, emails and other social media tools.

During the year we also began a user-driven ebook acquisitions pilot with the introduction of the Australian Electronic Book Library (EBL). Users are able to purchase EBL titles for the Library's ebook collection after viewing them for five minutes. They can then download them onto their own devices for seven days, after which time they self-delete.

Noteworthy digital database purchases included *The First World War: personal experiences*, a database of posters, postcards, photographs, song sheets and other artefacts; the genealogical database *findmypast Ireland*; and *The Scotsman*, a newspaper archive spanning from 1817 to 1950.

Improving customer and information services

As our onsite and online visitation has grown, the demand for information services remains strong. In 2011–12 we had 1,580,338 onsite visitors, 3,201,020 online visitors and 2,619,717 catalogue searches.

To assist in use of the collections we added new online research guides about water and post-World War II Melbourne photography. We now have 38 guides available for our users.

Access to digitised images from our collection was improved by making 175,000 images available through the

National Library of Australia's Trove search service. There was also an increase of over 40 per cent in the use of our online order service, which delivers digital copies of collection items direct to the user on request.

We have enhanced our customer service by offering new registration packs containing useful information about the Library to approximately 1750 new users registering with us every month. Current users whose membership is about to expire now receive a helpful advance notice to encourage membership renewal.

Strengthening Victoria's culture

Our digitising, exhibition, publishing and events programs play a significant role in building an understanding and appreciation among Victorians of the richness and diversity of our culture, and in sharing that culture locally, nationally and internationally.

Digitisation

Digitising collection items makes them easily accessible to anyone, anywhere, via the internet. This important program creates faster, easier access to our collection for the whole community, whether urban or regional.

In 2011–12 we digitised over 70,000 items, including maps, plans, posters, pamphlets, glass negatives, slides, newspapers and journals.

Highlights of the digitising program:

- The prestigious *Proceedings of the Royal Society of Victoria* and *Victorian Historical Journal* were made available online, with funding provided by the Department of Premier and Cabinet in partnership with the Royal Society of Victoria and the Royal Historical Society of Victoria respectively.
- 40 regional and suburban newspapers from 1914 to 1918 are now accessible and searchable through the National Library of Australia's Trove database.
- 15 of our medieval manuscripts were digitised and made available online, with funding from the Australian Research Council.

Exhibitions

The Library's exhibitions program provides an opportunity for visitors to directly experience the collection. The centrepiece of our 2011–12 exhibition program was *Love and Devotion*, in the Keith Murdoch Gallery. This major international exhibition, in partnership with the Bodleian Libraries at the University of Oxford, was nearly four years in development and was a contribution of the Library to Melbourne as a UNESCO City of Literature. Co-curated by the Library's Clare Williamson and independent scholar Susan Scollay, the exhibition brought over 60

rare illuminated Persian, Mughal Indian and Ottoman Turkish manuscripts to Australia for the first time, to be shown alongside items from our own collection. *Love and Devotion* was opened on 8 March by the Honourable Alex Chernov AC, QC, Governor of Victoria, and ran to 1 July, receiving 102,850 visitors.

Love and Devotion was supported by a visually stunning website (exhibitions.slv.vic.gov.au/love-and-devotion), a schools program, a program of community events and activities (see public programs and major events below), a book edited by Susan Scollay, a beautiful range of exhibition merchandise commissioned by Readings bookshop in partnership with Zetta Florence paper merchandisers, and a documentary DVD by Stella Motion Pictures, supported by Film Victoria. It was sponsored by the State Library of Victoria Foundation, the Gordon Darling Foundation, the University of Melbourne, the Australia India Institute and the City of Melbourne, and assisted by many other program partners and supporters.

Prior to *Love and Devotion*, the Keith Murdoch Gallery featured *As modern as tomorrow: photographers in postwar Melbourne*. This striking exhibition examined the commercial work of photographers Maggie Diaz, Norman Ikin, Helmut Newton, Athol Shmith, Wolfgang Sievers, Mark Strizic, Dacre Stubbs and Henry Talbot. *As modern as tomorrow* was seen by 55,478 visitors.

Between August 2011 and February 2012, the Cowen Gallery featured a display from the Library's collection of books created by Melbourne artists. *Fine impressions: printmaking and artists' books in Melbourne 1999–2010* was another contribution to Melbourne as a UNESCO City of Literature. During this time we also supported the Impact7 International Printmaking conference at Monash University, the Month of Print program coordinated by the Print Council of Australia, the Melbourne Writers Festival, and the 2012 Rare Books Summer School.

The Cowen Gallery's permanent exhibition of items from the Pictures Collection was updated with some 20th-century images of Melbourne's dockside areas, including recently donated paintings by Fred Williams and Rick Amor. The permanent exhibitions in the Dome Galleries were also refreshed. *Mirror of the world: books and ideas* was updated with items from the Wayzgoose Press, beautiful Ethiopian Bibles and material celebrating the bicentenary of Charles Dickens' birth. *The changing face of Victoria* was refreshed with the addition of cartoons featuring parliamentarian Barry Jones, a panoramic drawing of Melbourne by Eugène von Guérard and displays about the Block Arcade, the Sidney Myer Music Bowl and notorious 19th-century lady about town, Madame Brussels.

The Library's travelling exhibition, *Look! The art of Australian picture books today*, opened its national tour at the State Library of Queensland, where it attracted over 25,000 visitors, before touring to the Canberra Museum and Art Gallery. *Look!* is supported by The Trust Company and the Commonwealth Government through its Visions of Australia funding program.

Publishing

Our strategy of publishing in partnership with commercial publishers was reviewed and endorsed by the Library Board of Victoria in February 2012. The 2011–12 program included the following publications:

- *Characters: cultural stories revealed through typography*, Stephen Banham, Thames and Hudson, September 2011
- *Burke and Wills: the scientific legacy of the Victorian Exploring Expedition*, edited by EB Joyce and DA McCann, CSIRO Publishing and the Royal Society of Victoria, November 2011
- *Love and Devotion: From Persia and Beyond*, edited by Susan Scollay, Macmillan Art Publishing in association with the Bodleian Library, University of Oxford, with funding from the Gordon Darling Foundation, March 2012
- *JJ Clark: architect of the Australian Renaissance*, Andrew Dodd, NewSouth Publishing, with funding from the City of Melbourne, the Australia Council for the Arts and the University of Melbourne, April 2012
- *Sunday's garden: growing Heide*, Lesley Harding and Kendrah Morgan, Miegunyah Press, in association with Heide Museum of Modern Art, April 2012
- *Detective Piggott's Casebook*, Kevin Morgan, Hardie Grant Books, May 2012.

Our publishing continued to benefit from the Creative Fellowship program, with the writing of both Andrew Dodd and Kevin Morgan's books assisted by their fellowships of 2009 and 2008 respectively.

Oslo Davis, Creative Fellow in 2010, self-published *Libraryland*, a book of hand-drawn cartoons and illustrations originated during his fellowship.

Public programs and major events

We presented a range of public events throughout the year, many supporting our exhibition program and others featuring prominent speakers or various aspects of the collections. From Outside-in Cinema and the Flashpoint series of script readings, to gaming festivals and the Making Public Histories series, our programs attracted high numbers and diverse audiences.

Love and Devotion was a focal point for engaging the community through public programs. Over the four months of the exhibition, full houses were consistently achieved for lectures, a concert series, poetry readings, discussion panels,



and the two-day international conference organised in partnership with the Australian National University. The Persian Cultural Day on Sunday 3 June, organised in association with Victoria's Iranian community, was a highlight with more than 3300 people attending.

The 2012 National Year of Reading provided another focus for programming. The year, of which we are a founding partner, is a collaborative initiative of Australia's state libraries and public library peak bodies in response to the statistic that nearly 50 per cent of Australians struggle with literacy. The aim is to encourage a reading culture in every home. Ted Baillieu MLA, Premier and Minister for the Arts, launched the Victorian program for National Year of Reading at the Library on 14 February.

To celebrate the launch, we hosted a Mad Hatter's costumed tea party, co-presented with radio station 774 ABC Melbourne. The second Children's Book Festival, in partnership with the Wheeler Centre, followed on 25 March; more than 13,000 children and their families attended an extraordinary day of activities. During May, the High Road to Reading program rolled out through public libraries across the state. In June, broadcaster and writer Ramona Koval presented a keynote lecture inspired by the books that have most influenced her.

Other highlights for 2011–12:

- The Honourable Alex Chernov AC, QC, Governor of Victoria, delivered the annual Redmond Barry Lecture on the subject of maintaining Redmond Barry's legacy.
- XperienceXpo was held in Expermedia, attracting 280

- gamers in support of Melbourne's Royal Children's Hospital.
- Behind-the-scenes tours of the Library's Catacombs, Elephant Lift and Pendulum Staircase were a drawcard during the Melbourne Open House Program, with 500 people participating over two days.
- Radio station 774's Hilary Harper led an enlightening panel conversation about the challenges and rewards of creating 'the sustainable table'.
- The annual Freeplay Independent Games Festival returned, with increased audiences and a variety of talks and workshops, as well as an expo of the best in independent games.
- Events complementing the *As modern as tomorrow* exhibition included lively panel discussions about the relationship between photographer and architect, and photographer and model.
- Stephen Mayne presented the annual Stephen Murray-Smith Memorial Lecture on the subject of governance, transparency and power.
- We hosted the Victorian state final of the Australian Poetry Slam and the runner-up, Luka Lesson, went on to win the national final.
- Alex Steffen – one of the world's leading voices on sustainability, social innovation and planetary futurism – addressed a full house in the Village Roadshow Theatre, in an event presented in partnership with Collaboratory Melbourne.
- We hosted the Australian Youth Climate Coalition's Start the Switch youth summit, which attracted about 150 young people interested in developing community-based sustainability projects.
- The Centre for Youth Literature celebrated its 21st birthday with an event reflecting on the impact of its programming and the authors it has spotlighted; participating authors included Melina Marchetta and David Levithan.
- The 7th Australian and New Zealand Rare Books Summer School, in partnership with Monash University, featured specialist courses on 'Artists' books, zines and other collaborative ventures' with Professor Sasha Grishin, 'Botanical riches: the art of the book' with Richard Aitken, 'Ephemera: a collector's key to the history of books' with Professor Wallace Kirsop, and 'The poetics of printing on the iron hand-press' with letterpress artist Caren Florence.
- Dr Brian McMullin, Adjunct Senior Research Fellow in the Department of Fine Arts at Monash University, presented the annual Foxcroft Lecture on the subject of 'What readers should ignore on the printed page: communication within the book trade'.

Reducing disadvantage

We deliver a wide range of learning programs and other initiatives designed to encourage broad participation in cultural and civic activity. We particularly focus on

young people, especially from low socio-economic areas, as well as people from culturally and linguistically diverse backgrounds, and people with disabilities. We also endeavour to make programs available for regional Victorians. Over the past year, more than 2900 people have engaged in our adult learning programs, covering general research skills, family history, public history, newspapers and health literacy. See page 37 for more about our diversity and access strategies.

Young people learning

Our learning offer for young people begins with preschoolers. Family programs introduced in 2010 have grown in strength and popularity, with Storytime and Baby Bounce sessions now weekly. There are also school holiday programs and themed activities for Children's Week. In 2011–12, over 500 parents and children attended sessions each month.

For many years we have received support from the Department of Education and Early Childhood Development's Strategic Partnerships Program to deliver programs for schools, and we have been successful in securing a further triennium of funding.

Throughout the year more than 25,000 school students engaged with the Library's spaces, collections and facilities through educational tours, workshops and events. Additionally, there were 9000 visits per month to Ergo, our research-skills website for students and teachers.

The Open Access program, funded by a private donor, enabled more than 2100 children from disadvantaged schools to attend tours and workshops related to the *Love and Devotion* exhibition. Open Access also provided selected schools with the opportunity to attend workshops as part of the Centre for Youth Literature's 21st birthday celebrations, and facilitated two days of workshops and performances for 740 primary students from disadvantaged schools as part of the Children's Book Festival.

Reaching young people in outer metropolitan and regional Victoria is a priority for us. The Travelling Treasures program took presentations featuring collection items related to explorers Burke and Wills to over 1400 students in Wyndham Vale, Warrnambool, Colac, Sale, Morwell, Mansfield and Wangaratta. The Centre for Youth Literature took author Melina Marchetta and illustrator Elizabeth Honey on tour in country Victoria, and collaborated with Geelong Regional Library Corporation to present the first Wordage Festival in that area, as well as conducting author workshops and presentations in colleges in Manor Lakes and Sunshine.

The Sharing Heritage Learning and Literacy (SHELL) project was piloted with Indigenous students in a primary and a secondary school in Leongatha and Mooroopna respectively. This project combines storytelling by elders, the creation of a book by the students, and the development of partnerships between the students, their families, community elders and the schools. It was designed to highlight Aboriginal identity and culture, make links between oral and written communication, and break down barriers between Indigenous and non-Indigenous students and communities. The pilot was supported by the Collier Charitable Fund and developed in partnership with Kids' Own Publishing.

Supporting culturally and linguistically diverse communities

The Library continued to implement our Cultural Diversity Action Plan. The MyLanguage website (mylanguage.gov.au), which is a partnership between seven of the state and territory libraries and is managed by the State Library of Victoria, was redeveloped and relaunched in November 2011. The website provides online access to information and resources in more than 67 community languages. The improved MyLanguage website provides a hub where public libraries and culturally and linguistically diverse (CALD) communities can actively share information resources and programs. The new website was accompanied by a training roadshow to participating public libraries.

The Library also developed a model for the University of the Third Age (U3A), delivering online learning to CALD communities. The multilingual U3A Online model focuses on sustainability and ownership by these communities. This work was undertaken with the financial support of the auDA Foundation.

The *Love and Devotion* exhibition shone a spotlight on the Persian empires, Ottoman Turkey and Mughal India and Europe. Through the exhibition and supporting activities – incorporating music, dance, literature, food, arts and crafts – vast numbers of Victorians were able to explore and appreciate these ancient cultures.

Enabling communities

Assisting people with disabilities is another of our goals. 'IT enables: life, choices and participation' was held at the Library to mark Social Inclusion Week and International Day of People with Disability. This event attracted around 150 visitors to share information regarding the role and benefits of information technology in the lives of people with a disability.

Work commenced on a new online edition of the *Disability Awareness Kit* for libraries, with financial assistance from the Pierre Gorman Foundation. We also managed the Community ICT Skills Grants on behalf of the Department of Planning and Community Development. These grants support community organisations in increasing the use of information and communication technology by groups and communities who have traditionally been unable to access its benefits.

Connecting communities

The Library aims to be an inclusive partner in bringing together many different communities. Market research reveals that we are well known across the community (96 per cent of Victorians are aware of the Library) and enjoy a high level of visitor satisfaction and advocacy. In 2011–12, 91 per cent of visitors surveyed were satisfied with their visit and 94 per cent would recommend the Library to others.

Building online connections and communities

Like all libraries of the 21st century, we are working hard in the online environment to connect with communities and build a sense of connectedness. Engagement across our social media channels substantially increased this year, becoming a key component of all marketing campaigns. We now have over 21,000 followers across Facebook, Twitter, YouTube and Flickr. The *Love and Devotion* exhibition provided opportunities to increase engagement, for example, by utilising competitions on Facebook and developing regular video content.

We also publish three monthly newsletters – for corporate, education and Centre for Youth Literature readerships – which are sent to 12,000 subscribers.

Blogs remain an important means of sharing information. Our News blog is aimed at a broad audience while other blogs are targeted to specific groups. Genealogy and arts enthusiasts are catered for with Family Matters and Arts, while the Centre for Youth Literature's Read Alert has extended its reach among children's literature professionals since its relaunch in 2011, and now features regular booklists for teachers, updates on awards and industry news, and book reviews.

Working in conjunction with the School Library Association of Victoria, we have created two key points of online engagement with school library staff and educators in Victoria. The Bright Ideas blog features case studies and educational technology updates. The Personal Learning Network is a 12-unit online course introducing teachers and librarians to web tools they can use to enhance their professional development and teaching practice.

The Centre for Youth Literature's Inside a Dog website connects teen readers, school librarians, teachers and authors. The site offers book reviews and reading recommendations, the annual Inky Awards, book clubs, and an author-in-residence blog. It now features more than 1300 book reviews and over 150 book clubs, while the number of referrals to the site from external social media has doubled.

Volunteers, the Foundation, staff alumni and Creative Fellows

We strive to provide opportunities for interested members of the community to engage with us at a deeper level.

Our Volunteering Strategy was reviewed and a new plan developed for 2012–14. Improvements to the management of the program have had a significant impact, which can best be seen in the volunteer support for the *Love and Devotion* exhibition. Forty new volunteers were recruited, including Persian, Arabic, Hindi and Spanish speakers, which allowed us to offer tours in those languages. The program has generated a high level of enthusiasm and ongoing commitment.

Through the Foundation's efforts, the Library received considerable financial support. Membership of the Foundation now exceeds 1000 individual members, the result of a recruiting drive during the *Love and Devotion* exhibition. For more about the Foundation, see pages 13–14.

The fledgling staff alumni program, which encourages former staff to stay in touch with each other and with the Library, was augmented with the launch of the alumni website in February 2012.

Since 2003, the Creative Fellowships program has supported more than 100 writers, artists, composers, researchers and academics in the creation of new works that draw on the Library's collections. Recipients are provided with an office space in which to work over an extended period and receive a grant of \$12,500 provided by the Foundation.

Eight Creative Fellowships were awarded in 2011–12 to:

- Christine Johnson for *Indigene – Australian wildflowers*, a limited edition of fine art prints
- (Elizabeth) Jo Gilbert for *Along the road with Jack O'Hagan*, a biography
- Angela Cavalieri for *Canzone: music as storytelling*, a series of large scale linocut prints
- Toby Horrocks for *Through the lens of Peter Wille*, a biography
- Robert Clinch for *The rejected manuscript*, an egg tempera painting
- Nicholas Jones for *A conspiracy of cartographers*, a series of book sculptures

- Kirsty Madden for *Aluta Kontinua: political images and oral history of free elections and resistance in Timor Leste and support for the East Timorese struggle in Melbourne*, an oral history and image archive
- Dr (Virginia) Ruth Pullen for *Lost treasure: a redefinition of the State Library of Victoria's collection of Eugène von Guérard's drawings*, a book manuscript.

Honorary Creative Fellowships, providing use of an office space, were awarded to:

- Dr Lynette Russell for *Ethnography and Victorian culture*, a book manuscript
- Anne Marsden for *The 1839 Melbourne Mechanics Institution: a study of power shifts in the Port Phillip community*, a scholarly article.

Special Honorary Creative Fellowships were awarded to:

- Dr Gerard Vaughan, to support his research into private art collecting and the transfer of private collections to public ownership
- Susan Scollay, to support her continuing research following the *Love and Devotion* exhibition, including the editing and publishing of papers from the conference held in association with the exhibition.

Additionally, the inaugural Berry Family Fellowship – carrying a grant of \$12,500 funded by a gift from the Berry family for projects exploring the social history of Melbourne and Victoria – was awarded to Dr Stefan Schutt for *Signs of the times*, a project using web and mobile technologies and a signwriting archive to explore changes in Melbourne's west since the 1940s, and create an online history archive.

The Georges Mora Foundation Fellowship – carrying a grant of \$10,000, the use of a room at the Library and a residency at La Rochelle in France – was awarded to Linda Tegg for *Forecast*. This project will use photography and video to create a work exploring the interplay between the real and the performed through personal experience of travel and learning a language.

The Redmond Barry 1854 Fellowship is offered in partnership with the University of Melbourne, with the recipient making use of the collections of both institutions. Valued at \$20,000, this fellowship was awarded to Dr David Pear for a project researching the early years and musical influences on the Australian composer Percy Grainger.

The annual RE Ross Trust Playwrights' Script Development Awards are administered by the Library to support the development of plays as works-in-progress by Victorian-based playwrights. They offer a total of \$30,000 in prize money, rehearsed readings at the Library, and an opportunity to be selected for PlayWriting Australia's National Script Workshop.

The 2012 award winners are:

- Margaret Cameron for *Opera for a small mammal* (\$6000)
- Angus Cerini for *Scowl* (\$9000)
- Jodi Gallagher for *Prophet* (\$6000)
- Monica Raszewski for *There are trees that are dancers* (\$9000)

Angus Cerini's play was chosen for the PlayWriting Australia Script Development Workshop in 2013.

Building partnerships

Innovative partnerships are an essential and much valued way for us to expand our services, programs and collections. Our partners include philanthropic and corporate supporters, commercial partners, other cultural agencies, the university sector, other state libraries, the National Library of Australia, major libraries from other parts of the world, the Victorian public library network, and various Victorian government departments. In any year, 12–20 per cent of the Library's spend is supported through cash and in-kind contributions.

Many of our philanthropic and corporate supporters are acknowledged elsewhere in this report, where the activities underpinned by their contributions are described. This section focuses on other forms of partnership.

