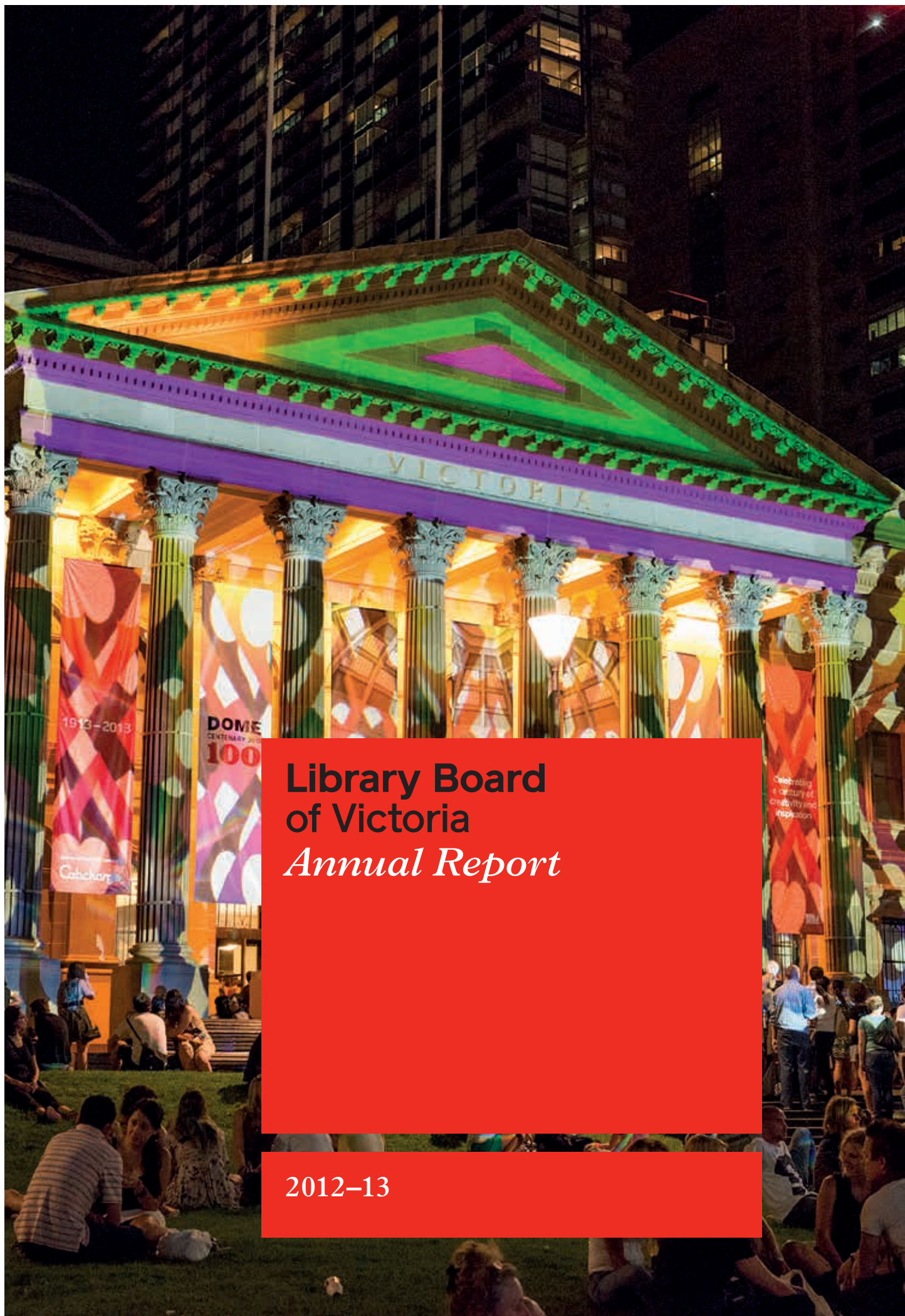




**Library Board
of Victoria**
Annual Report

2012–13



Library Board of Victoria Annual Report 2012–13

Published by the State Library of Victoria
328 Swanston Street
Melbourne, Victoria 3000

Also published on slv.vic.gov.au

© State Library of Victoria 2013

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

Authorised by the Victorian Government
328 Swanston Street
Melbourne, Victoria 3000

Typeset by Cannon Typesetting

Cover photograph: John Gollings,
White Night Melbourne 2013, courtesy
Victorian Major Events Company