Commercial partnerships

The *Love and Devotion* exhibition provided the opportunity for the Library's stand-out commercial partnership of the year, working with stationer Zetta Florence and Readings bookshop to develop a range of beautiful merchandise and operate a dedicated pop-up shop to enhance the exhibition experience.

We also worked with three catering partners to develop a range of *Love and Devotion* corporate hospitality packages, providing access to the Library's venues as well as exclusive access to the exhibition. This new product has made a positive contribution to venue hire sales, which achieved its annual revenue target.

Readings bookshop and Mr Tulk cafe continued to attract new visitors to the Library and contribute to overall visitor satisfaction.

The Library's shared services arrangements with other agencies in the government's arts portfolio continued. See page 19.

Working with government

Throughout the year, we worked with several Victorian government departments to deliver major initiatives.

For the Department of Education and Early Childhood Development, we delivered the IT for Kindergartens project,

which has been extended for three years from 1 July 2012. We also delivered schools programs as part of the Strategic Partnerships Program, strategic support as part of the Next Practice Program, project management in winding up the 25 FUSE content development projects, and the delivery of a statewide professional development program.

For the Department of Planning and Community Development we managed Community ICT Skills Grants, and for VicHealth we extended the Book Well program of read-aloud reading groups for vulnerable and marginalised segments of the community.

Working with public libraries

We continued to work closely with the Victorian public library network, guided by the Library Board of Victoria's *Framework for collaborative action* and its Advisory Committee on Public Libraries, which was chaired by the President of the Board, the Honourable John Cain, until his departure in May 2012.

A new three-year program of collaborative initiatives was commenced to build capability in the public library network. To support strategic development of services, a study of internet and PC usage in public libraries was undertaken, identifying how these services are used and the benefits they confer. Victorian Public Libraries 2030 was also commenced. This major initiative will directly inform Tomorrow's Library, the Victorian Government's current public library review and planning exercise.

Professional development of public library staff was supported through a range of seminars and the Frontline online reader development program. Frontline trained 377 staff through two cycles.

Leadership development in public libraries was supported through the introduction of Leadership Learning Forums, and the following awards:

- The Barrett Reid Scholarship, valued at \$30,000, was awarded to Leonee Derr from Melbourne Library Service to undertake a study tour of best-practice young adult programs in libraries in the US, the Netherlands, Denmark, Sweden, Estonia, Croatia and Finland.
- The Pierre Gorman Award, valued at \$25,000 (partly assisted by the Pierre Gorman Foundation) and focusing on disability projects, was awarded to Yarra Plenty Regional Library for its leadership project, Connected Communities – Auslan and Voice Unite. This project will deliver a series of activities focused on adults and children with a hearing impairment and training for staff working in this area.

Enhanced community engagement through public libraries was supported by the new High Road to Reading program of authors' talks and workshops, with ten public libraries

participating as part of the National Year of Reading. A new Victorian newspaper digitisation project was also begun, targeting metropolitan and regional newspapers published from 1914 to 1918, in preparation for the centenary commemoration of World War I. Additionally, 509,333 pages from 54 newspaper titles have been digitised and are available through the National Library's Trove search service.

Working with universities

Our major international exhibition, *Love and Devotion*, was a partnership with the University of Oxford's Bodleian Libraries, which will present the exhibition in 2012–13.

We also worked with the Australian university sector on several public programming, staff development and research initiatives, including:

- the two-day cross-disciplinary *Love and Devotion* conference with the Australian National University
- the Redmond Barry 1854 Fellowship, awarded jointly with the University of Melbourne
- a staff mentoring program piloted in partnership with Monash University Library
- the Making Public Histories program, delivered in partnership with Monash University and the History Council of Victoria.

The Library has continued to contribute as a partner to research projects, including:

- 'Grey literature, policy innovation and access to knowledge: realising the value of informal publishing', a three-year research project with Swinburne University of Technology and Victoria University
- 'Minutes of evidence project: promoting new and collaborative ways of understanding Australia's past and engaging with structural justice', a three-year project with the University of Melbourne and Deakin University
- 'Reconstructing pre-20th-century south-eastern Australian climate', the first study of its kind in Australia, with the University of Melbourne
- 'Medieval and Renaissance manuscripts in Australia: researching and relating Australia's manuscript holdings to new technologies and new readers', with the University of Melbourne
- 'Aboriginal visual histories: photographing Indigenous Australians', with Monash University's Centre for Australian Indigenous Studies; this project culminated with a conference at the Library in July 2011.

State Library of Victoria Foundation

The State Library of Victoria Foundation assists us in carrying out our objectives by working to promote goodwill in the community towards the Library; introducing potential philanthropic and corporate sponsors and supporters; and contributing to growing the capital fund, which supports specific strategic projects that enrich the Library's offer to

the community. The Foundation also raises awareness and support for the Library through its membership program. Foundation members have exclusive access to a lounge adjacent to the La Trobe Reading Room, and receive a range of other benefits, such as discounted entry to paid Library events, a program of members-only events, the members' annual dinner, and two copies each year of the *La Trobe Journal*, which is published by the Foundation. In 2011–12 the Foundation was able to provide financial assistance for publication of *SLV News*, acquisition of collection items (see page 6–7), Creative Fellowships, development of audiovisual content for the Library's website, and delivery of the *Love and Devotion* exhibition.

Love and Devotion was the focal point for the Foundation's efforts. It provided funding to help market the exhibition and for management of the volunteers program. Its annual appeal raised just over \$100,000 for the purchase of two rare Persian manuscripts: a 16th-century Iranian copy of the *Khamasa*, a collection of classic Persian love stories by the poet Nizami; and the *Tutinama* (*Book of the parrot*), made in Northern India in 1808. To coincide with the exhibition, a special issue of the *La Trobe Journal*, with the title 'Isolation, integration and identity: the Muslim experience in Australia', was launched by Professor Greg Barton, Acting Director, Centre for Islam and the Modern World at Monash University.

A Foundation membership drive was also undertaken to leverage the increased attendance during the exhibition. More than 100 new members signed on, bringing individual membership of the Foundation to 1039 at 30 June.

The new corporate membership category continued to flourish, with eight organisations taking up or renewing their corporate memberships during the year: Monash University, Sensis, Maxxia, Lovell Chen Architects & Heritage Consultants, RMIT University, SkyBus, GJK Facility Services and Monash College Pty Ltd (which took up a ten-year corporate membership).

The Foundation's bequest arm, the Redmond Barry Society, maintained its strong membership with 90 committed bequestors who are offered a range of exclusive Library events. Highlights included a reception and viewing of *Love and Devotion* for client advisors in the legal and financial professions, and Redmond Barry's 199th birthday celebration where Des Cowley, Rare Printed Collections Manager, spoke on 'Redmond Barry and the first collections'.

The Foundation gratefully acknowledges the contribution of the volunteers who serve on the Executive Committee (membership listed on page 29) and Foundation Chairman Peter Lothian.

Marketing partnerships

Partnerships are vital to maximising the impact and reach of the Library's marketing campaigns.

For *As modern as tomorrow*, partnerships with Broadsheet Media, ArtsHub and Readings bookshop generated additional marketing value that significantly increased the impact of the budgeted campaign spend.

For *Love and Devotion*, a group of key partners maximised the effectiveness of our marketing campaign. Palace Cinemas provided complimentary cinema advertising through six locations across Melbourne while Tourism Victoria, *The Age*, City of Melbourne, Metro Trains, V/Line, Avant Card and Readings provided valuable promotion in print, online and at transport hubs around the state.

Delivering capability and governance

Information and communications technology

We have continued to promote enhanced access for Victorians through ICT. Major network infrastructure upgrades included additional wireless access ports in public areas and investment in large-scale connectivity between library systems and the internet. These improvements will increase access to digitised content both on site and online.

Work continued on the core library management systems with major upgrades to both the catalogue and search, improving functionality and increasing access to the collection.

We have continued working with Museum Victoria for internet connectivity and redundancy. A State Library of Victoria disaster recovery facility is now located at Museum Victoria, which will ensure that our digitised content is secure for the future. The site covers core business functions such as human resources, finance, email and the Library catalogue.

Our primary website was enhanced by the addition of online forms for donations, Foundation membership and Creative Fellowship applications.

In February 2012 we introduced a new online gateway to showcase exhibitions. The first website that we launched, for *Love and Devotion*, was built on a framework that enables rich multimedia, interactive maps and timelines, zoomable images, educational material and rich content.

The mobile website continued to enjoy increased visitation every month. Data indicates that more than 7000 unique visitors accessed the mobile site over a one-month period.

In May we launched our first 'app', called Victoria: a literary map. It provides information about books and writers associated with suburbs and townships throughout the state, as well as a public library locator.

Developing our workforce

Developing staff capability is always a key priority. The established staff learning forums continued through the reporting period, as did the Staff Fellowship program.

The fellowship program gives staff members the opportunity to step aside from their regular roles to carry out research in the collections. Dominique Dunstan, librarian in the Access and Information Division, was awarded the Jane Nicholas Fellowship to conduct a three-month project titled 'A natural history of the State Library of Victoria: a personal exploration and visual document of a Victorian landmark'. This project will result in a series of large-scale mixed-media works on paper representing aspects and spaces of the Library, together with an artist's book documenting the process of discovery over the course of the fellowship. The works will be exhibited in the Joyce McGrath Staff Gallery in 2013.

A new staff development initiative was piloted with Monash University Library. Participants were given the opportunity to be mentored by senior staff from either the State Library or Monash University Library over 12 months. The success of this program has led to exploration of how it could be expanded to involve other institutions.

A special project with 50 staff from the Access and Information and Collection Management divisions was undertaken over six months to investigate future work directions and the changing skill requirements of staff in these areas.

The Library's Enterprise Partnership Agreement with the Community and Public Sector Union formally expired on 30 June 2011, although the terms and conditions contained in the agreement will continue until it is formally renewed. The agreement maintains alignment with the pay and conditions of the Victorian Public Service (VPS) Agreement, which is the subject of negotiation between the Victorian Government and the union. Consequently, negotiations to renew the Library's agreement will not take place until the VPS Agreement has been finalised.

Caring for our iconic heritage building

The Library completed a major refurbishment of the Village Roadshow Theatre with funding provided through Arts Victoria's Arts and Cultural Facilities Management Fund. The refurbishment included significant upgrades of the lighting, seating, audiovisual equipment, and access for people with

disabilities. The theatre is now considered a premium facility for both staff and commercial use.

The building's facade continues to show signs of deterioration which, if left unattended, exposes elements of public risk. The Library has undertaken a program of inspection and make-safe works in areas where the facade is most unstable, mitigating the risk of facade failure.

Risk management

A Site Risk Survey of the main site in Swanston Street was completed in May 2012 in conjunction with the Victorian Managed Insurance Authority, the Library's insurers. Risk management is a standing item on the agenda of the Audit and Risk Management Committee of the Library Board of Victoria, which ensures close monitoring of risks on the Library's risk register that are rated as high or extreme and assessment of the controls to manage these risks. Other risks identified over the course of the reporting period may be the subject of internal audit review and reporting to the committee.

Market research, branding and media highlights

Over the past year our market research program consisted of visitor intercept surveys, an omnibus study, a web survey, and specific surveys to evaluate individual events and exhibitions. The visitor intercept survey, usually conducted annually, was conducted four times to gauge seasonal differences in visitor demographics and experiences.

Our market research helps to shape the Library's services, programs and promotions. Female visitors continue to have a stronger presence than males. Generally, visitors are more likely not to be in the workforce, with students the dominant 'not working' group. Word of mouth continues to be the key source of awareness for the Library and the majority of onsite visitors spend up to two hours in the building. Visitors under the age of 34 have a higher propensity to use the services and facilities, while an older demographic is more likely to sight-see or access the collection.

Overall, visitors are very satisfied with the availability of staff, consistent level of service, and the timeliness of book retrievals.

The Library's website continues to be valued by users as a trusted source of information, with 78 per cent of users satisfied with their online experience. While the majority of website visitors are female, in 2012 the proportion of male visitors to the website grew to 40 per cent, an increase of 5 per cent over the previous year. Most users are regular visitors to the site, with more than half our online users visiting at least monthly, with an increasing proportion of these online visitors also visiting the Library building regularly.



Education, study or work remain the key reasons for website visitation and the usefulness, relevance and reliability of information on the site are well regarded. In line with high levels of user satisfaction, 77 per cent of our website visitors would recommend the Library's website to others.

Throughout the year, we continued implementation of our refreshed visual branding, with the Library's primary website adopting the new brand design.

The introduction of digital signage in the main information centre and the foyer has had a significant impact on our internal marketing. These colourful, animated screens enable promotion of events and exhibitions, and provide information on services and interesting facts about the Library.

The Library again received substantial and positive media coverage that reached large audiences at local, state, national and international levels. The media coverage over the year was valued at \$15,214,226.

The *Love and Devotion* exhibition was a major focus of media attention. Highlight coverage included a two-page feature in *The Age* prior to the exhibition opening, followed by an eight-page lift-out on 17 March, a feature in *The Australian* and on Channel Seven's *Cox's Big Break*, an *Arts Break* segment on SBS, and broad coverage in Iranian media and across Victorian community radio.

The *As modern as tomorrow* exhibition also excelled, with a full-page feature in *The Age* and a double-page feature in the *Herald Sun*, a piece in *Vogue Living* magazine, and two segments on ABC TV.

Print media highlights included publication in *The Age* of a series of 800-word book extracts to promote the Our Story program, which was part of the National Year of Reading, and the Flash Back series, a collaborative project between the *Herald Sun* and the Library, highlighting interesting and unusual articles from our past. The series ran on most weekends and reached approximately 23,040,000 readers.

The Library's collections continued to feature in television documentaries and programs, most notably *Ned's Head*, an investigation into the remains of Ned Kelly, and *Who do you think you are?* on SBS; *The Utopia Girls* on ABC, which explored the history of the fight for women's rights in Australia; and Network Ten's *6.30 with George Negus*, which featured some of our manuscripts.

On Sunday 25 March, 774 ABC Melbourne radio broadcast live throughout the morning from the Children's Book Festival and Network Ten's *The Circle* recorded a piece on the festival that aired on 17 April.

Corporate Plan

The last twelve months marked the second year in our 2010–13 Corporate Plan. This plan continues to guide the transformation of the Library in the digital age, setting out our vision and values, charter, strategic directions, desired outcomes, deliverables and Key Performance Indicators. Our progress against these indicators is detailed on page 18.

Significant work was undertaken during the year to develop a strategic framework for the next ten years. This work is ongoing.

Financial summary

Summary of financial results with five-year comparatives

	2012 \$'000	2011 \$'000	2010 \$'000	2009 \$'000	2008 \$'000
Revenue from government	81,423	80,930	79,139	88,219	77,579
Other revenue	7,454	9,398	13,294	14,692	14,330
TOTAL REVENUE	88,877	90,328	92,433	102,911	91,909
TOTAL EXPENSES	(102,921)	(96,892)	(98,934)	(101,818)	(94,218)
NET RESULT FOR THE YEAR	(14,044)	(6,564)	(6,501)	1,093	(2,309)
CASH FLOW FROM OPERATING ACTIVITIES	(1,284)	1,561	(1,584)	13,232	745
TOTAL ASSETS	917,039	932,312	807,315	815,039	800,629
TOTAL LIABILITIES	10,453	10,798	9,588	11,444	7,880

Notes

1 Revenue from government includes \$41.403m of capital assets charge.

2 Total expenses include \$41.403m of capital assets charge, revaluation of long-service leave liability due to changes in bond rates, net gain/(loss) on financial instruments, net gain/(loss) on non-financial assets and expenses from transactions.

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

Current year financial review

The Library Board achieved a net result for 2011–12 of \$14.044m deficit compared to \$6.564m deficit for 2010–11. Factors contributing to the net result are outlined below.

- Revenue has been maintained at \$88.9m and has been affected by the following items:
 - revenue from government includes an additional \$1.9m in recurrent funding
 - trading revenue has declined to \$1.6m in 2011–12 mainly due to declining management fees from projects
 - external funding was lower in 2011–12 reflecting lower project grant revenues
 - donations are higher in 2011–12 due to an increase in the value of items donated to the collection (\$1.5m above 2010–11); this was mainly due to several large cultural gifts from Suncorp, Howard Arkley and William Thomas
 - investment revenue has declined as interest rates have decreased during 2011–12.
- Expenses from transactions for 2011–12 have increased to \$102.9m, primarily due to increased charges for building depreciation following asset revaluation undertaken in June 2011.
- The revaluation of long-service leave liability due to changes in bond rates resulted in a loss of \$467,000 (2010–11: \$1000).
- Net assets have decreased as a result of declining market values for funds under investment and increased building depreciation of \$6.9m.
- Total liabilities have been maintained at \$10.4m.

2011–12 Key Performance Indicators

The Library's planning framework is designed to achieve our vision to enrich the cultural, educational, social and economic lives of all Victorians. The KPIs below show annual progress towards the objectives in the 2010–13 Corporate Plan.

Description	Unit of measure	Actual 2010–11	Target 2011–12	Actual 2011–12
Increase use of the State Collection by 10 per cent by 2013 ¹	%	34%	7%	41%
Increase active engagement in Victoria's culture facilitated by the Library by 10 per cent in 2013 ²	%	26%	7%	24%
Percentage of targeted Victorians satisfied with their engagement with the Library ³	%	92%	90%	89%
Percentage of people engaging with the Library who will recommend the Library to others ⁴	%	95%	75%	94%
Proportion of Library activities funded by partnerships ⁵	%	12%	7%	11%
Value for money is demonstrated through service delivery that is competitive with the average cost for comparable state libraries (spend per capita, per day) ⁶	\$	\$0.02	\$0.03	\$0.02

Notes

- 1 Increase in use of the collection, including online use, physical use, reproduction, and collection-based programming. We are ahead of our goal to increase use of the collection by 10 per cent by 2013; in 2012–13 we will seek to maintain this level of use.
- 2 Increase in cultural engagement facilitated by the Library, including participation in onsite and offsite cultural activities as well as user sessions with online cultural resources. We will endeavour to continue this level of engagement in 2012–13.
- 3 Targeted Victorians are those residing in postcodes identified in the top 30 per cent of the Index of Relative Socio-economic Disadvantage. This Socio-economic Indices for Areas (SEIFA) index is derived from census variables related to disadvantage, such as low income, low educational attainment, unemployment and dwellings without motor vehicles.
- 4 Gained via survey response, the Library aims to measure the percentage of users who would recommend us to others. We will aim to maintain this strong level of advocacy in 2012–13.
- 5 Our goal is that by 2013, 10 per cent of our activities are funded through partnerships. Consistent performance over the past two years puts us in a good position to achieve this by the target date.
- 6 Based on the Library's appropriation grant for 2011–12 and the Victorian population as per the Australian Bureau of Statistics estimated resident population, a target of \$0.03 of government funding spend per capita per day was established. An actual spend of \$0.02 per capita per day demonstrates value for money.

Service Agreement with the Minister for the Arts

The Service Agreement with the Minister for the Arts provides for the Library's service delivery contribution to annually specified Government Priority Areas, and establishes a range of performance indicators under the Arts Portfolio's output framework.

Government Priority Areas 2011–12

Whole-of-government initiatives

International strategies

We extended our memorandum of understanding (MOU) with the National Library of Singapore. The MOU commits both libraries to benchmarking, information-sharing and staff exchange programs that enhance program development and services.

The *Love and Devotion* exhibition was an international partnership with the Bodleian Libraries at the University of Oxford in the United Kingdom. As part of the exhibition, the Library hosted the Persian Cultural Crossroads conference. The conference was attended by over 190 delegates and included speakers from the United Kingdom, Turkey and Italy.

Environment

In 2011–12, our commitment to energy efficiency was demonstrated through our Environmental Management Plan. We have worked to integrate environmental considerations into daily operations and build on our achievements in energy and waste management, including the rollout of sensor lighting in back-of-house areas and fine-tuning air and humidity controls to achieve energy efficiencies.

World-class arts to regional Victoria

Throughout the year, the Travelling Treasures program took important items from the collection to over 1600 people in regional Victoria. The Writer's Toolkit program, supported by Regional Arts Victoria's arts2go program, was attended by more than 480 people. The Sharing Heritage Literacy and Learning (SHELL) program, with philanthropic funding from the Collier Charitable Trust, was piloted in the Shepparton and Gippsland areas.

The Library launched the National Year of Reading in regional centres and held High Road to Reading events across the state. We also hosted the regional heats of the Victorian section of the 2011 Australian Poetry Slam and loaned items to exhibitions and collections in regional galleries and libraries.

Collaborative initiatives

Agency leadership

The Library worked collaboratively with Arts Victoria and portfolio agencies on shared services in 2011–12, including:

- collaboration with arts agencies in relation to the management, conservation and preservation of Victoria's State Collection through the Collections Working Group
- hosting the Aurion database, which provides human resource management and payroll services for the National Gallery of Victoria
- implementation of the Library's Business Continuity and ICT Disaster Recovery strategy at Museum Victoria
- hosting the Voyager library management system for Museum Victoria
- provision of internet connectivity services, including connectivity continuity to the Australian Centre for the Moving Image and Museum Victoria
- delivery of ICT, building and facilities maintenance services for the Wheeler Centre
- website development and hosting for various government departments.

We have contributed as a partner to research projects including:

- 'Grey literature, policy innovation and access to knowledge: realising the value of informal publishing', a three-year research project with Swinburne University of Technology and Victoria University
- 'Minutes of evidence project: promoting new and collaborative ways of understanding Australia's past and engaging with structural justice', a three-year project with the University of Melbourne and Deakin University that brings together researchers, theatre performers and education experts
- 'Reconstructing pre-20th-century south-eastern Australian climate', the first study of its kind in Australia, with the University of Melbourne
- 'Medieval and Renaissance manuscripts in Australia: researching and relating Australia's manuscript holdings to new technologies and new readers', with the University of Melbourne
- 'Aboriginal visual histories: photographing Indigenous Australians', with Monash University's Centre for Australian Indigenous Studies.

The Library worked closely with a range of partners and sponsors to deliver the *Love and Devotion* exhibition, including the Department of Premier and Cabinet, the University of Melbourne, the Gordon Darling Foundation, City of Melbourne, the Australian National University, the Asian Arts Society of Australia and private philanthropists.

We delivered a number of programs in partnership with other organisations, including:

- the Children's Book Festival and associated programming with the Wheeler Centre
- the 2011 RE Ross Trust Playwrights' Script Development Awards and the Flashpoint Theatre program with the RE Ross Trust
- the Cowen Gallery display *Fine impressions: printmaking and artists' books in Melbourne 1991–2010* and associated programming with Monash University, the Impact7 conference, the Print Council of Australia and the Melbourne Writers Festival
- the Redmond Barry Fellowship with the University of Melbourne
- a national tour of the exhibition *Look! The art of Australian picture books today* with partner venues in Queensland, New South Wales, Australian Capital Territory and Victoria
- various events in partnership with the State of Design Festival, the Melbourne Open House program, Melbourne Food and Wine Festival, Melbourne Writers Festival, Melbourne Spring Fashion Week, Museums Australia (Victoria)
- a range of publications based on the Library's collections and programs with various publishers

- the MyLanguage website with various library sector and government partners.

A number of programs were delivered in partnership with other organisations as part of the *Love and Devotion* exhibition, including:

- the Magic of Rumi's Poetry with City of Melbourne
- Persian Delights with Melbourne Food and Wine Festival, and catering partner Food and Desire
- Shakespeare and Sa'di with the Australian-Iranian Society of Victoria
- *The Play of Daniel* with Victorian Opera
- the Mehr Ensemble with City of Melbourne
- the Rhyme, Rhythm and Rock youth event in partnership with the Islamic Council of Victoria and City of Melbourne.

Audience development program

Love and Devotion attracted 102,850 visitors to the Library – many of them first-time visitors – as did the Persian Cultural Day, held in partnership with the Australian-Iranian Society of Victoria, which attracted 3300 visitors. The Children's Book Festival, with the Wheeler Centre, was attended by over 13,000 children and their families.

Cultural infrastructure: sustainability and revitalisation **Asset sustainability**

The Library contributed to the development of an overarching strategic asset-management framework for which the Department of Premier and Cabinet/Arts Victoria has responsibility. In particular, we work to maximise asset utilisation across all service-delivery areas, including initiatives to maximise collection-storage capacity in limited spaces. In addition, the refurbishment of the Village Roadshow Theatre ensured disability access and enhanced the facility's amenities as a venue for hire.

Lifelong learning **Programs for youth**

Programs and initiatives for youth in 2011–12 included:

- the Open Access program, funded with philanthropic support, which enables school children from lower socio-economic backgrounds to attend the Library
- the Travelling Treasures program, which toured to schools in regional Victoria
- the Inside a Dog website, which promotes books and reading for young people
- the Ergo website, for secondary students and teachers
- the regional heats of the Victorian section of the 2011 Australian Poetry Slam and the national final
- the Rhyme, Rhythm and Rock: Echoes of the Middle East event in partnership with the Islamic Council of Victoria
- the Mad Hatter's Tea Party event as part of the National Year of Reading.

Digital access to collections and content

During the year we launched our mobile website, which allows users to easily access our digitised content via the internet from any location, at any time. We also produced a dedicated and comprehensive website for the *Love and Devotion* exhibition, and are continuing to develop our online service.

We digitised over 70,000 items in 2011–12. The digitising program makes our historic and invaluable newspapers, manuscripts, photographs and other collection material available free online for all.

City of Literature

The Library supported Melbourne's City of Literature status through the delivery of:

- the 2011 Australian Poetry Slam
- Our Story, a statewide book club involving Victorian titles and corresponding programs at participating public libraries
- the Children's Book Festival and associated programming with the Wheeler Centre
- the exhibition *Mirror of the world: books and ideas*
- the Cowen Gallery display *Fine impressions: printmaking and artists' books in Melbourne 1991–2010*
- a range of publications based on Library collections and programs through publishing partnerships and collaborations
- various events as part of the National Year of Reading.

In addition, the *Love and Devotion* exhibition added further to Melbourne's status as a City of Literature.

Arts and Culture World Summit 2011

We supported the Arts and Culture World Summit 2011, providing tours of the Library to delegates and guests.

Output framework

Schedule D part 2a: Output framework – portfolio Key Performance Indicators

Description	Unit of measure	Target 2011–12	Actual 2011–12
OUTPUT GROUP 1 – Guardianship of the State Collections			
OG1a Collection development			
Acquisitions and deaccessions in accordance with collection development policies/strategic directions	%	100%	100%
OG1b Collection management			
New acquisitions (received in current period), electronically registered to industry standard against agreed targets	%	100%	100%
BP3 Collection stored to industry standard against agreed targets	%	100%	100%
OUTPUT GROUP 2 – Access and participation			
OG2a Community engagement activities			
Events	Number	699	939
BP3 Access – attendances/users ¹	Number	1,300,000	1,580,338
BP3 Volunteer hours ²	Number	3,400	5,045
Volunteers	Number	100	140
BP3 Members and friends	Number	870	1,039
OG2b Community use of facilities			
Events	Number	420	391
OG2c Education programs			
Events – sessions, performances, workshops	Number	700	850
BP3 Students attending educational programs	Number	25,700	25,748
OG2d Exhibitions and displays			
Events – new, permanent exhibitions	Number	3	3
Events – temporary exhibitions	Number	2	2
Attendees	Number	445,000	468,740
OG2h Public access to collection/information			
Virtual access to collection	%	10	15
BP3 Access – Library website visitation ³	No. of user sessions	2,800,000	3,201,020
OG2i Visitor experience activities			
BP3 Visitors satisfied with visit	%	90	91

Schedule D part 2a: Output framework – portfolio Key Performance Indicators

Description	Unit of measure	Target 2011–12	Actual 2011–12
OUTPUT GROUP 3 – Sector development			
OG3a Professional development and other services			
Collaborative projects with NGOs/agencies	Number	27	31
Touring programs/exhibitions available from the arts body in reporting period	Number	76	100
Regional centres receiving touring programs/exhibitions offered by the arts body	Number	26	22
Loans to NGOs/agencies from the Library's collection	Number	2,750	2,827
Percentage of participants rating training sessions as good to excellent	%	90	98
Investment in staff training	\$/Staff	650	239
OUTPUT GROUP 4 – Distinctive and iconic buildings, sites and facilities			
OG4a Facility development			
Facility development plan currency	Plan currency	1	1
OG4b Facility management and preservation			
Percentage of works undertaken in line with asset management plans	%	80	80
Percentage of activities undertaken in line with risk management plan	%	80	80
Conditions of assets as a percentage of 'as new'	%	75	75

Notes

For comments relating to the Library's nominated key performance indicators, please refer to the notes accompanying the Key Performance Indicators table on page 18.

1 Demand for Library services – including access to information resources, free exhibitions, wireless internet and onsite programs – has continued. Attendance was also influenced due to opening on public holidays between March and June 2012 for the *Love and Devotion* exhibition. The exhibition itself was immensely popular, attracting 102,850 visitors.

2 Volunteer hours is 48 per cent (1645 hours) above target. A significant increase in volunteering opportunities for the *Love and Devotion* exhibition has contributed to this measure performing above target.

3 Online visitors to our websites are 14 per cent (401,020 user sessions) above target and consistent with 2010–11 results. Popularity of services such as research guides, online databases and the ability to download collection items continue to drive performance.

Acquisitions statistics 2011–12

VOLUMES ADDED TO STOCK JULY 2011 – JUNE 2012

Category	Method of acquisition					Total 2010–11
	Purchase	Donation	Govt donation	Legal deposit	Total 2011–12	
Monographs in series	423	347	459	131	1,360	1,477
Monographs: Reference	6,482	338	1,913	0	8,733	9,071
Monographs: AMPA	2,388	411	70	91	2,960	2,848
Monographs: Maps	40	3	2	1	46	14
Monographs: Rare books	271	13	0	0	284	281
Monographs: Australiana ¹	2,949	801	53	3,344	7,147	6,491
Monographs: Children's	491	108	5	1,645	2,249	2,470
Monographs: Australiana rare	306	46	0	15	367	318
Monographs: Business	3	0	0	0	3	11
Monographs: Genealogy	339	1	1	0	341	389
Monographs: Chess/Bridge ²	110	3	0	0	113	600
Total monographs	13,802	2,071	2,503	5,227	23,603	23,970
Newspapers	196	98	0	818	1,112	1,161
Other serials	2,493	706	1,396	3,066	7,661	7,531
Total serials	2,689	804	1,396	3,884	8,773	8,692
TOTAL VOLUMES	16,491	2,875	3,899	9,111	32,376	32,662

CONSOLIDATED STOCK HOLDINGS 2010–2012

Stock holdings (volumes)	30 June 2010	30 June 2011	30 June 2012
Newspapers	103,370	104,531	105,643
Monographs and serials	2,044,777	2,076,278	2,107,542
TOTAL	2,148,147	2,180,809	2,213,185
Maps	111,411	111,890	112,170
Sound recordings	36,579	38,797	40,224
Video recordings	4,958	5,406	5,855
Exhibition catalogues	131,808	140,898	146,353
Theatre programmes (linear metres)	87.27	88.13	90.67
Ephemera (linear metres)	68.66	70.04	72.17
Manuscripts (linear metres)	7,379	7,469	7,602
Pictures	775,823	817,326	872,563
PANDORA (online titles) ³	7,513	8,272	9,732

Notes

1 The La Trobe category has been altered to 'Australiana' to more accurately reflect acquisition processes.

2 Chess now includes bridge to emphasise the Bourke contract bridge donation.

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

Library Board and corporate governance

Functions and powers of the Library Board of Victoria

The affairs of the State Library of Victoria are governed by the Library Board of Victoria. The Board is a statutory body corporate established under section 16 of the *Libraries Act 1988*. Ted Baillieu MLA, Premier of Victoria, also serves as Minister for the Arts.

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 bibliographical 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 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 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.

The Library's governance framework comprises four elements:

- strategy and direction
- structures, relationships and policies
- compliance and accountability
- performance monitoring.

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 academic, educational, business, information technology, and humanities 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 nine occasions during the period from July 2011 to June 2012.

The Hon. John Cain, President to 23 May 2012
(attended 8 meetings)

John Wylie AM, President from 24 May 2012
(attended 1 meeting)

Mr Bruce Akhurst (attended 7 meetings)

Ms Robyn Annear (attended 8 meetings)

Prof. Merran Evans (attended 6 meetings)

The Hon. Sherryl Garbutt (attended 9 meetings)

Ms Sylvia Geddes (attended 7 meetings)

The Hon. Petro Georgiou (attended 7 meetings)

Mr Dennis Goldner (attended 9 meetings)

Mr Stephen Kerr (attended 8 meetings)

Ms Sue Hamilton (Acting Chief Executive Officer from 18 February 2011 to 5 April 2012)

Ms Sue Roberts (Chief Executive Officer from 10 April 2012)

Ms Sally Donovan (Executive Officer)

Pecuniary interests

Declarations of pecuniary interest were duly completed by all Board members and relevant officers.

About Board members

John Wylie AM, President

John Wylie was appointed President of the Library Board in May 2012. He chairs its Executive Appointments and Remuneration Committee and is a member of its Finance Committee.

Mr Wylie is Chief Executive Officer of Lazard Australia, part of the Lazard Group, a leading global corporate advisory and asset management firm. He co-founded the corporate advisory firm Carnegie Wylie & Company, which was acquired by Lazard in 2007. He was previously Chairman of Investment Banking at Credit Suisse First Boston Australia, and has worked extensively in global financial markets including New York and London.

Mr Wylie is involved in a wide range of not-for-profit community activities. He is a Trustee of the global Rhodes Scholarship Trust, Chairman of the Melbourne Cricket Ground Trust, Chairman of the Victorian Olympic Council's Finance Committee, Deputy Chairman of the Melbourne Stars Big Bash League cricket team and a member of the Finance Committee for Melbourne Grammar School. In his MCG role he chaired the MCG Redevelopment Committee for the 2006 Commonwealth Games. He is a former board member and honorary treasurer of the Florey Neurosciences Institutes in Melbourne.

Mr Wylie 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.

The Hon. John Cain, Immediate Past President

John Cain was appointed to the Library Board of Victoria in 2005 and was its president from 2006 until his retirement from the Board in May 2012. Mr Cain served as a member of the Legislative Assembly of Victoria from 1976 to 1992, including three terms as Premier of Victoria from 1982 to 1990 and also served as Attorney-General. He graduated in law from the University of Melbourne in 1953 and subsequently practised in suburban Melbourne. He was Chairman and President of the Victorian Law Institute, a member of the executive of the Law Council of Australia and a member of the Australian Law Reform Commission.

Mr Cain has been a Professorial Associate in the Centre for Public Policy, University of Melbourne, since 1991. He is a guest lecturer in Australian politics and public policy and is a regular commentator in the local media. He has published three books.

During his period with the Library Board, Mr Cain served on a number of committees. At the time of his retirement from the Board he was Chair of the Advisory Committee on Public Libraries and of the Executive Appointments and Remuneration Committee. He was also a member of the Foundation Executive Committee.

Stephen Kerr, Deputy President

Stephen Kerr was appointed to the Library Board of Victoria in August 2005 and was reappointed for a further three years in 2008 and 2011. He has been a member of the State Library of Victoria Foundation since its inception and is its immediate Past Chairman. He has worked in the communications industry for more than 25 years and advises some of Australia's most prominent companies, sporting clubs, industry associations and cultural institutions. He was a director of International Public Relations and its successor companies – IPR Shandwick and Shandwick International – and was Managing Director of Weber Shandwick Worldwide's Australian operations. He is the founder and Chief Executive of the Public Relations Exchange. Mr Kerr is currently Deputy President of the Library Board and Chair of the Finance Committee.

Bruce Akhurst

Bruce Akhurst was appointed to the Library Board of Victoria for a three-year term in May 2010. He is a member of the Executive Appointments and Remuneration Committee. Mr Akhurst is Executive Chairman of Adstream, an international services organisation for the advertising industry. He was previously Chief Executive Officer of Sensis Pty Ltd, a position he held for seven years, Chairman and Director of Foxtel for 12 years and a director of Soufun, the leading Chinese real estate portal operating in over 100 cities throughout China. A lawyer by training, Mr Akhurst left Mallesons Stephen Jaques after 17 years having been Managing Partner, to join Telstra as its General Counsel in 1996. During his 16 years at Telstra, Mr Akhurst held a number of senior positions – including being responsible for Telstra's legal and regulatory strategy and affairs, its wholesale business and internet services provider BigPond – and served as a director on a number of Telstra boards. He brings strong skills in administration, business, finance and the law to the Library Board.

Robyn Annear

Robyn Annear was appointed to the Library Board of Victoria in September 2006 and is now serving her third three-year term. An award-winning writer of non-fiction who has been extensively associated with the Library through its educational and creative programs, Ms Annear chairs the Creative Fellowships Committee. She lives in Castlemaine and brings to the Board her experience in education and the humanities.

Merran Evans

Merran Evans was appointed to the Library Board of Victoria in June 2009 and reappointed in 2012 for a further three years. Professor Evans chairs the Board's Audit and Risk Management Committee and is a member of its Collections Committee. She is Pro Vice-Chancellor (Planning and Quality) at Monash University where her previous administrative appointments included Director of University Planning and Statistics, Director of Planning and Academic Affairs, and Director of the Monash London Centre. She has also been Associate Chair of the Academic Board and Associate Dean (Undergraduate Teaching) in the Faculty of Business and Economics. Her academic appointments have included Associate Professor in the Department of Econometrics at Monash University, and lecturer in statistics and researcher in the Institute of Applied Economic and Social Research at the University of Melbourne. Professor Evans' research output includes a book and numerous publications in econometrics, economics and statistical journals. She is a member of many university academic and management committees, and has a number of external and international memberships. She was awarded a Centenary Medal for services to education. Professor Evans brings to the Board experience in governance, planning, economics, business and education.

The Hon. Sherryl Garbutt

Sherryl Garbutt was appointed to the Library Board of Victoria in 2007, and was reappointed for three years in 2010. She is Chair of the Collections Committee and a member of the Audit and Risk Management and Executive Appointments and Remuneration committees. Ms Garbutt served five terms in the Victorian Parliament as Member for Greensborough, then Member for Bundoora from 1989 to 2006. During that time she served as Minister for Environment and Conservation, Women's Affairs, Community Services and Victoria's first Minister for Children. Her wide experience in public administration, teaching and community organisations serves the Board well.

Sylvia Geddes

Sylvia Geddes was appointed to the Library Board of Victoria in May 2010, for a three-year term, and serves on its Creative Fellowships Committee and its Advisory Committee on Public Libraries. She was chief executive officer of the RE Ross Trust until her retirement in July 2008. Before joining the Trust in 2000, she was Manager, Charitable Services with ANZ Trustees. She has extensive experience as a senior policy and program manager in both commonwealth and state governments in areas of social policy – particularly families, youth and homelessness – and headed the Australian Government's Office for the Aged. She is a trustee of Trust for Nature and a Sounding Board

member of the Flinders Quartet. Ms Geddes served as a board member of the Victorian Association for the Care and Resettlement of Offenders for three years until November 2011. She brings to the Board strong skills in the areas of policy and business administration.

The Hon. Petro Georgiou

Petro Georgiou was appointed to the Library Board in July 2011 and serves on its Executive Appointments and Remuneration and Audit and Risk Management committees. Mr Georgiou 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.

Mr Georgiou is Vice-Chancellor's Professorial Fellow at Monash University and the University of Melbourne. He brings to the Board his experience in politics, administration and the humanities.

Dennis Goldner

Dennis Goldner was appointed to the Library Board of Victoria for a three-year term in May 2010. Mr Goldner chairs the Board's Advisory Committee on Public Libraries and serves on its Finance Committee. He retired from the Deloitte partnership in May 2009, having been in charge of the firm's government services practice in Victoria. Mr Goldner has had experience at senior levels in both the Australian and Victorian public services, particularly in the areas of public policy economics, trade and investment promotion and taxation. He is currently National Leader – Corporate Responsibility at Deloitte, Chair of the Deloitte Foundation, Chair of Regional Arts Victoria, and a board member of Oxfam Australia. He has completed terms on the board of partners of Deloitte Australia and the board of the Royal Children's Hospital Melbourne, and is an economist and Fellow of the Australian Institute of Company Directors. As well as his governance experience, Mr Goldner brings to the Board strong skills in the areas of business administration and finance.

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 four occasions during the period 1 July 2011 to 30 June 2012.

2011–12 membership

The Hon. John Cain, Chair to 23 May 2012 (attended 4 meetings)
Mr Dennis Goldner, member then Chair from 24 May 2012 (attended 4 meetings)
Mr Joseph Cullen, member to August 2011 (attended 1 meeting)
Cr Rod Fyffe (attended 3 meetings)
Ms Sylvia Geddes, member from June 2012 (attended 0 meetings)
Ms Jenny Mustey (attended 3 meetings)
Mr John Murrell (attended 4 meetings)
Ms Karyn Siegmann (attended 4 meetings)
Ms Christine Mackenzie, member from August 2011 (attended 2 meetings)

SLV representatives

Ms Sue Hamilton, to 5 April 2012 (attended 3 meetings)
Ms Sue Roberts, from 10 April 2012 (attended 1 meeting)
Ms Debra Rosenfeldt (attended 4 meetings)

Executive Officers

Ms Wendy Quihampton, from 26 November 2011 to 30 June 2012
Mr Patrick Gregory, from 1 July 2011 to 25 November 2011

Audit and Risk Management Committee

The Audit and Risk Management Committee advises the Board on the most appropriate and cost-effective ways in which the Board may discharge its custodial responsibilities and statutory reporting obligations on financial and risk management matters. In carrying out its functions, the committee holds regular meetings to consider risk management, including the implementation of all internal audit recommendations and the biannual review of the Library's risk register. No member of the Audit and Risk Management Committee fills an executive management position at the Library. The committee met eight times during the year, and once jointly with the Finance Committee.