Contents

President's report	3
Chief Executive Officer and State Librarian's year in review	4
Vision and values	6
Report of operations	6
Financial summary	18
2012–13 key performance indicators	19
Service Agreement with the Minister for the Arts	20
Government Priority Areas 2012–13	20
Output framework	23
Library Board and corporate governance	26
Library Executive	31
Organisational structure	33
Reconciliation of executive officers	34
Public sector values and employment principles	36
Statement of workforce data and merit and equity	37
Environmental performance	38
Diversity and access	39
Freedom of information	40
Protected Disclosure Act	41
Government advertising expenditure	41
Consultancies	42
Disclosure index	49

Financial statements

Auditor-General's report	43
Library Board of Victoria letter	45
Risk attestation	47
Financial report for year ended 30 June 2013	51
Notes to the financial statements	59



President's report

It gives me great pleasure to present my second report as President of the Library Board of Victoria. While continuing to deliver on the Library's *Corporate Plan 2010–13*, a large part of the Board's energy this year has been focused around forward thinking and setting in place building blocks for the Library's future.

In November 2012 the Board signed off on a new vision and set of strategic priorities for the Library, developed with our State Librarian, Sue Roberts, in her first full year at the helm. I want to thank Sue and all Victorians who contributed to the development of our vision through their enthusiastic and thoughtful participation in the Library's first community consultation process. We heard from a wonderfully diverse group made up of regular Library visitors and those who have never been to the Library, from local and far-flung community groups, and from our talented staff. This will be a hallmark of the way we proceed in the future.

Our vision is that the State Library will be a place where all Victorians can discover, learn, create and connect; a cultural and heritage destination for Victorians; and a leader in the discovery of information, enabling the generation of new knowledge and ideas. As we detail in our new corporate plan for 2013–16, we are committed to continue serving our core audiences of researchers, students, facilities users, information-seekers and culture-seekers. At the same time we will place greater emphasis on engaging new audiences, especially young learners and families, regional Victorians, members of Victoria's culturally and linguistically diverse communities, creative users and contributors. We have achieved a five per cent increase in visitation over the past year – the first growth in visitation figures for five years – and we look forward to building on this.

To deliver on the new vision, a new leadership team has been set in place. I welcome Jo Watson to the role of Director Community Engagement, Peter McMahon to the role of Director Digital Strategy, Justine Hyde to the role of Director Library Services and Experience, and Ben Clark to the role of Director Foundation.

The Foundation is dedicated to building relationships with members of the community who wish to support and further the State Library of Victoria's work. This will be increasingly important as we seek to realise our ambitious plans. In 2012 the Foundation underwent significant change, culminating in the transition of the Foundation Executive Committee to a newly established Foundation Council. We gratefully acknowledge outgoing members of the Foundation Executive Committee and welcome newly appointed members of the Foundation Council (you can read more about the new council and the Foundation's work on page 15).

One of the highlights of the year was the Keith Murdoch Oration, a major biennial fundraising event. This year's oration was delivered to a full house by the former Prime Minister of Australia, the Honourable Paul Keating. It was part of a program commencing a year-long celebration of the centenary of the opening of the Library's domed reading room, well recognised as one of the world's great library buildings.

In the following pages you will read more about the Dome Centenary, other highlights and the many achievements of 2012–13. I thank my fellow Board members, the Foundation, volunteers, partners, sponsors, other supporters and – of course – the dedicated Library staff, who together make it all possible.

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 2013.



John Wylie AM
President, Library Board of Victoria

Chief Executive Officer and State Librarian's year in review



Andrew Lloyd

In 2012–13 we welcomed 1,658,756 people through the doors of the State Library – a record number of visits, a 5 per cent increase on last year's visitation and well ahead of our target. It was the third and final year of the Library's current corporate plan and I am pleased to report that all of our key performance indicators for the period have been exceeded (see page 19).

Pages 6–17 of this report provide a detailed account of the Library's activities over the year, in line with the strategic priorities of the *Corporate Plan 2010–13*. We celebrated several significant anniversaries, which together say much about the Library's purpose and vital contribution to the Victorian community.

Ten years of Creative Fellowships

Since their inception in 2003, over 100 Creative Fellowships have been awarded by the Board. Originally funded by the Victorian Government through the Department of Premier and Cabinet, the AGL Shaw Trust, the John T Reid Charitable Trust and trading income, since 2006 the fellowships have been supported by an annual grant of \$100,000 from the Library's Foundation.