2011–12 membership

Prof. Merran Evans, Chair, reappointed from 23 May 2012 (attended 9 meetings)
Ms Marianne Di Giallonardo (attended 4 meetings)
The Hon. Sherryl Garbutt (attended 9 meetings)

The Hon. Petro Georgiou, appointed 3 August 2011 (attended 5 meetings)
Ms Anne Jackson (attended 8 meetings)

SLV representatives

Ms Sue Hamilton, to 5 April 2012
Ms Sue Roberts, from 10 April 2012
Ms Kate Molloy
Mr Tony Haeusler

Executive Officer

Ms Frances Savage

Collections Committee

The Collections Committee advises the Board on issues concerning the acquisition, maintenance and promotion of the State Collection. There have been four meetings of the committee during the period 1 July 2011 to 30 June 2012.

2011–12 membership

The Hon. Sherryl Garbutt, Chair (attended 4 meetings)
Prof. Merran Evans (attended 1 meeting)
Dr Richard Broome, resigned from committee December 2011 (attended 1 meeting)
Ms Justine Heazlewood (attended 3 meetings)
Ms Bridget McDonnell (attended 2 meetings)
Mr Ian Renard (attended 4 meetings)
Assoc. Prof. Robyn Sloggett, resigned from committee December 2011 (attended 1 meeting)
Mr Douglas Stewart (attended 2 meetings)
Ms Susan Halliday (attended 3 meetings)
Ms Angela Rodd, joined committee December 2011 (attended 2 meetings)
Prof. Lynette Russell, joined committee December 2011 (attended 1 meeting)

SLV representatives

Mr Shane Carmody
Ms Jo Ritale
Ms Sarah Slade

Executive Officer

Ms Liz Jesty

Executive Appointments and Remuneration Committee

The Executive Appointments and Remuneration Committee of the State Library Board of Victoria convenes each year to review executive officer salaries, remuneration changes for executive officers, as applicable, the level of bonus payments for the Chief Executive Officer and eligible executive officers. The committee also has a primary role in overseeing executive recruitment for the position of Chief Executive Officer and State Librarian advising the Library Board of Victoria on the selection of potential candidates for this role. The committee met on three occasions during the reporting period.

2011–12 Membership

The Hon. John Cain, Chair to 23 May 2012 (attended 3 meetings)
Mr John Wylie AM, Chair from 24 May 2012 (attended 0 meetings)
The Hon. Sherryl Garbutt (attended 3 meetings)
Mr Bruce Akhurst (attended 1 meeting)
The Hon. Petro Georgiou (attended 3 meetings)
Co-opted member – Mr Stephen Kerr (attended 2 meetings)

SLV representatives

Ms Sue Hamilton, to 5 April 2012
Ms Sue Roberts, from 6 April 2012

Executive Officer

Ms Kate Molloy

Finance Committee

The Finance Committee advises the Board on the most appropriate and cost-effective ways in which the Board may discharge its financial management obligations. The committee met seven times during the year and once jointly with the Audit and Risk Management Committee.

2011–12 membership

Mr Stephen Kerr, Chair (attended 8 meetings)
Mr Andrew Coloretti, reappointed from 4 February 2012 (attended 5 meetings)
Mr Dennis Goldner (attended 7 meetings)
Ms Helen Lanyon (attended 6 meetings)
Mr Glenn Mescher (attended 8 meetings)

SLV representatives

Ms Sue Hamilton, to 5 April 2012
Ms Sue Roberts, from 10 April 2012
Ms Kate Molloy
Mr Tony Haeusler

Executive Officer

Ms Frances Savage

State Library of Victoria Foundation Committee

The Foundation Committee assists the Board by attracting and retaining interest and financial support for the Library and by developing, maintaining and promoting the State Collection. In addition, the Foundation Committee advises the Board on and oversees the affairs of the Foundation. The Committee met on eight occasions, including one joint meeting with the Library Board, during the period from July 2011 to June 2012.

2011–12 Executive Committee

Mr Peter Lothian, Chair (attended 8 meetings)
Mr Martin Armstrong (attended 0 meetings)
Mr John Arnold (attended 6 meetings)

The Hon. John Cain, retired in May 2012 (attended 6 meetings)
Mr Andrew Coloretti (attended 4 meetings)
Mr Arturo Gandioli Fumagalli (attended 5 meetings)
Mr Gary Graco (attended 5 meetings)
Ms Claire Hausler (attended 6 meetings)
Ms Julie Kantor (attended 5 meetings)
Mr Stephen Kerr (attended 7 meetings)
Mr Robert Lang, resigned in February 2012 (attended 5 meetings)
Mr John Mortimore (attended 4 meetings)
Mr David Mullaly (attended 5 meetings)
Prof. Andrew Reeves (attended 5 meetings)
Ms Sue Hamilton, to 5 April 2012 (attended 7 meetings)
Ms Sue Roberts, from 10 April 2012 (attended 1 meeting)
Mr Shane Carmody, joined in October 2011 (attended 4 meetings)

Executive Director

Mr Michael van Leeuwen

SLV representative

Mr Tony Haeusler

Executive Officer

Ms Jennie Harrison

Creative Fellowships Committee

The Creative Fellowships Committee advises the Board on all aspects of the State Library of Victoria Fellowships Program, including making recommendations to the Board on projects to receive support. The committee met twice in 2011–12, the second meeting on 9 May in order to select recommended candidates for the Berry Family Fellowship and the State Library of Victoria Fellowships.

2011–12 membership (all members attended both meetings)

Ms Robyn Annear, Chair
Mr Joel Becker
Ms Sylvia Geddes
Mr Peter Lyssiotis
Dr Dianne Reilly AM
Prof. Andrew Reeves

SLV representatives

Mr Shane Carmody

Executive Officer

Mr Shane Carmody
Assisted by Ms Jo Ritale and Ms Gail Schmidt

Library Executive

Under the direction of the Library Board of Victoria, the Executive is responsible for the effective management of the Library and its collections, services, programs and responsibilities. The Executive comprises the Chief Executive Officer and State Librarian and four directors. The directors each head one of the Library's four departments: Corporate Services and Planning; Collection Management and Access; Community, Learning and Public Library Partnerships; and Development.

Sue Roberts

Sue Roberts joined the State Library as Chief Executive Officer and State Librarian in April 2012. Prior to moving to Melbourne, Ms Roberts was University Librarian at Victoria University of Wellington in New Zealand and Dean of Learning Services at Edge Hill University in the UK. The Chief Executive Officer has overall responsibility for ensuring that the Library Board's directions are implemented, for sound corporate governance, and for the management of the State Collection and the operations of the Library.

Sue Hamilton

Sue Hamilton served as Acting Chief Executive Officer and State Librarian from February 2011 to April 2012, pending the appointment of a new Chief Executive Officer, after which time she retired from the State Library. She had been at the State Library since 2004, previously heading the Community, Learning and Public Library Partnerships department and the Corporate Services and Planning department. She joined the Department of Premier and Cabinet in 2001 as Director of Women's Policy and later as Director of Organisational Development. Her previous work experience in Australia was with the Commonwealth Government, where she held senior executive positions in a number of departments.

Kate Molloy

As Director, Corporate Services and Planning, Kate Molloy is responsible for financial management and corporate governance, business planning and reporting, commercial services, human resources, buildings and facilities, and the Library's information and communications technology infrastructures and applications. The Director, Corporate Services and Planning provides executive support to the Board's Audit and Risk Management Committee, Finance Committee and Executive Appointments and Remuneration Committee.

Liz Jesty

Liz Jesty is Director, Collection Management and Access. She is responsible for the State Collection, information services and resources, acquisitions, digitisation and cataloguing, collection conservation, storage, retrieval and reformatting. The Director, Collection Management and Access provides executive support to the Board's Collections Committee.

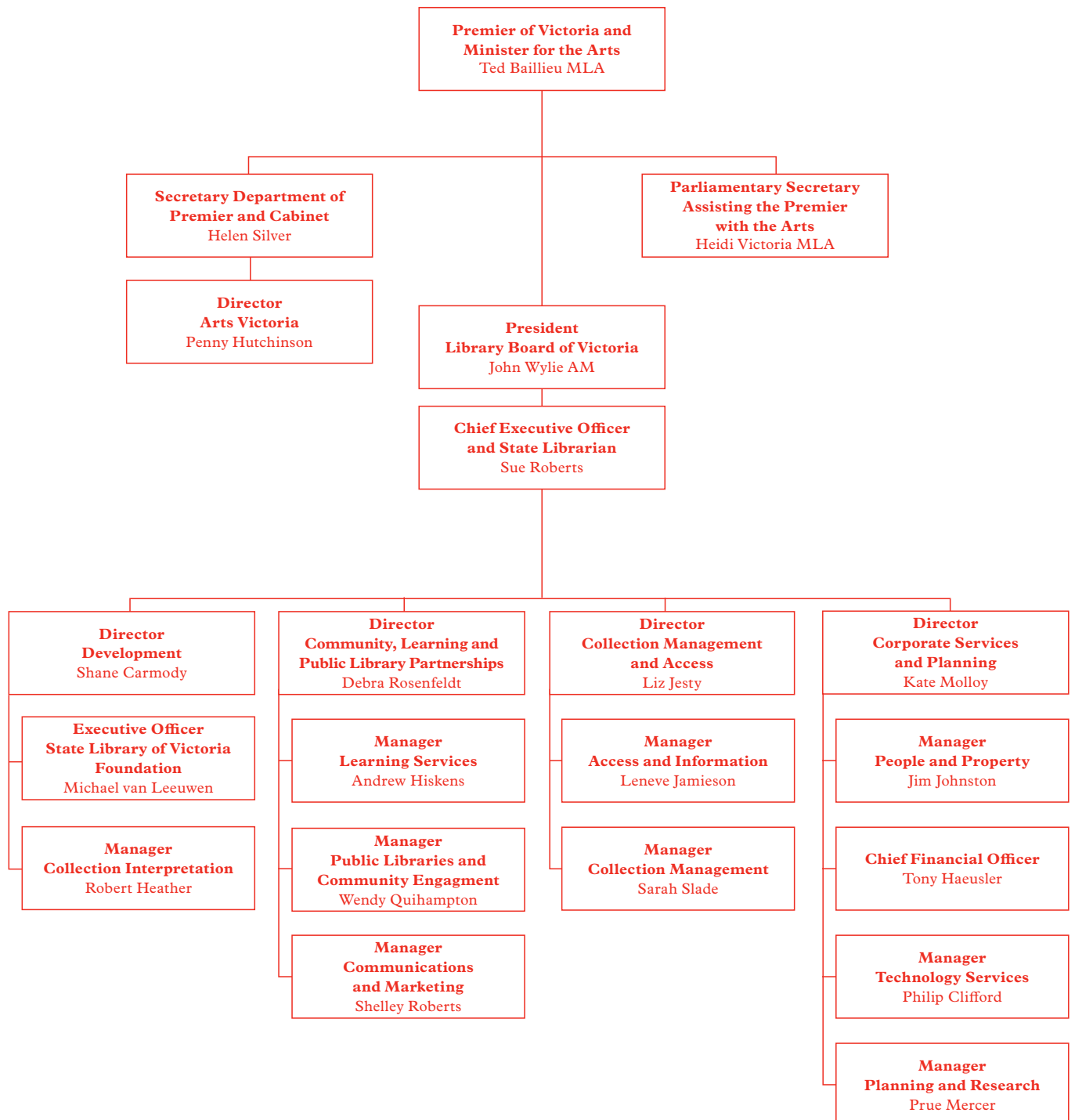
Debra Rosenfeldt

Debra Rosenfeldt is Director, Community, Learning and Public Library Partnerships. She is responsible for managing the Library's relationship with the statewide network of public libraries, its schools and community learning services, community technology and outreach programs, and communications and marketing. As Director, Community, Learning and Public Library Partnerships, she provides executive support to the Board's Advisory Committee on Public Libraries.

Shane Carmody

Shane Carmody is Director, Development. He is responsible for the work of the State Library Foundation, exhibitions and publishing, the Fellowships program and major acquisitions for the collection. The Director, Development provides executive support for the Board's Creative Fellowships Committee, and attends meetings of the Board's Foundation Committee and Collections Committee.

Organisational structure



Reconciliation of executive officers

Table 1

Number of executive officers classified into 'Ongoing' and 'Special Projects'

Class	All		Ongoing		Special Projects	
	No.	Var.	No.	Var.	No.	Var.
EO-1	0	0	0	0	0	0
EO-2	1	1	1	1	0	0
EO-3	3	0	3	0	0	0
Total	4	1	4	1	0	0

Table 2

Breakdown of executive officers into gender for 'Ongoing' and 'Special Projects'

Class	Ongoing					Special Projects				
	No.	Male Var.	No.	Female Var.	Vacancies No.	No.	Male Var.	No.	Female Var.	Vacancies No.
EO-1	0	0	0	0	0	0	0	0	0	0
EO-2	0	0	1	1	0	0	0	0	0	0
EO-3	1	0	2	0	0	0	0	0	0	0
Total	1	0	3	1	0	0	0	0	0	0

Table 3

Executives with remuneration over \$100,000

Class	2012	2011	2010	2009
Executives with remuneration over \$100,000	5	4	4	4
Add Vacancies	0	0	0	0
Executives employed with total remuneration below \$100,000	0	0	0	0
Accountable Officer (Secretary)	0	0	0	0
Less Separations	1	1	0	0
Total executive numbers at June	4	3	4	4

Table 4

Number of executive officers for the department's portfolio entities

Portfolio Agencies	Total		Vacancies	Male		Female	
	No.	Var.	No.	No.	Var.	No.	Var.
State Library of Victoria	4	0	0	1	0	3	1
Total	4	0	0	1	0	3	1

Major contracts

There were no major contracts in excess of \$10 million.

Victorian Industry Participation Policy

None of the State Library of Victoria's contracts valued at more than \$3 million in metropolitan areas and \$1 million in regional areas triggered the Victorian Industry Participation Policy.

National Competition Policy

The annual review of Library fees and charges was completed during the year. The aim of this review is to ensure that all fees and charges comply with the National Competition Policy.

Compliance with 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.

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 2012 that will have an impact on the 2011–12 reporting period.

Occupational health and safety performance measures

The general indicators of organisational health – employee turnover and absenteeism – continue to demonstrate that the Library's performance is acceptable. Employee turnover for the year averaged approximately 6.2 per cent (greater than 15 per cent warrants investigation). Employee absenteeism (unplanned) averaged approximately 4.6 per cent (greater than 5 per cent warrants investigation). These performance measures compare favourably with 10.5 per cent and 5.2 per cent respectively in 2010–11.

We continue to experience a satisfactory WorkCover claims performance rate with only one active claim at the end of the year. The cost of WorkCover premiums has continued to decrease while our claims performance continues to show a position of sector leadership (our performance rating is 50 per cent better than the average industry rate). We experienced 456 consecutive days free of lost-time injury to the end of the financial year.

The Library continues to provide a number of initiatives to promote employee health and wellbeing, including free onsite health checks, free influenza vaccinations, regular onsite yoga classes, onsite bicycle-storage facilities and support for a bicycle-users group, participation in a corporate fitness challenge, and the provision of a health and wellbeing promotional campaign.

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 Public Sector Standards Commissioner, 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 was a foundation subscriber to the State Services Authority's Ethics Resources Kit, which will be incorporated into the Library's suite of management and employment development systems.
- The Library has adopted the State Services Authority's Code of Conduct as part of its Enterprise Partnership Agreement.

Statement of workforce data and merit and equity

	Ongoing				Fixed-term and casual employees
	Employees (headcount)	Full-time (headcount)	Part-time (headcount)	FTE	FTE
June 2012	294	214	80	269.17	53.79
June 2011	279	244	35	259.09	64.79

	June 2012			June 2011			Variation		
	Ongoing		Fixed-term and casual employees	Ongoing		Fixed-term and casual employees	Ongoing		Fixed-term and casual employees
	Employee (headcount)	FTE	FTE	Employee (headcount)	FTE	FTE	Employee (headcount)	FTE	FTE
Gender									
Male	116	108.38	18.89	109	101.88	25.81	7	6.5	-6.92
Female	178	160.79	34.90	173	160.21	35.98	5	0.58	-1.08
Age									
Under 25	3	2.80	11.64	9	8.40	19.47	-6	-5.6	-7.83
25-34	43	41.20	21.30	41	40.76	20.52	2	0.44	0.78
35-44	71	64.80	11.95	74	68.06	9.80	-3	-3.26	2.15
45-54	84	74.44	3.70	92	84.02	6.10	-8	-9.58	-2.4
55-64	77	72.73	4.20	60	55.65	5.40	17	17.08	-1.2
Over 64	16	13.20	1.00	6	5.20	0.50	10	8	0.5
Classification									
VPS 1	6	5.80	11.34	10	9.80	12.00	-4	-4	-0.66
VPS 2	68	59.77	12.15	58	50.14	21.34	10	9.63	-9.19
VPS 3	101	91.30	18.90	96	88.20	13.85	5	3.1	5.05
VPS 4	44	40.40	1.60	48	46.30	5.00	-4	-5.9	-3.4
VPS 5	46	43.10	8.80	45	42.85	8.60	1	0.25	0.2
VPS 6	24	23.80	0.00	22	21.80	0.00	2	2	0
STS	1	1.00	1.00	0	0.00	1.00	1	1	0
Executives	4	4.00	0.00	3	3.00	0.00	1	1	0

Environmental performance

Office-based environmental impacts

Environmental aspect	Description	Unit of measure	2010–11	2011–12
Energy	Total use	Gigajoules	21,887	23,198
	Total associated greenhouse gas emissions ¹	Tonnes CO ²	6,675	5,823
	Percentage of electricity purchased as Green Power ²	%	10	25
	Use per sq. m. office space ³	Megajoules	438	464
	Total Green Power	Kilowatt hours	607,971	1,610,943
	Total cost of Green Power	Dollars	43,539	86,931
Waste	Total recycled	Kilograms	76,821	55,180
Paper	Total use	Reams	2,420	2,201
Water	Total consumption ⁴	Litres	1,899,000	1,080,000
Transportation	Total fuel consumption	Gigajoules	71	64
	Total travel by Library vehicles	Kilometres	19,459	17,557
	Total greenhouse gases	Tonnes CO ²	5.3	5

Notes

- 1 Excludes gas in accordance with reporting requirements consistent with ResourceSmart.
2 Green Power now at 25 per cent of consumption in accord with government expectations.
3 Building area based on 50,000 square metres.
4 Water consumption based on invoiced amounts.

Diversity and access

The Library has a long tradition of engaging the community and providing skills for life through the provision of free access to information resources and technologies, as well as targeted programs for schools and community groups.

Services for culturally and linguistically diverse communities

This year we worked closely with Melbourne's Persian community to deliver a program of activities to complement *Love and Devotion*. Highlights included a special volunteer program that attracted participants from a number of different cultural communities; a scholarly conference in partnership with the Centre for Arab and Islamic Studies at the Australian National University, the Asian Arts Society of Australia, the Australia India Institute and the Turkish Consulate-General; a Persian classical music concert; a Persian Cultural Day program that included displays and activities for all ages; and the publication of a special issue of the *La Trobe Journal* covering the subject of Islam in Australia. For more details, see pages 8–9.

The new, redeveloped MyLanguage website, launched in November 2011, aims to provide a hub where public libraries and culturally and linguistically diverse (CALD) communities can actively share information resources and programs to support these diverse communities. The new website was accompanied by a roadshow of training to public libraries across the participating states.

OpenRoad is a resource for discussing and exploring electronic multicultural library services, multilingual public internet access services, language enablement and community-language web-publishing initiatives, including exploring Unicode language-support issues in minority and emerging community languages within Australia.

We have also developed a model for the development of a multilingual University of the Third Age (U3A Online), to deliver learning online to non-English speaking or CALD communities. The model is designed with a focus on sustainability and ownership by CALD communities. This work was undertaken with the financial support of the auDA Foundation.

Services for seniors

The successful Connecting Seniors pilot project was funded by the State Trustees and delivered across three aged-care facilities within the city of Glen Eira. The aim of the project was to support social inclusion and encourage community participation of residents within aged-care facilities. Participating residents used iPads to communicate with their families, friends and other residents, building social networks as well as acquiring new skills and knowledge.

The Book Well program provided bibliotherapy sessions to five groups from aged-care providers.

Services for youth

Students and school groups continue to be regular visitors to our exhibitions and events, and are frequent users of our online services and resources, as well as the Ergo and Inside a Dog websites. Services that have been delivered include the Centre for Youth Literature's Bookgigs and Wordage festival in Geelong in partnership with the Geelong Regional Library Service; the Mad Hatter's tea party, a family-oriented celebration of the National Year of Reading; the Children's Book Festival in partnership with the Wheeler Centre; and the Rhyme, Rhythm and Rock: Echoes of the Middle East program developed in partnership with the Islamic Council of Victoria and City of Melbourne to showcase the contemporary voices, music and humour of Australian youth inspired by their Middle Eastern heritage. During the year, our travelling exhibition *Look! The art of Australian picture books today* toured to the State Library of Queensland and the Canberra Museum and Art Gallery.

Services for special needs

People with special needs are provided with a range of assistive technology software and equipment located primarily in the Library's assistive technology room, and also in other reading rooms. This year, people with sight disabilities visiting *Love and Devotion* could utilise magnifiers and folders with large-format exhibition texts. Exhibition tours for people with special hearing needs were also available upon request.

Services for women

We continue to develop collection areas of general and academic interest to women, including selections in the area of gender studies. We demonstrated support for the role and contribution of women to society with an event on 8 March for International Women's Day. Our programs and activities cater for women of all ages and stages of life, from Baby Bounce and Storytime to genealogy and research skills workshops.

Services for Indigenous communities

With the support of the Collier Charitable Foundation and Kids' Own Publishing, we developed and delivered the Sharing Heritage Learning and Literacy (SHELL) project, which enabled Indigenous students in Leongatha and Mooropna to create a book about their cultural journey, families, community elders and school experiences. We also led the development of a community website with the Goulburn Clans Men's Group, a group of Indigenous men in the Shepparton and Mooropna area.

Freedom of information

This section contains information required to be published annually under Part II of the *Freedom of Information Act 1982*. Additional information required under Part II of the Act is located elsewhere in this report.

Categories of documents

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

- documents prepared for briefing the Minister for the Arts
- 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.

Access arrangements

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

Frances Savage
State Library of Victoria
328 Swanston Street
Melbourne VIC 3000

Access to documents may only be obtained through written request. Applications should be as specific as possible to enable the Freedom of Information Officer to identify relevant documents quickly and efficiently. A \$24.40 FoI application fee should accompany each request; after 1 July 2012 this fee is set at \$25.10. Other charges may apply. 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, and not later than 45 days after the day on which the request is received by the Library.

Requests in 2011–12

During 2011–12 no Freedom of Information requests were received directly by the Library.

Literature available by subscription or free mailing lists

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

- *State Library of Victoria News*
- *SLV Monthly* newsletter
- *What's On*
- *La Trobe Journal*
- *Education news* newsletter
- Centre for Youth Literature newsletter

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.

Whistleblowers Protection Act

The Library is committed to the aims and objectives of the *Whistleblowers Protection Act 2001*. The Library does not tolerate improper conduct by its employees, officers or members, nor 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 and 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.

Full written procedures outlining the system for reporting disclosures of improper conduct or detrimental action by the Library or its employees are available on the Library's website. The procedures include detailed information about confidentiality, conduct of investigations and managing the welfare of the whistleblower.

Disclosures of improper conduct or detrimental action by the Library or its employees may be made to the following officers:

Protected Disclosure Coordinator

Frances Savage
State Library of Victoria
328 Swanston Street
Melbourne VIC 3000
Phone: 03 8664 7431

Protected Disclosure Officer

Kate Molloy
State Library of Victoria
328 Swanston Street
Melbourne VIC 3000
Phone: 03 8664 7511

Alternatively, disclosures of improper conduct or detrimental action by the Library or its employees may be made directly to the Ombudsman:

The Ombudsman Victoria
Level 9, 459 Collins Street (North Tower)
Melbourne VIC 3000
Email: ombudvic@ombudsman.vic.gov.au
Phone: 03 9613 6222
Toll free: 1800 806 314
TTY: 133 677 or 1300 555 727
Facsimile: 03 9614 0246
Interpreter via telephone: 131 450
Interpreter on site: 1300 655 082

There were no disclosures made to the State Library of Victoria during 2011–12.

Disability Action Plan

The Library's Disability Action Plan was lodged and is largely implemented, as required by the *Disability Act 2006*. The plan can be downloaded from our website at slv.vic.gov.au, and hard copies are available on request.

Consultancies

Details of consultancies over \$10,000

There were 24 consultancies engaged during the year, each costing \$10,000 or more, for a total of \$668,517. There were no consultancies over \$100,000.

Consultant/payee	Details	Total approved fee	Expenditure in 2011-12	Future expenditure
I&J Management Services	Internet and PC usage in Victorian Public Libraries	\$54,450	\$54,450	Nil
AECOM Australia Pty Ltd	Ten-year plan	\$51,131	\$51,131	Nil
Webplace Pty Ltd	MyLanguage website	\$49,980	\$49,980	Nil
Deloitte Private	Customer relationship management (CRM) project	\$48,000	\$48,000	Nil
Artymark Creative Marketing	Consultancy for partnerships	\$46,698	\$46,698	Nil
Ancher Mortlock Woolley Pty Ltd	New strategic building plan 2012-22	\$46,492	\$46,492	Nil
Booked Out Agency Pty Ltd	Speakers' agency for various programs	\$41,908	\$41,908	Nil
Coney Limited	Lost Things Adventure in Learning	\$31,596	\$31,596	Nil
Empatico Pty Ltd	FUSE and other projects	\$29,640	\$29,640	Nil
Sweeney Research Pty Ltd	<i>Love and Devotion</i> exhibition intercept survey	\$29,319	\$29,319	Nil
ANATAS	IT professional services	\$26,100	\$26,100	Nil
Tighe & Associates Pty Ltd	Victorian Public Libraries 2030	\$25,500	\$25,500	Nil
Dandolo Partners	Strategic directions	\$21,647	\$21,647	Nil
NDY Management Pty Ltd	Ballarat offsite storage facility no. 2	\$21,478	\$21,478	Nil
Effective Change Pty Ltd	Evaluation of Book Well program	\$19,284	\$19,284	Nil
Prism Australia Pty Ltd	Vicnet project	\$18,950	\$18,950	Nil
Lovell Chen Pty Ltd	Heritage consulting	\$18,436	\$18,436	Nil
ARIOSO Consulting	Management services	\$16,900	\$16,900	Nil
Rider Levett Bucknall				
Victoria Pty Ltd	Building strategic plan	\$16,460	\$16,460	Nil
Mustang Promotions Pty Ltd	MyLanguage conference	\$12,547	\$12,547	Nil
Mercer Investments (Australia) Limited	Transition of Foundation funds from Perpetual to Evans and Partners	\$11,500	\$11,500	Nil
Strategic Public Relations	Examination of effectiveness of SLV Foundation	\$10,500	\$10,500	Nil
Data Management Australia Pty Ltd	Digital asset management master plan	\$10,000	\$10,000	Nil
HJ Kraima	International speaker	\$10,000	\$10,000	Nil

Details of consultancies under \$10,000

There were 26 consultancies engaged during the year, each costing less than \$10,000 for a total of \$97,958.

Reports produced by consultants

The Library engaged consultants to produce the following reports in 2011-12:

- *Digital Asset Management Master Plan 2012-16*
- *Visitor Perceptions: September 2011, December 2011, February 2012, May 2012*
- *Website Usage and Perceptions 2012*
- *Internet and PC Usage in Victorian Public Libraries*
- *Evaluation of the Book Well Program*
- *Victorian Public Libraries 2030: Framework and report*
- *State Library of Victoria CRM functional requirements, June 2012*
- *Kershaw 4, load review*
- *P.03A Construction Risks Insurance*
- *Modifications to the Department of Community, Learning and Public Library Partnerships*
- *Dromkeen Sculpture Assessments: Report on condition and treatment proposal, transport and installation option*
- a review of the State Library of Victoria Foundation.

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
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<i>Report of operations</i>		
<i>Charter and purpose</i>		
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FRD 22C	Objectives, functions, powers and duties	25
FRD 22C	Nature and range of services provided	25
<i>Management and structure</i>		
FRD 22C	Organisational structure	31
<i>Financial and other information</i>		
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FRD 22C	Summary of financial results for the year	17
FRD 22C	Significant changes in financial position during the year	17
FRD 22C	Operational and budgetary objectives and performance against objectives	18
FRD 22C	Employment and conduct principles	34
FRD 22C	Major changes or factors affecting performance	33
FRD 22C	Subsequent events	33
FRD 22C	Application and operation of <i>Freedom of Information Act 1982</i>	38
FRD 22C	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	33
FRD 22C	Statement on National Competition Policy	33
FRD 22C	Application and operation of <i>Whistleblowers Protection Act 2001</i>	39
FRD 22C	Details of consultancies over \$10,000	40
FRD 22C	Details of consultancies under \$10,000	40
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Financial statements

Financial statements required under Part 7 of the FMA

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SD 4.2(c)	Compliance with Australian Accounting Standards and other authoritative pronouncements	55
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Other disclosures in notes to the financial statements

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FRD 13	Disclosure of parliamentary appropriations	48
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Legislation

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<i>Building Act 1993</i>	33
<i>Whistleblowers Protection Act 2001</i>	39
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<i>Victorian Industry Participation Policy Act 2003</i>	33
<i>Financial Management Act 1994</i>	55

Auditor-General's report

VAGO

Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
Email comments@audit.vic.gov.au
Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Library Board of Victoria

The Financial Report

The accompanying financial report for the year ended 30 June 2012 of the Library Board of Victoria which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the declaration has been audited.

The Board Members' Responsibility for the Financial Report

The Board of Library Board of Victoria is responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Board determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 and the consolidated entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Auditing in the Public Interest

Independent Auditor's Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of Library Board of Victoria and the economic entity as at 30 June 2012 and of their financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Library Board of Victoria for the year ended 30 June 2012 included both in the Library Board of Victoria's annual report and on the website. The Board of the Library Board of Victoria is responsible for the integrity of the Library Board of Victoria's website. I have not been engaged to report on the integrity of the Library Board of Victoria's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE
28 August 2012


for D D R Pearson
Auditor-General

Library Board of Victoria letter

Library Board
of Victoria

State Library of Victoria
328 Swanston Street
Melbourne Victoria 3000
Australia
Telephone +613 8664 7505
Facsimile +613 9639 4737

LIBRARY BOARD OF VICTORIA

We certify that the attached financial statements for the Library Board of Victoria have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Balance Sheet, Operating Statement, Statement of Changes in Equity, Cash Flow Statement and notes to and forming part of the financial statements, present fairly the financial transactions during the year ended 30 June 2012 and financial position of the Library Board of Victoria at 30 June 2012.

We are not aware of any circumstances which would render any particulars included in the statements to be misleading or inaccurate.



John Wylie
President
Date 15 August 2012



Merran Evans
Chair, Audit and Risk Management
Committee
Date 15/8/12



Sue Roberts
CEO and State Librarian
Date 15/8/12



Anthony L Haeusler
Chief Financial Officer
Date 15/8/12

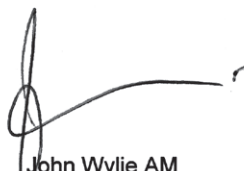
Risk attestation

Library Board
of Victoria

State Library of Victoria
328 Swanston Street
Melbourne Victoria 3000
Australia
Telephone +613 8664 7505
Facsimile +613 9639 4737

6 June 2012

I, John Wylie, certify that the State Library of Victoria has risk management processes in place consistent with the *Australian/New Zealand Risk Management Standard (AS/NZS ISO 31000:2009* or its successor) and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures. The Audit and Risk Management Committee verifies this assurance and that the risk profile of the State Library of Victoria has been critically reviewed within the last 12 months.



John Wylie AM
President

Library Board of Victoria and controlled entity financial report for the financial year ended 30 June 2012

BALANCE SHEET AS AT 30 JUNE 2012

	Note	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assets					
Cash and deposits	2	8,035	12,072	1,618	8,117
Receivables	3	784	1,235	4,700	4,131
Financial assets classified as available for sale	4	11,369	13,179	-	-
Total financial assets		20,188	26,486	6,318	12,248
Non-financial assets					
Inventories		-	20	-	20
Prepayments		475	488	475	488
Library collections	5	489,586	488,090	489,586	488,090
Property, plant and equipment	6	406,789	417,227	406,789	417,227
Deferred expenditure	7	1	1	1	1
Total non-financial assets		896,851	905,826	896,851	905,826
Total assets		917,039	932,312	903,169	918,074
Liabilities					
Payables	8	813	1,654	813	1,654
Other liabilities	9	2,148	2,368	2,148	2,368
Interest-bearing liabilities	10	69	76	69	76
Provisions	11	7,423	6,700	7,423	6,700
Total liabilities		10,453	10,798	10,453	10,798
Net assets		906,586	921,514	892,716	907,276
Equity					
Contributed capital	12(a)	557,514	557,514	557,514	557,514
Accumulated surplus	12(b)	(6,570)	4,250	(6,570)	4,250
Physical asset revaluation surplus	12(c)	333,100	333,100	333,100	333,100
General reserve	12(d)	1,000	1,000	1,000	1,000
Donations and bequests reserve	12(e),13	12,609	12,949	1,885	1,900
Specific purpose grants reserve	12(f),14	8,933	11,817	5,787	9,512
Financial assets valuation reserve	12(g)	-	884	-	-
Total equity		906,586	921,514	892,716	907,276

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

COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

	Note	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Income from transactions					
Grant from government	15	40,020	38,451	40,020	38,451
Trading	16	1,678	1,913	1,669	1,910
Projects funded from external sources	17	1,249	3,780	1,207	3,727
Donations and bequests	18	2,778	1,715	3,019	1,930
Investment revenue	19(a)	1,749	1,990	506	731
Total income from transactions		47,474	47,849	46,421	46,749
Expenses from transactions					
Salaries and related expenses	20	28,857	28,078	28,595	27,831
Buildings and facilities expenses	21	6,271	7,870	6,271	7,870
Depreciation		14,935	7,945	14,935	7,945
Professional and finance expenses	22	1,113	2,459	1,028	2,381
Borrowing costs	23	4	6	4	6
Grants distributed	24	1,536	730	1,536	730
Other expenses from ordinary activities	25	8,306	8,467	8,150	8,328
Total expenses from transactions		61,022	55,555	60,519	55,091
Net result from transactions		(13,548)	(7,706)	(14,098)	(8,342)
Other economic flows included in net result					
Net gain/(loss) on financial instruments	32(a)	(34)	124	-	-
Net gain/(loss) on non-financial assets	32(b)	5	(57)	5	(57)
Grant from Government – capital asset charge	32(c)	41,403	41,403	41,403	41,403
Government capital asset charge	32(c)	(41,403)	(41,403)	(41,403)	(41,403)
Grant from Government – capital funding	17,32(d)	-	1,076	-	1,076
Other losses from other economic flows	32(e)	(467)	(1)	(467)	(1)
Total other economic flows included in net result		(496)	1,142	(462)	1,018
Net result for the year		(14,044)	(6,564)	(14,560)	(7,324)
Other economic flows					
– other non-owner changes in equity					
Change in asset revaluation surplus	12(c)	-	130,100	-	130,100
Change in financial asset valuation reserve	12(g)	(884)	251	-	-
Total other economic flows		(884)	130,351	-	130,100
– other non-owner changes in equity					
Comprehensive result for the year		(14,928)	123,787	(14,560)	122,776

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

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

	Note	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Cash flows from operating activities					
Grants from government		40,020	38,451	40,020	38,451
Donations (other than in kind) and bequests		970	759	671	493
Proceeds from Persian manuscripts appeal		92	-	-	-
Trading receipts		2,061	2,389	2,047	2,377
Other grants		1,272	4,050	1,272	4,050
Asset replacement grants		-	1,076	-	1,076
Dividends and interest		1,832	1,860	563	713
GST recovered from the ATO		1,922	1,627	1,913	1,639
Payments to suppliers and employees		(49,453)	(48,651)	(48,337)	(48,594)
Net cash flows from/(used in) operating activities	29(b)	(1,284)	1,561	(1,851)	205
Cash flows from investing activities					
Proceeds from/(payments for) investments		133	448	-	-
Proceeds from sale of property, plant and equipment		25	40	25	40
Payment for property, plant and equipment		(1,304)	(233)	(1,304)	(233)
Payment for Library collection		(2,319)	(2,257)	(2,319)	(2,257)
Net cash used in investing activities		(3,461)	(2,002)	(3,598)	(2,450)
Cash flows from financing activities					
Repayment of finance lease		(48)	(79)	(48)	(79)
Advance to State Library of Victoria Foundation		-	-	(1,002)	-
Net cash used in financing activities		(48)	(79)	(1,050)	(79)
Net decrease in cash and cash equivalents		(4,793)	(520)	(6,499)	(2,324)
Cash and cash equivalents at beginning of year		17,153	17,673	8,117	10,441
Cash and cash equivalents at end of year	29(a)	12,360	17,153	1,618	8,117

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

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

					CONSOLIDATED	
		Equity at 1 July 2011	Total compre- hensive result	Transactions with owners in their capacity as owners	Equity at 30 June 2012	
	Note	\$'000	\$'000	\$'000	\$'000	
Contributed capital	12(a)	557,514	-	-	557,514	
Accumulated surplus		4,250	(14,044)	-	(9,794)	
Transfer from donations and bequests reserve		-	-	340	340	
Transfer from specific purpose grants reserve		-	-	2,884	2,884	
	12(b)	4,250	(14,044)	3,224	(6,570)	
Asset revaluation surplus		333,100	-	-	333,100	
Revaluation of land, buildings and collection assets		-	-	-	-	
	12(c)	333,100	-	-	333,100	
General reserve	12(d)	1,000	-	-	1,000	
Donations and bequests reserve		12,949	-	-	12,949	
Transfer to accumulated surplus		-	-	(340)	(340)	
	12(e)	12,949	-	(340)	12,609	
Specific purpose grants reserve		11,817	-	-	11,817	
Transfer to accumulated surplus		-	-	(2,884)	(2,884)	
	12(f)	11,817	-	(2,884)	8,933	
Financial assets valuation reserve		884	-	-	884	
Unrealised capital losses on financial assets		-	(884)	-	(884)	
	12(g)	884	(884)	-	-	
Total equity at end of financial year		921,514	(14,928)	-	906,586	

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 2012 (CONT'D) COMPARITIVE

CONSOLIDATED

		Equity at 1 July 2010	Total compre- hensive result	Transactions with owners in their capacity as owners	Equity at 30 June 2011
	Note	\$'000	\$'000	\$'000	\$'000
Contributed capital	12(a)	557,514	-	-	557,514
Accumulated surplus		11,179	(6,564)	-	4,615
Transfer from donations and bequests reserve		-	-	34	34
Transfer to specific purpose grants reserve		-	-	(399)	(399)
	12(b)	11,179	(6,564)	(365)	4,250
Asset revaluation surplus		203,000	-	-	203,000
Revaluation of land, buildings and collection assets		-	130,100	-	130,100
	12(c)	203,000	130,100	-	333,100
General reserve	12(d)	1,000	-	-	1,000
Donations and bequests reserve		12,983	-	-	12,983
Transfer to accumulated surplus		-	-	(34)	(34)
	12(e)	12,983	-	(34)	12,949
Specific purpose grants reserve		11,418	-	-	11,418
Transfer from accumulated surplus		-	-	399	399
	12(f)	11,418	-	399	11,817
Financial assets valuation reserve	12(g)	633	-	-	633
Unrealised capital gains on financial assets		-	251	-	251
	12(g)	663	251	-	884
Total equity at end of financial year		797,727	123,787	-	921,514

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 2012 (CONT'D)

STATE LIBRARY OF VICTORIA					
		Equity at 1 July 2011	Total compre- hensive result	Transactions with owners in their capacity as owners	Equity at 30 June 2012
	Note	\$'000	\$'000	\$'000	\$'000
Contributed capital	12(a)	557,514	-	-	557,514
Accumulated surplus		4,250	(14,560)	-	(10,310)
Transfer from donations and bequests reserve		-	-	15	15
Transfer from specific purpose grants reserve		-	-	3,725	3,725
	12(b)	4,250	(14,560)	3,740	(6,570)
Asset revaluation surplus		333,100	-	-	333,100
Revaluation of land, buildings and collection assets		-	-	-	-
	12(c)	333,100	-	-	333,100
General reserve	12(d)	1,000	-	-	1,000
Donations and bequests reserve		1,900	-	-	1,900
Transfer to accumulated surplus		-	-	(15)	(15)
	12(e)	1,900	-	(15)	1,885
Specific purpose grants reserve		9,512	-	-	9,512
Transfer to accumulated surplus		-	-	(3,725)	(3,725)
	12(f)	9,512	-	(3,725)	5,787
Total equity at end of financial year		907,276	(14,560)	-	892,716

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 2012 (CONT'D) COMPARITIVE

STATE LIBRARY OF VICTORIA					
		Equity at 1 July 2010	Total compre- hensive result	Transactions with owners in their capacity as owners	Equity at 30 June 2011
	Note	\$'000	\$'000	\$'000	\$'000
Contributed capital	12(a)	557,514	-	-	557,514
Accumulated surplus		11,179	(7,324)	-	3,855
Transfer to donations and bequests reserve		-	-	(62)	(62)
Transfer from specific purpose grants reserve		-	-	457	457
	12(b)	11,179	(7,324)	395	4,250
Asset revaluation surplus	12(c)	203,000	-	-	203,000
Revaluation of land, buildings and collection assets		-	130,100	-	130,100
	12(c)	203,000	130,100	-	333,100
General reserve	12(d)	1,000	-	-	1,000
Donations and bequests reserve		1,838	-	-	1,838
Transfer from accumulated surplus		-	-	62	62
	12(e)	1,838	-	62	1,900
Specific purpose grants reserve		9,969	-	-	9,969
Transfer to accumulated surplus		-	-	(457)	(457)
	12(f)	9,969	-	(457)	9,512
Total equity at end of financial year		784,500	122,776	-	907,276

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

Notes to the financial statements for the year ended 30 June 2012

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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 35.

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 AL Haeusler, Chief Financial Officer, State Library of Victoria on 15 August 2012.

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.

These financial statements are presented in Australian dollars, the functional and presentation currency of the Board.

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.

This report has been 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.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2012 and the comparative information presented for the year ended 30 June 2011.

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 of Victoria
328 Swanston Street
Melbourne VIC 3000

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

The following statutory bodies are 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 1859. These agencies are overseen by Arts Victoria, a division of the Department of Premier and Cabinet. Arts 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 the Arts.
- The State Library of Victoria Foundation (the Foundation) was established in 1994 to raise funds through memberships, donations, sponsorships and bequests to enable the Library to purchase items of historical significance and to fund exhibitions. The Foundation is led by an Executive Director, who reports to the Library's Director, Development. The Library Board of Victoria is the Foundation's sole trustee and governing body. The Foundation is advised in its activities by a 16-member executive committee, with the Library's CEO and President of the Library Board of Victoria as members.

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.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

The consolidated financial statements of the Board incorporate assets and liabilities of the Board and their income and expenses for the reporting period. The consolidated entity comprises the Library Board of Victoria, trading as the State Library of Victoria and the State Library of Victoria Foundation. The Library Board of Victoria is 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 are eliminated.

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 remeasurements. 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 (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

Changes in accounting policy are required to be approved by the Board and are disclosed in the notes, where relevant. There have been no changes in accounting policy for 2011–2012.

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:

Output 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.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 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 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

All buildings, 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
Buildings	100 years
Plant and equipment	5–20 years
Collection assets	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.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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. The capital asset charge has been recognised as an 'other economic flow' within the financial statements.

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.

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 to 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
- capital asset charge revenue and expense, and
- capital funding received from Arts Victoria.

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

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

AASB 132 *Financial Instruments: Presentation*. For example, statutory receivables arising from taxes do not meet the definition of financial instruments as they do not arise under contract.

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

The following refers to financial instruments unless otherwise stated.

Categories of non-derivative financial instruments

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[i]), 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 interest-bearing 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 concerned has a legal right to offset the amounts and intends 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.

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

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 [i] – *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 consolidated 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

Inventories

Inventories include books held either for sale, or for distribution at zero or nominal cost, or for consumption in the ordinary course of business operations.

Inventories are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

Cost includes an appropriate portion of fixed and variable overhead expenses and is measured on the basis of weighted average cost.

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 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.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 FRDs.

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.

Deferred expenditure

The value of deferred expenditure represents the remaining value of the CAVAL Archival and Research Materials (CARM) Centre after the Library writedown 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 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 reporting period, 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.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 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.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Donations and bequests reserve

Represents the balance of unexpended donations and other income for the Library and Foundation. An allocation is made annually from this reserve by the Foundation to the specific purpose grant reserve to support State Library of Victoria activities.

General reserve

In 2002 the Library Board created the general reserve to provide for unavoidable future expenditures that cannot be met from funding.

Financial assets valuation reserve

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

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.

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 2012 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 2012, 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 2012. Standards and interpretations that are not applicable to the Board have been omitted. The Board has not early adopted these standards. No significant impact on the financial statements is expected from the following standards:

AASB 9	Financial Instruments
AASB 10	Consolidated Financial Statements
AASB 13	Fair Value Measurement
AASB119	Employee Benefits
AASB 1053	Application of Tiers of Australian Accounting Standards
AASB 2009-11	Amendments to Australian Accounting Standards arising from AASB 9
AASB 2010-2	Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements
AASB 2010-7	Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)
AASB 2010-10	Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters
AASB 2011-4	Amendments to Australian Accounting Standards to remove Individual Key Management Personnel Disclosure Requirements
AASB 2011-7	Amendments to Australian Accounting Standards arising from the Consolidation Joint Arrangements Standards
AASB 2011-8	Amendments to Australian Accounting Standards arising from AASB13
AASB 2011-9	Amendments to Australian Accounting Standards arising from – Presentation of Items of Other Comprehensive Income
AASB 2011-10	Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)
AASB 2011-11	Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements
AASB 2011-13	Amendments to Australian Accounting Standards – Improvements to AASB 1049
AASB 2012-1	Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements

	Note	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
		2012	2011	2012	2011
		\$'000	\$'000	\$'000	\$'000
2 CASH AND DEPOSITS					
Cash on hand	29(a)	4	4	4	4
Australian dollar term deposits	29(a)	7,334	11,442	1,000	7,500
Cash at bank	29(a)	697	626	614	613
		8,035	12,072	1,618	8,117

3 RECEIVABLES					
Current					
Contractual					
Debtors – external		397	565	386	565
State Library of Victoria Foundation		-	-	4,086	3,084
Franking credits receivable		105	188	-	-
Accrued interest receivable		62	63	8	63
		564	816	4,480	3,712
Statutory GST recoverable		220	419	220	419
Total current receivables		784	1,235	4,700	4,131

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.

4 FINANCIAL ASSETS CLASSIFIED AS AVAILABLE FOR SALE					
Current					
State Library of Victoria Foundation					
Available for sale financial assets					
Cash management (at fair value)		587	25	-	-
Fixed interest securities (at fair value)		3,738	5,056	-	-
	29(a)	4,325	5,081	-	-
Equities					
Australian listed equity securities (at fair value)		5,903	8,098	-	-
Property Trust (at fair value)		1,141	-	-	-
Total other financial assets		11,369	13,179	-	-

a) Ageing analysis of financial assets classified as available for sale

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

b) Nature and extent of risk arising from financial assets classified as available for sale

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

	Note	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
5 LIBRARY COLLECTIONS					
At cost – Heritage collection		1,203	-	1,203	-
At cost – non-Heritage collection		1,121	-	1,121	-
Heritage at fair value		329,278	329,278	329,278	329,278
Non-Heritage at fair value		158,812	158,812	158,812	158,812
Less accumulated depreciation		(3,176)	-	(3,176)	-
Collection donations at fair value	18	2,348	-	2,348	-
		489,586	488,090	489,586	488,090
Reconciliation					
Carrying amount at start of year		488,090	337,240	488,090	337,240
Purchases		2,324	2,255	2,324	2,255
Donated material		2,348	885	2,348	885
Net value of revaluation increment		-	150,225	-	150,225
Depreciation – non-Heritage collection		(3,176)	(2,515)	(3,176)	(2,515)
Carrying amount at end of year		489,586	488,090	489,586	488,090

a) Collections carried at fair value

An independent valuation of the Board's collections was performed by the Victorian Valuer-General 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 2011. 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.

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
6 PROPERTY, PLANT AND EQUIPMENT				
Land at fair value	46,116	46,116	46,116	46,116
	46,116	46,116	46,116	46,116
Buildings at fair value	366,906	366,906	366,906	366,906
Building improvements at cost	315	-	315	-
	367,221	366,906	367,221	366,906
Less accumulated depreciation (valuation)	(10,443)	-	(10,443)	-
Less accumulated depreciation (cost)	(3)	-	(3)	-
	(10,446)	-	(10,446)	-
Total buildings	356,775	366,906	356,775	366,906
Equipment at fair value	17,957	17,264	17,957	17,264
Less accumulated depreciation	(14,387)	(13,180)	(14,387)	(13,180)
	3,570	4,084	3,570	4,084
Equipment under lease at cost	107	107	107	107
Less accumulated depreciation	(39)	(33)	(39)	(33)
	68	74	68	74
Work in progress at cost				
– plant and equipment	260	47	260	47
	260	47	260	47
Total property, plant and equipment	406,789	417,227	406,789	417,227

a) Freehold land and buildings carried at fair value

An independent valuation of the Board's land and buildings was performed by the Victorian Valuer-General to determine the fair value of the land and buildings. 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 2011.

	Land	Buildings	Plant and equipment	Assets under finance lease	Work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

6 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

MOVEMENT OF PROPERTY, PLANT AND EQUIPMENT

CONSOLIDATED 2012

Opening balance	46,116	366,906	4,084	74	47	417,227
Additions	-	315	730	36	260	1,341
Disposals	-	-	-	(20)	-	(20)
Transfers	-	-	47	-	(47)	-
Depreciation	-	(10,446)	(1,291)	(22)	-	(11,759)
Closing balance	46,116	356,775	3,570	68	260	406,789

STATE LIBRARY OF VICTORIA 2012

Opening balance	46,116	366,906	4,084	74	47	417,227
Additions	-	315	730	36	260	1,341
Disposals	-	-	-	(20)	-	(20)
Transfers	-	-	47	-	(47)	-
Depreciation	-	(10,446)	(1,291)	(22)	-	(11,759)
Closing balance	46,116	356,775	3,570	68	260	406,789

CONSOLIDATED 2011

Opening balance	38,500	398,764	5,175	148	59	442,646
Additions	-	-	186	-	47	233
Disposals	-	-	-	(45)	-	(45)
Transfers	-	-	59	-	(59)	-
Net revaluation increment/(decrement)	7,616	(27,793)	-	-	-	(20,177)
Depreciation	-	(4,065)	(1,336)	(29)	-	(5,430)
Closing balance	46,116	366,906	4,084	74	47	417,227

STATE LIBRARY OF VICTORIA 2011

Opening balance	38,500	398,764	5,175	148	59	442,646
Additions	-	-	186	-	47	233
Disposals	-	-	-	(45)	-	(45)
Transfers	-	-	59	-	(59)	-
Net revaluation increment/(decrement)	7,616	(27,793)	-	-	-	(20,177)
Depreciation	-	(4,065)	(1,336)	(29)	-	(5,430)
Closing balance	46,116	366,906	4,084	74	47	417,227

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
7 DEFERRED EXPENDITURE				
CARM Centre, Bundoora	1,000	1,000	1,000	1,000
Less accumulated amortisation	(999)	(999)	(999)	(999)
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
8 PAYABLES				
Current Contractual				
Creditors – external	680	1,522	680	1,522
Prepaid revenue	133	132	133	132
	<u>813</u>	<u>1,654</u>	<u>813</u>	<u>1,654</u>
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.				
9 OTHER LIABILITIES				
Accrued expenses	2,148	2,368	2,148	2,368
10 INTEREST-BEARING LIABILITIES (motor vehicles)				
Finance lease – current	42	25	42	25
Finance lease – non current	27	51	27	51
	<u>69</u>	<u>76</u>	<u>69</u>	<u>76</u>

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.

	Note	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
11 PROVISIONS					
Current provisions					
Employee benefits					
Annual leave entitlements					
- Unconditional and expected to be settled within 12 months		1,123	1,054	1,123	1,054
- Unconditional and expected to be settled after 12 months		701	678	701	678
Long-service leave entitlements					
- Unconditional and expected to be settled within 12 months		550	510	550	510
- Unconditional and expected to be settled after 12 months		3,514	3,165	3,514	3,165
		<u>5,888</u>	<u>5,407</u>	<u>5,888</u>	<u>5,407</u>
Provisions related to benefit on-costs:					
- Unconditional and expected to be settled within 12 months		223	208	223	208
- Unconditional and expected to be settled after 12 months		656	588	656	588
		<u>879</u>	<u>796</u>	<u>879</u>	<u>796</u>
Total current provisions		<u>6,767</u>	<u>6,203</u>	<u>6,767</u>	<u>6,203</u>
Non-current provisions					
Employee benefits		567	430	567	430
Provisions related to benefit on-costs		89	67	89	67
Total non-current provisions		<u>656</u>	<u>497</u>	<u>656</u>	<u>497</u>
Total provisions	11(a)	<u>7,423</u>	<u>6,700</u>	<u>7,423</u>	<u>6,700</u>
(a) Employee benefits and related on-costs					
Current employee benefits					
Annual leave entitlements		1,824	1,732	1,824	1,732
Unconditional long-service entitlements		4,064	3,675	4,064	3,675
Non-current employee benefits					
Conditional long-service entitlements		<u>567</u>	<u>430</u>	<u>567</u>	<u>430</u>
Total employee benefits		<u>6,448</u>	<u>5,837</u>	<u>6,455</u>	<u>5,837</u>
Current on-costs		879	796	879	796
Non-current on-costs		89	67	89	67
Total on-costs		<u>968</u>	<u>863</u>	<u>968</u>	<u>863</u>
Total employee benefits and related on-costs		<u>7,423</u>	<u>6,700</u>	<u>7,423</u>	<u>6,700</u>
(b) Movement in provisions					
Movement in long-service leave					
Opening balance		4,741	4,585	4,741	4,585
Additional provisions recognised		1,042	729	1,042	729
Reductions arising from payments		<u>(427)</u>	<u>(573)</u>	<u>(427)</u>	<u>(573)</u>
Closing balance		<u>5,356</u>	<u>4,741</u>	<u>5,356</u>	<u>4,741</u>

	Note	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
		2012	2011	2012	2011
		\$'000	\$'000	\$'000	\$'000
12 EQUITY AND MOVEMENTS IN EQUITY					
(a) Contributed capital					
Balance at beginning of the year		557,514	557,514	557,514	557,514
Balance at end of the year		557,514	557,514	557,514	557,514
(b) Accumulated surplus					
Accumulated surplus at beginning of the year		4,250	11,179	4,250	11,179
Net result for the year		(14,044)	(6,564)	(14,560)	(7,324)
Net transfer (to)/from donations and bequests reserve		340	34	15	(62)
Net transfer (to)/from specific purpose grants reserve		2884	(399)	3,725	457
Accumulated surplus at end of the year		(6,570)	4,250	(6,570)	4,250
(c) Physical asset revaluation surplus					
Land and buildings asset revaluation surplus					
Balance at beginning of the year		23,616	43,741	23,616	43,741
Movement		-	(20,125)	-	(20,125)
Balance at end of the year		23,616	23,616	23,616	23,616
The revaluation surplus arises on the revaluation of land and buildings					
Collection asset revaluation surplus					
Balance at beginning of the year		309,484	159,259	309,484	159,259
Movement		-	150,225	-	150,225
Balance at end of the year		309,484	309,484	309,484	309,484
The revaluation surplus arises on the revaluation of the collection					
Total of the asset revaluation surplus					
Balance at beginning of the year		333,100	203,000	333,100	203,000
Movement		-	130,100	-	130,100
Balance at end of the year		333,100	333,100	333,100	333,100
(d) General reserve					
Balance at beginning of the year		1,000	1,000	1,000	1,000
Balance at end of the year		1,000	1,000	1,000	1,000
(e) Donations and bequests reserve					
Balance at beginning of the year		12,949	12,983	1,900	1,839
Transfer (to)/from Accumulated surplus		(340)	(34)	(15)	61
Balance at end of the year	13	12,609	12,949	1,885	1,900
(f) Specific purpose grants reserve					
Balance at beginning of the year		11,817	11,418	9,512	9,971
Transfer (to)/from Accumulated surplus		(2,884)	399	(3,725)	(459)
Balance at end of the year	14	8,933	11,817	5,787	9,512
(g) Financial assets valuation reserve					
Balance at beginning of the year		884	633	-	-
Unrealised capital gains/(losses)		(884)	251	-	-
Balance at end of the year		-	884	-	-
Total equity at the end of the year		906,586	921,514	892,716	907,276

	2011	2012	2012	CONSOLIDATED
	B/fwd	Transfer	Transfer	2012
	balance	from accum.	to accum.	C/fwd
		surplus	surplus	balance
	\$'000	\$'000	\$'000	\$'000
13 DONATIONS AND BEQUESTS RESERVE				
State Library of Victoria				
C Sunderberg Estate	148	7	15	140
Constance Thomson Estate	8	1	-	9
Ethel Cutten Estate	164	7	25	146
Frederick Bryan Bequest	33	1	-	34
K Wilson Bequest	84	3	-	87
Kurt Offenburg Bequest	5	-	1	4
LM Henderson Estate	177	9	-	186
MV Anderson Estate	4	-	-	4
Margery Ramsay Estate	107	6	-	113
Phillip Joseph Winthrop Bequest	5	1	-	6
Sir Irving Benson Estate	448	20	38	430
T Buesst Bequest	153	7	25	135
VG Dobbie Bequest	121	5	-	126
VJ Chalmers Estate	126	5	-	131
Shirley Horne Bequest	282	13	-	295
Margery Pierce Bequest	5	1	-	6
Rosemary Anne Woodfull	5	1	-	6
Deborah Ruth Priest	25	2	-	27
	1,900	89	104	1,885
State Library of Victoria Foundation	11,049	915	1,240	10,724
Total Library Board of Victoria	12,949	1,004	1,344	12,609

CONSOLIDATED

	2011 B/fwd balance	2012 Transfer from accum. surplus	2012 Transfer to accum. surplus	2012 C/fwd balance
	\$'000	\$'000	\$'000	\$'000

14 SPECIFIC PURPOSE GRANTS RESERVE

During the 2011–12 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 2012. The balance of this reserve account consists of the following grants:

Directorate

10-year strategic plan	30	150	180	-
AGL Shaw Summer Research Fellowships	-	6	5	1
Ann Oldham Aurora Institute Fund	5	-	-	5
Berry Family Fellowship	126	-	-	126
Besen Family Foundation – Dr Joseph Brown AO Fellowship	5	-	-	5
Burke and Wills website	7	-	-	7
Business partnership development	150	-	150	-
Creative Fellowships	-	100	100	-
Digitising <i>Victoria Government Gazette</i>	40	-	-	40
Exhibition donations	6	-	6	-
Foundation support	128	100	30	198
Gorman Foundation	23	30	40	13
Human Resources system enhancements	54	-	54	-
Librarianship in PNG and East Timor	14	-	5	9
Library of the 21st Century Symposium	13	-	13	-
Medieval and Renaissance Manuscripts in Australia	2	18	20	-
Mobile applications	45	-	45	-
National and State Libraries Australasia	445	129	319	255
New posters	10	-	10	-
St Petersburg project	11	12	23	-
Suzanne Hunt Memorial Lecture	4	-	-	4
Volunteers	30	50	80	-

Collection Interpretation

A history of Victoria during the First World War	-	59	-	59
<i>As modern as tomorrow</i> exhibition	11	20	31	-
Children's literature book	4	-	-	4
Collection Interpretation special projects	3	3	-	6
<i>Enchanted dome</i> exhibition	-	5	5	-
<i>Fine impressions</i> exhibition	-	10	10	-
<i>Free, secular and democratic</i> exhibition	5	13	18	-
Graeme Base exhibition	3	3	6	-
<i>Gusto!</i> exhibition	-	86	54	32
Library's Maps Collection book	1	-	-	1
<i>Look!</i> exhibition	35	28	36	27
<i>Look!</i> Visions tour funds	30	-	19	11
<i>Love and Devotion</i> exhibition	424	347	648	123
<i>Piranesi and the Grand Tour</i> exhibition	-	17	10	7
Rare Books Summer School	-	20	11	9
Strategic publishing	29	19	45	3
<i>The Matrix</i>	1	-	-	1
Trinh Vu exhibition	2	-	2	-
<i>World of the book</i>	5	-	-	5

CONSOLIDATED

	2011 B/fwd balance	2012 Transfer from accum. surplus	2012 Transfer to accum. surplus	2012 C/fwd balance
	\$'000	\$'000	\$'000	\$'000
14 SPECIFIC PURPOSE GRANTS RESERVE (CONT'D)				
Collection Management				
Benson bequest	-	38	34	4
Buesst bequest	-	25	25	-
Cutten bequest	-	25	25	-
Foundation external grants	9	100	106	3
Holocaust Collection	5	-	2	3
Illuminated manuscripts digitisation	20	-	3	17
Library heritage digitisation	34	-	2	32
Look! Visions tour funds	73	-	44	29
Newspaper digitisation	26	2	1	27
Offenburg bequest	-	1	1	-
Oral history digitising project	-	106	77	29
Rennie Ellis acquisition	100	-	100	-
Sybil Craig bequest	32	1	-	33
Victorian map series – RE Ross Trust	33	-	14	19
Digitising Victorian military unit histories	20	-	2	18
Victoria 175	278	-	190	88
Wallace Kirsop acquisitions project	6	-	6	-
WG Alma Estate	38	18	4	52
Learning Services				
Australian Children's Literature Alliance	111	17	86	42
Bookgigs	10	-	-	10
Booktalkers for professionals	38	9	36	11
Booktalkers for teenagers	1	55	26	30
Children's Book Festival	-	35	35	-
DEECD – Next Practice Program	120	2	67	55
DEECD – Strategic Partnerships Program	18	25	21	22
Family learning	2	12	14	-
FUSE	147	-	27	120
iPads for schools	-	15	-	15
Knowledge Bank: Next Generation	76	42	1	117
Learning Spaces	20	-	1	19
Literacy Outreach Program	-	2	-	2
Love and Devotion volunteer coordinator	-	50	50	-
Open Access Program – JT Reid Charitable Trusts	31	-	7	24
Open Access Program – Mrs MS Ross AM	100	-	66	34
Professional development	14	-	4	10
Personal Learning Network	19	-	-	19
Reading Matters	15	-	2	13
Reading Families	17	-	-	17
Regional programs	22	-	8	14
SHELL Outreach Project	-	45	7	38
Student programs	24	-	7	17

	2011	2012	2012	2012
	B/fwd	Transfer	Transfer	C/fwd
	balance	from accum.	to accum.	balance
		surplus	surplus	
	\$'000	\$'000	\$'000	\$'000

Telematics	3	-	-	3
Summer Read	42	-	42	-
Travelling Treasures	43	-	16	27
Trust Company Literacy Outreach Program	-	50	21	29
VCN Digitisation project	42	-	42	-
Web project	9	16	14	11
Young Readers program	36	45	81	-

Bookwell	45	9	54	-
Disability Awareness Kit online	-	30	-	30
Events program for <i>Look!</i> exhibition	1	-	-	1
Events program for <i>Love and Devotion</i> exhibition	-	17	17	-
Frontline Victoria	9	52	52	9
Library network and support	1,169	2,488	2,666	991
Rare Books Summer School	2	-	-	2
RE Ross Trust Playwrights' Script Development Awards	55	130	62	123
Redmond Barry Lecture	19	-	13	6
Summer Read	5	42	1	46

Aborigines Advancement League archive	4	-	-	4
Australian Jewish Historical Society	4	-	-	4
Coles Myer Ltd	4	-	-	4
Disability	1	-	-	1
Foundation development fund	6	-	-	6
New technology	8	-	1	7
Online document delivery project	57	-	52	5
Port Phillip Papers Digitisation Project	9	-	-	9
Agnes Robertson Trust record digitisation	13	-	-	13

<i>La Trobe Journal</i> digitisation	11	5	2	14
Exhibitions portal	38	-	38	-
Library research	99	25	88	36
Library marketing	72	-	14	58
<i>Love and Devotion</i> marketing	-	145	102	43
Online marketing/social media	-	20	19	1
Renewals – library users	-	10	10	-
Rich Media Content Project	-	25	5	20
<i>SLV News</i>	1	60	39	22

CONSOLIDATED

	2011 B/fwd balance	2012 Transfer from accum. surplus	2012 Transfer to accum. surplus	2012 C/fwd balance
	\$'000	\$'000	\$'000	\$'000
14 SPECIFIC PURPOSE GRANTS RESERVE (CONT'D)				
Vicnet				
Library Infrastructure Projects	2,741	1,029	2,859	911
Kindergartens IT Project	1,003	291	1,137	157
People and Property				
Cultural Asset Maintenance Fund	428	-	428	-
Joyce McGrath Gallery	-	3	1	2
Facade	354	405	-	759
Queen's Hall maintenance	19	487	12	494
Work health and wellbeing	-	5	-	5
Total State Library of Victoria	9,512	7,239	10,964	5,787
SLV Development Fund (Foundation)	2,305	1,331	490	3,146
Total State Library of Victoria Foundation	2,305	1,331	490	3,146
Total Library Board of Victoria	11,817	8,570	11,454	8,933
Summary of reserve movements				
Total of donations and bequests reserve	1,900	89	104	1,885
Total of specific purpose grants reserve	9,512	7,239	10,964	5,787
	11,412	7,328	11,068	7,672
State Library of Victoria Foundation				
Total of donations and bequests reserve	11,049	915	1,240	10,724
Total of specific purpose grants reserve	2,305	1,331	490	3,146
	13,354	2,246	1,730	13,870
Consolidated				
Total of donations and bequests reserve	12,949	1,004	1,344	12,609
Total of specific purpose grants reserve	11,817	8,570	11,454	8,933
	24,766	9,574	12,798	21,542

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
15 GOVERNMENT FUNDING				
Government appropriation	40,020	38,451	40,020	38,451
16 TRADING INCOME				
Vicnet	318	258	318	258
Other	1,360	1,655	1,351	1,652
	1,678	1,913	1,669	1,910
17 PROJECTS FUNDED FROM EXTERNAL SOURCES				
Department of Planning and Community Development (State)				
A history of Victoria during the First World War	59	-	59	-
Victorian Public Libraries 2030	20	-	20	-
Community ICT skills	-	600	-	600
Digitising Victorian military unit histories	-	20	-	20
Children's exhibition program	-	5	-	5
ICT Disability Working Group	-	2	-	2
Department of Premier and Cabinet (State)				
Victoria 175	-	250	-	250
Project P1	-	12	-	12
Department of Education and Early Childhood Development (State)				
Australian Children's Literature Alliance	15	-	15	-
Family learning	2	-	2	-
Kindergarten IT Project	217	1,000	217	1,000
Young Readers Project	-	285	-	285
International Education Division Website Project	-	38	-	38
Next Practice Program	3	-	3	-
Strategic Partnerships Program	25	21	25	21
Department of Human Services (State)				
ICT Disability Working Group	-	2	-	2
Arts Victoria				
Cultural asset maintenance funding	-	1,076	-	1,076
<i>Love and Devotion</i> exhibition funding	-	200	-	200
Additional bandwidth – Federation Square	7	7	7	7
Department of Prime Minister and Cabinet (Commonwealth)				
Rennie Ellis acquisition	-	100	-	100

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
17 PROJECTS FUNDED FROM EXTERNAL SOURCES (CONT'D)				
Department of Sustainability, Environment, Water, Population and Communities (Commonwealth)				
<i>Look! Visions tour funds</i>	-	120	-	120
Other externally funded grants				
Allen & Unwin	10	-	-	-
ANZ Trustees Limited	16	-	16	-
Australian Library and Information Association	12	-	12	-
Australian National University	-	20	-	20
Australia Council	50	85	50	85
City of Melbourne	28	-	28	-
Copyright Agency Limited	15	30	15	30
<i>La Trobe Journal: Islam in Australia sponsors</i>	3	-	-	-
RE Ross Trust	236	47	236	47
State libraries – NSW, WA, QLD, SA, NT, ACT	88	327	88	327
National Library of Australia	71	18	71	18
National Library of New Zealand	-	12	-	12
National Gallery of Victoria	33	36	33	36
ACMI – Australian Centre for the Moving Image	7	7	7	7
Museum Victoria	12	16	12	16
Victorian Arts Centre Trust	7	7	7	7
Victorian Health Promotion Foundation	5	20	5	20
The Wheeler Centre	222	192	222	192
Monash University	5	13	-	3
Public Galleries Association of Victoria	-	18	-	18
MyLanguage sponsors	-	94	-	94
University of Melbourne	-	45	-	20
<i>The Age</i>	32	50	32	50
Gordon Darling Foundation	-	35	-	35
State Trustees	-	10	-	10
Other	49	36	25	18
	1,249	4,856	1,207	4,803
Less:				
Amounts received from Arts Victoria disclosed as capital funding	-	1,076	-	1,076
	1,249	3,780	1,207	3,727

	Note	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
18 DONATIONS AND BEQUESTS					
State Library of Victoria					
Donations in kind	5	2,348	886	2,348	886
State Library of Victoria Foundation		-	-	606	661
Bequests		-	59	-	59
Other donations		65	324	65	324
Total State Library of Victoria		2,413	1,269	3,019	1,930
State Library Of Victoria Foundation					
Memberships		130	126	-	-
Bequests received		30	13	-	-
Donations		205	307	-	-
Total State Library of Victoria Foundation		365	446	-	-
Total Library Board of Victoria		2,778	1,715	3,019	1,930

The Library Board of Victoria gratefully acknowledges the support received during the year from the following:

**State Library of Victoria
Foundation Corporate Members**

Maxxia Pty Ltd
Sensis Pty Ltd
Monash University
RMIT University
Skybus Coach Services
Monash College
Kraft Foods Limited
Lovell Chen Architects
GJK Facility Services

Donors and sponsors

Dr Andrew Lemon & Mrs Judith Cordingley
Mr Charles G Clark
Dr John Lawry
Mr Frank van Straten OAM
Dr Roderick Grant
Mr Michael Tonta
Dr Ray Marginson AM & Mrs Betty Marginson AM
Mr Min Li Chong
Dr Robert Jones
Mr Peter Lothian
Dr Simon Bell & Dr Jennifer Coghlan-Bell & family
Mr Roger B Heslop
Drs David & Debra Devonshire
Mr Rupert Myer AM
Lady Primrose Potter AC
Mr Stephen Newton
Mr & Mrs Brendan & Diane Power
Mrs Carole Grace
Mr & Mrs Brian & Helen Bayston
Mrs Alison Leslie
Mr & Mrs Charles & Primrose Bright
Mrs Liesl Singer
Mr & Mrs Ian & Diana Renard AM

Mrs Nola A Foster
Mr John Arnold & Ms Elspeth Dargaville
Ms Christine Eid
Mr John Calvert-Jones AM & Mrs Janet Calvert-Jones AO
Ms Joanne Hastewell
Mr & Mrs Michael & Angela Rodd
Ms Robin Campbell
Mr & Mrs Patrick & Katharine Moore
Ms Shona Dewar
Mr & Mrs Stephen & Rasa Ungar
Professor Gary Field
Mr & Mrs V & Barbara Mulder
Professor George Mendelson
Mr Allan J Myers AO & Mrs Maria Myers AO
Professor John Rickard
Ms Anne Spurrirt & Ms Susan Yates
Professor Margaret Plant
Ms Bridget McDonnell & Mr John Timlin
Professor Peter Colman & Dr Anne Colman
Ms Kate M Molloy & Mr Philippe Charluet
Professor Robert Shanks
Mr Andrew Grajduk
Professor Wallace Kirsop
Mr Brian Cook
The Hon. Michael Watt QC & Cecilie Hall

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
19 INVESTMENT REVENUE				
(a) Investment revenue				
Interest revenue – general	858	916	418	638
Interest revenue – bequests	91	94	88	93
Dividends received	800	980	-	-
	1,749	1,990	506	731
(b) Capital movements				
Realised capital gains	131	124	-	-
Impairment loss on financial assets	(166)	-	-	-
Realised capital gains	(35)	124	-	-
20 SALARIES AND RELATED EXPENSES				
Salaries	22,338	21,490	22,134	21,298
Superannuation	2,145	2,113	2,125	2,094
Other salary-related costs	4,374	4,475	4,336	4,439
	28,857	28,078	28,595	27,831
21 BUILDINGS AND FACILITIES EXPENSES				
Security	1,244	1,261	1,244	1,261
Repairs and maintenance	2,398	3,860	2,398	3,860
Insurance	798	916	798	916
Cleaning	823	834	823	834
Utilities	940	933	940	933
Other	68	66	68	66
	6,271	7,870	6,271	7,870
22 PROFESSIONAL AND FINANCE EXPENSES				
Audit – internal and external	183	169	179	165
Consultancy and other costs	930	2,290	849	2,216
	1,113	2,459	1,028	2,381
23 BORROWING COSTS				
Finance lease interest	4	6	4	6

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
24 GRANTS DISTRIBUTED				
Community skills and networks	831	672	831	672
Refund of unused grants	636	-	636	-
Library networks	69	58	69	58
	1,536	730	1,536	730
25 OTHER EXPENSES FROM ORDINARY ACTIVITIES				
Information technology	3,735	3,767	3,735	3,767
IT operating leases	898	1,057	898	1,057
Office administration	342	286	331	278
Storage and conservation	453	529	453	529
Marketing and promotion	1,835	1,873	1,763	1,828
Communications	495	416	472	393
Travel and related expenses	360	284	358	282
Publications	188	255	141	194
	8,306	8,467	8,151	8,328

26 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The Library Board of Victoria is not aware of any contingent asset or contingent liability as at 30 June 2012 (2011: nil).

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
27 COMMITMENTS FOR EXPENDITURE				
The following commitments have not been recognised as liabilities in the financial statements:				
Capital expenditure commitments				
Capital expenditure includes collection expenditure payable as follows:				
Not later than one year	141	247	141	247
Later than one year, not later than five years	348	418	348	418
Later than five years	46	867	46	867
	535	1,532	535	1,532
Other expenditure commitments				
Other expenditure includes mechanical and lift maintenance, security, cleaning and rental of Ballarat offsite storage site, payable as follows:				
Not later than one year	3,393	2,197	3,393	2,197
Later than one year, not later than five years	1,528	3,289	1,528	3,289
Later than five years	1,724	1,791	1,724	1,791
	6,645	7,277	6,645	7,277
Operating leases				
Commitments for minimum-lease payments in relation to non-cancellable operating leases are payable as follows:				
Not later than one year	1,066	739	1,066	739
Later than one year, not later than five years	972	551	972	551
	2,038	1,290	2,038	1,290
Total commitments for expenditure (GST inclusive)	9,218	10,099	9,218	10,099
Less GST recoverable from the ATO	(834)	(918)	(834)	(918)
Total commitments for expenditure (GST exclusive)	8,384	9,181	8,384	9,181
28 REMUNERATION OF AUDITORS				
Fees paid and payable to the Auditor-General for auditing the financial report	36	34	32	30

The Auditor-General provided no other services.

	Note	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
		2012	2011	2012	2011
		\$'000	\$'000	\$'000	\$'000

29 NOTES TO THE CASH FLOW STATEMENT

a) Reconciliation of cash

For the purpose of the Cash Flow Statement, the Library Board of Victoria considers cash to include cash on hand and in banks, cash management accounts and investments in bank bills and fixed-interest securities, 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	4	4
Deposits	2	7,334	11,442	1,000	7,500
Cash at bank	2	697	626	614	613
Investments	4	4,325	5,081	-	-
		<u>12,360</u>	<u>17,153</u>	<u>1,618</u>	<u>8,117</u>

b) Reconciliation of net result for the year

Net result for the year		(14,044)	(6,564)	(14,560)	(7,324)
Non-cash movements					
Depreciation		14,935	7,945	14,935	7,945
Buildings revaluation shortfall in reserve		-	52	-	52
(Gain)/loss on sale of non-financial assets		(5)	5	(5)	5
Donations in kind		(2,348)	(886)	(2,348)	(886)
Gain on sale of available-for-sale financial assets		35	(124)	-	-
Other non-cash movements		(7)	3	-	-
Movements included in investing and financing activities					
Repayment of finance lease interest		4	6	4	6
Movements in assets and liabilities					
Increase in provisions		723	130	723	130
Decrease/(increase) in receivables		451	(203)	433	(1,020)
Decrease in inventory		20	-	20	-
Decrease in prepayments		13	44	8	44
Increase in payables		(841)	523	(841)	623
Increase in other liabilities		(220)	630	(220)	630
Net cash flows from/(used in) operating activities		(1,284)	1,561	(1,851)	205

c) Non-cash financing and investing activities

Acquisition of collections

During the year the consolidated entity received collections with an aggregate fair value of \$2,347,590 (2011: \$885,540) through public donations. These acquisitions are not reflected in the cash flow statement.

Leased assets

During the year the consolidated entity acquired leased motor vehicles of \$36,598 (2011: nil). These acquisitions are not reflected in the cash flow statement.

30 FINANCIAL INSTRUMENTS

a) Financial risk management objectives and policies

The Board's principal financial instruments comprise cash assets, term deposits, receivables, investments in equities, fixed interest securities and 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 Financial Officer.

30 FINANCIAL INSTRUMENTS (CONT'D)**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:

2012		CONSOLIDATED			
		Contractual financial assets –loans and receivables \$'000	Contractual financial assets available–for–sale \$'000	Contractual financial liabilities at amortised cost \$'000	Total \$'000
Contractual financial assets					
Cash and deposits		8,035	-	-	8,035
Receivables	Franking credits	105	-	-	105
	Debtors	397	-	-	397
	Accrued investment income	62	-	-	62
	SLV Foundation current account	-	-	-	-
Investments and other financial assets					
Equities		-	5,903	-	5,903
Property trust		-	1,141	-	1,141
Fixed interest securities		-	3,738	-	3,738
Cash management account		587	-	-	587
Total contractual financial assets		9,186	10,782	-	19,968
Contractual financial liabilities					
Payables	Supplies and services	-	-	813	813
	Lease liabilities	-	-	69	69
Total contractual financial liabilities		-	-	882	882

2011

Contractual financial assets					
Cash and deposits		12,072	-	-	12,072
Receivables	Franking credits	188	-	-	188
	Debtors	565	-	-	565
	Accrued investment income	63	-	-	63
	SLV Foundation current account	-	-	-	-
Investments and other financial assets					
	Equities	-	8,098	-	8,098
	Fixed interest securities	-	5,056	-	5,056
	Cash management account	25	-	-	25
Total contractual financial assets		12,913	13,154	-	26,067
Contractual financial liabilities					
Payables	Supplies and services	-	-	1,654	1,654
	Lease liabilities	-	-	76	76
Total contractual financial liabilities		-	-	1,730	1,730

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012
30 FINANCIAL INSTRUMENTS (CONT'D)

		STATE LIBRARY OF VICTORIA			
2012		Contractual financial assets -loans and receivables \$'000	Contractual financial assets available-for-sale \$'000	Contractual financial liabilities at amortised cost \$'000	Total \$'000
Contractual financial assets					
Cash and deposits		1,618	-	-	1,618
Receivables	Franking credits	-	-	-	-
	Debtors	386	-	-	386
	Accrued investment income	8	-	-	8
	SLV Foundation current account	4,086	-	-	4,086
Investments and other financial assets					
	Equities	-	-	-	-
	Property trust	-	-	-	-
	Fixed interest securities	-	-	-	-
	Cash management account	-	-	-	-
Total contractual financial assets		6,098	-	-	6,098
Contractual financial liabilities					
Payables	Supplies and services	-	-	813	813
	Lease liabilities	-	-	69	69
Total contractual financial liabilities		-	-	882	882
2011					
Contractual financial assets					
Cash and deposits		8,117	-	-	8,117
Receivables	Franking credits	-	-	-	-
	Debtors	565	-	-	565
	Accrued investment income	63	-	-	63
	SLV Foundation current account	3,084	-	-	3,084
Investments and other financial assets					
	Equities	-	-	-	-
	Fixed interest securities	-	-	-	-
	Cash management account	-	-	-	-
Total contractual financial assets		11,829	-	-	11,829
Contractual financial liabilities					
Payables	Supplies and services	-	-	1,654	1,654
	Lease liabilities	-	-	76	76
Total contractual financial liabilities		-	-	1,730	1,730

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

2012	CONSOLIDATED				
	Net holding gain	Total interest income/ (expense)	Fee income/ (expense)	Impairment loss	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial assets					
Contractual financial assets – loans and receivables	-	666	-	-	666
Contractual financial assets available-for-sale recognised in net result	132	940	(60)	(166)	845
Contractual financial assets available-for-sale recognised in other comprehensive result	(884)	-	-	-	(884)
Total contractual financial assets	(753)	1,606	(60)	(166)	627
Contractual financial liabilities					
Contractual financial liabilities at amortised cost	-	(4)	-	-	(4)
Total contractual financial liabilities	-	(4)	-	-	(4)
2011					
Contractual financial assets					
Contractual financial assets – loans and receivables	-	891	-	-	891
Contractual financial assets available-for-sale recognised in net result	124	1,099	(48)	-	1,175
Contractual financial assets available-for-sale recognised in other comprehensive result	251	-	-	-	251
Total contractual financial assets	375	1,990	(48)	-	2,317
Contractual financial liabilities					
Contractual financial liabilities at amortised cost	-	(6)	-	-	(6)
Total contractual financial liabilities	-	(6)	-	-	(6)

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 2012
30 FINANCIAL INSTRUMENTS (CONT'D)

2012	STATE LIBRARY OF VICTORIA				
	Net holding gain	Total interest income/ (expense)	Fee income/ (expense)	Impairment loss	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial assets					
Contractual financial assets – loans and receivables	-	506	-	-	506
Contractual financial assets available-for-sale recognised in net result	-	-	-	-	-
Contractual financial assets available-for-sale recognised in other comprehensive result	-	-	-	-	-
Total contractual financial assets	-	506	-	-	506
Contractual financial liabilities					
Contractual financial liabilities at amortised cost	-	(4)	-	-	(4)
Total contractual financial liabilities	-	(4)	-	-	(4)
2011					
Contractual financial assets					
Contractual financial assets – loans and receivables	-	731	-	-	731
Contractual financial assets available-for-sale recognised in net result	-	-	-	-	-
Contractual financial assets available-for-sale recognised in other comprehensive result	-	-	-	-	-
Total contractual financial assets	-	731	-	-	731
Contractual financial liabilities					
Contractual financial liabilities at amortised cost	-	(6)	-	-	(6)
Total contractual financial liabilities	-	(6)	-	-	(6)

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, Suncorp-Metway Limited, Evans & Partners and Perpetual Trustee Company Ltd.

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:

	CONSOLIDATED				
2012	Financial institutions Double-A credit rating	Government agencies Triple-A credit rating	Other min Triple-B credit rating	Other	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial assets					
Cash and deposits	8,035	-	-	-	8,035
Receivables	-	105	-	459	564
Investments and other financial assets	-	-	11,369	-	11,369
Total contractual financial assets	8,035	105	11,369	459	19,968

2011

Contractual financial assets					
Cash and deposits	12,072	-	-	-	12,072
Receivables	-	188	-	628	816
Investments and other financial assets	-	-	13,179	-	13,179
Total contractual financial assets	12,072	188	13,179	628	26,067

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012
30 FINANCIAL INSTRUMENTS (CONT'D)

STATE LIBRARY OF VICTORIA					
2012	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
Contractual financial assets					
Cash and deposits	1,618	-	-	-	1,618
Receivables	-	-	-	4,480	4,480
Investments and other financial assets	-	-	-	-	-
Total contractual financial assets	1,618	-	-	4,480	6,098
2011					
Contractual financial assets					
Cash and deposits	8,117	-	-	-	8,117
Receivables	-	-	-	3,712	3,712
Investments and other financial assets	-	-	-	-	-
Total contractual financial assets	8,117	-	-	3,712	11,829

e) Ageing analysis of contractual financial assets

The ageing analysis of contractual financial assets is as follows:

		CONSOLIDATED				
2012						
	Carrying amount	Not past due and not impaired	Past due but not impaired			
			Less than 1 mth	1-3 mths	3 mths-1 yr	1-5 yrs
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial assets						
Receivables						
Debtors	397	311	71	9	6	-
Accrued investment income	62	62	-	-	-	-
Franking credits	105	105	-	-	-	-
SLVF current account	-	-	-	-	-	-
Total contractual financial assets	564	478	71	9	6	-
2011						
Contractual financial assets						
Receivables						
Debtors	565	490	41	14	20	-
Accrued investment income	63	63	-	-	-	-
Franking credits	188	188	-	-	-	-
SLVF current account	-	-	-	-	-	-
Total contractual financial assets	816	741	41	14	20	-

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 2012
30 FINANCIAL INSTRUMENTS (CONT'D)

STATE LIBRARY OF VICTORIA

2012						
	Carrying amount	Not past due and not impaired	Past due but not impaired			
	\$'000	\$'000	Less than 1 mth \$'000	1-3 mths \$'000	3 mths-1 yr \$'000	1-5 yrs \$'000
Contractual financial assets						
Receivables						
Debtors	386	300	71	9	6	-
Accrued investment income	8	8	-	-	-	-
Franking credits	-	-	-	-	-	-
SLVF current account	4,086	4,086	-	-	-	-
Total contractual financial assets	4,480	4,394	71	9	6	-
2011						
Contractual financial assets						
Receivables						
Debtors	565	490	41	14	20	-
Accrued investment income	63	63	-	-	-	-
Franking credits	-	-	-	-	-	-
SLVF current account	3,084	3,084	-	-	-	-
Total contractual financial assets	3,712	3,637	41	14	20	-

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.

		CONSOLIDATED					
2012							
	Carrying amount	Nominal amount	Maturity dates				
			Less than 1 mth	1-3 mths	3 mths -1 yr	1 yr -5yrs	5+ yrs
	\$'000		\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial assets							
Payables							
Supplies and services	813	813	781	19	13	-	-
Lease liabilities	69	69	2	16	27	24	-
Total contractual financial liabilities	882	882	783	35	40	24	-
Contractual financial assets							
Payables							
Supplies and services	1,654	1,654	1,522	57	75	-	-
Lease liabilities	76	76	1	4	19	52	-
Total contractual financial liabilities	1,730	1,730	1,523	61	94	52	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012
30 FINANCIAL INSTRUMENTS (CONT'D)

		STATE LIBRARY OF VICTORIA					
2012							
	Carrying amount	Nominal amount	Maturity dates				
			Less than 1 mth	1-3 mths	3 mths -1 yr	1 yr -5yrs	5+ yrs
	\$'000		\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial assets							
Payables							
Supplies and services	813	813	781	19	13	-	-
Lease liabilities	69	69	2	16	27	24	-
Total contractual financial liabilities	882	882	783	35	40	24	-
2011							
Contractual financial assets							
Payables							
Supplies and services	1,654	1,654	1,522	57	75	-	-
Lease liabilities	76	76	1	4	19	52	-
Total contractual financial liabilities	1,730	1,730	1,523	61	94	52	-

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.

2012			CONSOLIDATED			
		Weighted average interest rate	Carrying amount	Interest rate exposure		
		%	\$'000	Fixed Interest rate \$'000	Variable interest rate \$'000	Non-interest bearing \$'000
Contractual financial assets						
Cash and deposits		6.6%	8,035	7,334	79	622
Receivables	Franking credits	-	105	-	-	105
	Debtors	-	397	-	-	397
	Accrued investment income	-	62	62	-	-
	SLV Foundation current account	-	-	-	-	-
Investments and other financial assets						
	Equities	-	5,903	-	-	5,903
	Property Trust	-	1,141	-	-	1,141
	Fixed interest securities	3.0%	3,738	3,738	-	-
	Cash management account	3.0%	587	-	587	-
Total contractual financial assets			19,968	11,134	666	8,168
Contractual financial liabilities						
Payables	Supplies and services	-	813	-	-	813
	Lease liabilities	6.6%	69	69	-	-
Total contractual financial liabilities			882	69	-	813

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012
30 FINANCIAL INSTRUMENTS (CONT'D)

2012

STATE LIBRARY OF VICTORIA

		Weighted average interest rate	Carrying amount	Interest rate exposure		
				Fixed	Variable	Non-interest
				Interest rate	interest rate	bearing
		%	\$'000	\$'000	\$'000	\$'000
Contractual financial assets						
Cash and deposits		6.6%	1,618	1,000	-	618
Receivables	Franking credits	-	-	-	-	-
	Debtors	-	386	-	-	386
	Accrued investment income	-	8	8	-	-
	SLV Foundation current account	-	4,086	-	-	4,086
Investments and other financial assets						
	Equities	-	-	-	-	-
	Property Trust	-	-	-	-	-
	Fixed interest securities	-	-	-	-	-
	Cash management account	-	-	-	-	-
Total contractual financial assets			6,098	1,008	-	5,090
Contractual financial liabilities						
Payables	Supplies and services	-	813	-	-	1,654
	Lease liabilities	6.6%	69	69	-	-
Total contractual financial liabilities			882	69	-	1,654

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012
30 FINANCIAL INSTRUMENTS (CONT'D)

			CONSOLIDATED		
2011					
	Weighted average interest rate	Carrying amount	Interest rate exposure		
	%	\$'000	Fixed Interest rate \$'000	Variable interest rate \$'000	Non-interest bearing \$'000
Contractual financial assets					
Cash and deposits	6.1%	12,072	11,442	10	620
Receivables	-	188	-	-	188
Franking credits	-	565	-	-	565
Debtors	-	63	63	-	-
Accrued investment income	-	-	-	-	-
SLV Foundation current account	-	-	-	-	-
Investments and other financial assets	-	8,098	-	-	8,098
Equities	-	5,056	5,056	-	-
Fixed interest securities	7.8%	25	-	25	-
Cash management account	7.8%	-	-	-	-
Total contractual financial assets		26,067	16,561	35	9,471
Contractual financial liabilities					
Payables	-	1,654	-	-	1,654
Supplies and services	-	76	76	-	-
Lease liabilities	6.6%	-	-	-	-
Total contractual financial liabilities		1,730	76	-	1,654

Equity-price risk

Exposure to equity-market risk arises from the Board's direct 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 and Australian Stock Exchange):

- a parallel shift of +2% and -2% in market interest rates (AUD) from year end rates of 3.5%, (2011: 4.75%)
- a proportional equity price movement of +5% (+205 points) and -5% (-205 points) from the year end S&P/ASX200 benchmark index of 4094.6 (2011: 4536.4).

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012
30 FINANCIAL INSTRUMENTS (CONT'D)

STATE LIBRARY OF VICTORIA

2011

		Weighted average interest rate	Carrying amount	Interest rate exposure		
				Fixed Interest rate	Variable interest rate	Non-interest bearing
		%	\$'000	\$'000	\$'000	\$'000
Contractual financial assets						
Cash and deposits		6.8%	8,117	7,500	-	617
Receivables	Franking credits	-	-	-	-	-
	Debtors	-	565	-	-	565
	Accrued investment income	-	63	63	-	-
	SLV Foundation current account	-	3,084	-	-	3,084
Investments and other financial assets						
	Equities	-	-	-	-	-
	Fixed interest securities	-	-	-	-	-
	Cash management account	-	-	-	-	-
Total contractual financial assets			11,829	7,563	-	4,266
Contractual financial liabilities						
Payables	Supplies and services	-	1,654	-	-	1,654
	Lease liabilities	6.6%	76	76	-	-
Total contractual financial liabilities			1,730	76	-	1,654

l) Interest rate risk sensitivity

		Carrying amount	Interest rate			
			-2%	-2%	+2%	+2%
			Net result	Available-for- sale revaluation surplus	Net result	Available-for- sale revaluation surplus
		\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial assets						
Cash and deposits		8,035	(161)	-	161	-
Receivables	Franking credits	105	-	-	-	-
	Debtors	397	-	-	-	-
	Accrued investment income	62	-	-	-	-
	SLV Foundation current account	-	-	-	-	-
Investments and other financial assets						
	Equities	5,903	-	-	-	-
	Property Trust	1,141				
	Fixed interest securities	3,738	(75)	-	75	-
	Cash management account	587	(12)	-	12	-
Total contractual financial assets		19,968	(247)	-	247	-
Contractual financial liabilities						
Payables	Supplies and services	813	-	-	-	-
	Lease liabilities	69	-	-	-	-
Total contractual financial liabilities		882	-	-	-	-

STATE LIBRARY OF VICTORIA

2012

		Carrying amount	Interest rate			
			-2%	-2%	+2%	+2%
			Net result	Available-for- sale revaluation surplus	Net result	Available-for- sale revaluation surplus
			\$'000	\$'000	\$'000	\$'000
Contractual financial assets						
Cash and deposits		1,618	(32)	-	32	-
Receivables	Franking credits	-	-	-	-	-
	Debtors	386	-	-	-	-
	Accrued investment income	8	-	-	-	-
	SLV Foundation current account	4,086	-	-	-	-
Investments and other financial assets						
	Equities	-	-	-	-	-
	Property Trust					
	Fixed interest securities	-	-	-	-	-
	Cash management account	-	-	-	-	-
Total contractual financial assets		6,098	(32)	-	32	-
Contractual financial liabilities						
Payables	Supplies and services	813	-	-	-	-
	Lease liabilities	69	-	-	-	-
Total contractual financial liabilities		882	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012
30 FINANCIAL INSTRUMENTS (CONT'D)

l) Interest rate risk sensitivity (cont'd)

2011		CONSOLIDATED				
		Carrying amount	Interest rate			
			-2%	-2%	+2%	+2%
			Net result	Available-for- sale revaluation surplus	Net result	Available-for- sale revaluation surplus
		\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial assets						
Cash and deposits		12,072	(229)	-	229	-
Receivables	Franking credits	188	-	-	-	-
	Debtors	565	-	-	-	-
	Accrued investment income	63	-	-	-	-
	SLV Foundation current account	-	-	-	-	-
Investments and other financial assets						
	Equities	8,098	-	-	-	-
	Fixed interest securities	5,056	(101)	-	101	-
	Cash management account	25	(1)	-	1	-
Total contractual financial assets		26,067	(331)	-	331	-
Contractual financial liabilities						
Payables	Supplies and services	1,654	-	-	-	-
	Lease liabilities	76	-	-	-	-
Total contractual financial liabilities		1,730	-	-	-	-

STATE LIBRARY OF VICTORIA

2011

		Carrying amount	Interest rate			
			-2%	-2%	+2%	+2%
			Net result	Available-for- sale revaluation surplus	Net result	Available-for- sale revaluation surplus
			\$'000	\$'000	\$'000	\$'000
Contractual financial assets						
Cash and deposits		8,117	(150)	-	150	-
Receivables	Franking credits					
	Debtors	565	-	-	-	-
	Accrued investment income	63	-	-	-	-
	SLV Foundation current account	3,084	-	-	-	-
Investments and other financial assets						
	Equities	-	-	-	-	-
	Fixed interest securities	-	-	-	-	-
	Cash management account	-	-	-	-	-
Total contractual financial assets		11,829	(150)	-	150	-
Contractual financial liabilities						
Payables	Supplies and services	1,654	-	-	-	-
	Lease liabilities	76	-	-	-	-
Total contractual financial liabilities		1,730	-	-	-	-

II) Equity price risk sensitivity

		CONSOLIDATED	
2012			
		Carrying amount	Equity price
			-5% +5%
			Available-for-sale revaluation surplus
			Available-for-sale revaluation surplus
		\$'000	\$'000 \$'000
Contractual financial assets			
Investments and other financial assets	Equities	5,903	(295) 295
	Property Trust	1,141	(57) 57
Total contractual financial assets		7,044	(352) 352

		CONSOLIDATED	
2011			
		Carrying amount	Equity price
			-5% +5%
			Available-for-sale revaluation surplus
			Available-for-sale revaluation surplus
		\$'000	\$'000 \$'000
Contractual financial assets			
Investments and other financial assets	Equities	8,098	(405) 405
Total contractual financial assets		8,098	(405) 405

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012
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 most of the contractual financial assets and liabilities are the same as the carrying amounts.

		CONSOLIDATED				STATE LIBRARY OF VICTORIA			
		Fair value measurement at 30 June using:	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount
		Level	2012 \$'000	2012 \$'000	2011 \$'000	2011 \$'000	2012 \$'000	2012 \$'000	2011 \$'000
Contractual financial assets									
Cash and deposits			8,035	8,035	12,072	12,072	1,618	1,618	8,117
Receivables	Franking credits	3	105	105	188	188	-	-	-
	Debtors	3	397	397	565	565	386	386	565
	Accrued investment income	3	62	62	63	63	8	8	63
	SLV Foundation current account	3	-	-	-	-	4,086	4,086	3,084
Investments and other financial assets									
	Equities	1	5,903	5,903	8,098	8,098	-	-	-
	Property Trust	1	1,141	1,141	-	-	-	-	-
	Fixed interest securities	1	3,738	3,738	5,056	5,056	-	-	-
	Cash management account	3	587	587	25	25	-	-	-
Total contractual financial assets			19,968	19,968	26,067	26,067	6,098	6,098	11,829
Contractual financial liabilities									
Payables	Supplies and services	3	813	813	1,654	1,654	813	813	1,654
	Lease liabilities	3	69	69	76	76	69	69	76
Total contractual financial liabilities			882	882	1,730	1,730	882	882	1,730

31 SUPERANNUATION

The Board made superannuation contributions for employees as follows:

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Defined benefit plan				
State Superannuation Fund	576	622	576	622
Defined contribution plans				
VicSuper	1,340	1,256	1,320	1,237
Private superannuation funds	229	235	229	235
	2,145	2,113	2,125	2,094

There are no superannuation contributions outstanding as at 30 June 2012. 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.

32 OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

(a) Net gain on financial instruments				
Gain/(loss) on sale of available-for-sale financial assets	(34)	124	-	-
(b) Net gain/(loss) on non-financial assets				
Net gain/(loss) in disposal of non-financial assets	5	(5)	5	(5)
Revaluation decrement of buildings	-	(52)	-	(52)
	(5)	(57)	5	(57)
(c) Capital assets charge				
Capital assets charge – revenue	41,403	41,403	41,403	41,403
Capital assets charge – expense	(41,403)	(41,403)	(41,403)	(41,403)
(d) Capital funding				
Capital funding provided by Arts Victoria	-	1,076	-	1,076
(e) Other losses from other economic flows				
Revaluation of long-service leave liability due to changes in bond rates	(467)	(1)	(467)	(1)
	(496)	1,142	(462)	1,018

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 Arts	Ted Baillieu MLA	1 July 2011 to 30 June 2012
Chief Executive Officer	Sue Roberts	10 April 2012 to 30 June 2012
Acting Chief Executive Officer	Sue Hamilton	1 July 2011 to 5 April 2012

Remuneration

Amounts relating to remuneration for the Minister for the Arts 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 \$420,000–429,999 (\$280,000–289,999 in 2011).

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

Mr John Wylie (President from 24 May 2012)	The Honourable Sherryl Garbutt
The Honourable John Cain (President, retired 23 May 2012)	Mr Petro Georgiou
Mr Stephen Kerr (Deputy President)	Mr Bruce Akhurst
Ms Robyn Annear	Ms Sylvia Geddes
Professor Merran Evans	Mr Dennis Goldner

No member of the Board has received remuneration or retirement benefits during 2011–12.

Remuneration of executives

The numbers of Executive Officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of Executive Officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long-service leave payments, redundancy payments and retirement benefits.

Factors affecting total remuneration payable to Executives over the year include some Executives receiving bonus or termination payments, and adjustments made to remuneration ranges.

Income band	Total remuneration	2011 No.	Base remuneration	2011 No.
	2012 No.		2012 No.	
\$150,000–159,999	1	-	1	-
\$160,000–169,999	-	-	1	1
\$170,000–179,999	-	-	1	2
\$180,000–189,999	-	1	-	-
\$190,000–199,999	-	1	-	-
\$200,000–209,999	1	-	-	-
\$210,000–219,999	1	1	-	-
Total number of executives	3	3	3	3
Total annualised employee equivalent (AEE)	3	3	3	3
Total amount (\$'000)	570	881	485	719

There were no related party transactions during the year ended 30 June 2012.

34 SUBSEQUENT EVENTS

The Library Board of Victoria is not aware of any events occurring subsequent to 30 June 2012 that may have a material effect on the financial statements. (2011: nil).

35 GLOSSARY OF TERMS

AAS

Australian Accounting Standards

AASB

Australian Accounting Standards Board

ABS

Australian Bureau of Statistics

ATO

Australian Taxation Office

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

Total comprehensive result is the aggregate of net result and other non-owner changes in equity.

DTF

Department of Treasury and Finance

Employee benefits expenses

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

Financial asset

A financial asset is any asset that is:

- a) cash
- b) an equity instrument of another entity, or
- c) a contractual right to receive cash or another financial asset from another entity.

Financial statements

Depending on the context of the sentence where the term 'financial statements' is used, it may include only the main financial statements (i.e. comprehensive operating statement, balance sheet, cashflow statements, and statement of changes in equity) or it may be used to replace the old term 'financial report' under the revised AASB 101 (September 2007), which means it may include the main financial statements and the notes.

Grants and other transfers

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature. Grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers.

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

Grants for on-passing

All grants paid to one institutional sector (e.g. a state general government) to be passed on to another institutional sector (e.g. local government or a private non-profit institution). Vicnet receives grants for on-passing as part of the following grant agreements: Public Internet Access Program, My Connected Community, Internet Training for People with a Disability and CALD (Culturally and Linguistically Diverse) Senior Surfers.

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.

LSL

Long-service leave

Net result

A measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner changes in equity'.

Net result from transactions/net operating balance

Net result from transactions or net operating balance is a key fiscal aggregate and is revenue 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

All assets that are not 'financial assets'.

Other economic flows

Other economic flows 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-current physical and intangible assets; actuarial gains and losses arising from defined-benefit superannuation plans; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal. In simple terms, other economic flows are changes arising from market re-measurements.

Payables

Includes short-term and long-term trade debt and accounts payable, grants and interest payable.

Receivables

Includes short-term and long-term trade credit and accounts receivable, grants, taxes and interest receivable.

Sales of goods and services

Refers to revenue from the direct provision of goods and services. Includes fees and charges for services rendered, and sales of goods and services.

SLV

State Library of Victoria

SLVF

State Library of 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 department.

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.