Reflecting our place as a hub for intellectual and cultural inquiry, the fellowships provide funds and space at the Library for recipients to pursue their interests inspired by the Library's unique collections. Fellows have included artists, writers and composers. The results of their fellowships have included book manuscripts, musical compositions, plays, dance performances, lectures, journal articles, exhibitions and art works in many forms from photography and paintings to sculpture and cartoons.

Over the years the Creative Fellowships have been augmented by additional fellowships funded for specific purposes by the CJ La Trobe Society, the University of Melbourne, the Berry Family and the Georges Mora Foundation, making the Library's program the largest of its kind in Australia and the most extensive in the range of disciplines that it supports. We are immensely proud of the major contribution to the creative and scholarly output of Victoria that the fellowships have enabled during the last ten years. For information about this year's recipients see page 12.

One hundred years of the domed reading room

The domed reading room lies at the heart of the Library site and is one of the most loved buildings in Victoria. Designed by Norman Peebles and modelled on the grand reading rooms of the British Library and the Library of Congress, it is often compared to the famous dome of Rome's Pantheon. The dome is viewed as a symbol of civilisation and human endeavour, and the domed reading room as an icon of learning.

Our reading room was first opened to the public on 14 November 1913. In November 2012 we began celebrating the Dome Centenary – generously assisted by our sponsor Cabcharge – making it the focal point of our community engagement activities through to November 2013.

These activities include the *Free, secular and democratic* exhibition, which tells the story of the Library from 1853 to the opening of the domed reading room in 1913, as well as *The enchanted dome* exhibition, which presented artistic, literary and musical works that celebrate the dome as a place to reflect, dream and be inspired. A *Summer of the seventeenth doll* app was installed on a dedicated iPad in the domed reading room, where it was largely written by playwright Ray Lawler. Almost 11,000 visitors flocked to the Library during the inaugural White Night Melbourne festival to enjoy musical performances under a specially illuminated dome. Our Open Access initiative brought children from disadvantaged schools to the Library to participate in a learning program inspired by the domed reading room and its galleries. Four special Creative Fellowships were offered for projects celebrating the dome as a place and as a way of bringing people together. And the Dome Centenary website explores the history and ongoing story of the dome, and invites all Victorians to share their dome experiences and memories.

Sir Redmond Barry's bicentenary

Finally, in June 2013 the Library joined with the Supreme Court of Victoria and the University of Melbourne to mark the 200th anniversary of the birth of Sir Redmond Barry, who was instrumental to the founding of all three institutions.

The Melbourne Public Library, as the State Library was known when it was established in 1853, was one of the first free public libraries in the world, open to anyone over the age of 14. Barry intended that the Library would provide the working people of the colony with useful information and the skills needed to build a prosperous civil society. He chose the first consignment of books and selected only the best editions, which were accessible directly from the shelves. This remained the case long after most libraries around the world had introduced the stack system, interposing librarians between readers and the books. The State Library continues this tradition of open shelving in our main reading rooms, and remains true to Barry's overarching ideals of freedom of access to information and learning for all.

I join with the President of the Board in thanking all who have enabled the Library to achieve so much during 2012–13, and I look forward to working with everyone over the coming year as we build towards our vision for the future.



Sue Roberts
Chief Executive Officer and State Librarian

Vision and values

As expressed in our *Corporate Plan 2010–13*, the Library is guided by the following 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 2010–13* and reports on our activities in line with these priority areas:

1. collecting and informing
2. strengthening Victoria's culture
3. reducing disadvantage
4. connecting communities
5. building partnerships
6. 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

During 2012–13, 57,444 items were added to the Library's collection and 87,633 bibliographic records were added to the Library's catalogue.

Key acquisitions have included:

- the papers of Brigadier Walter Cass, who saw active service in the Anglo-Boer War and in World War I at Gallipoli, on the Western Front and in India and Egypt
- an archive of the Brummels Gallery, established by noted photographer Rennie Ellis and credited with being the first Melbourne gallery dedicated to photography
- an early painting by iconic Australian artist Arthur Boyd, *Chadstone Road with market gardens*
- Peter Carey's laptop containing the drafts of two recent novels – *Parrot and Olivier* and *Chemistry of tears* – one example of our documentary heritage in digital form.

Valuable items are also added to the Library's collection through cultural gifts and donations. This year artist Juan Davila donated the painting *Churchill National Park*, depicting the catastrophic bushfires in 2009. Another significant cultural gift was the Paul Burke collection of Australian recordings, a major collection of approximately 7000 cylinders, 78RPM records, vinyl albums, cassettes and reel-to-reel tapes, many of which are unique.

Preservation and storage of the Library's physical collections remains a priority. In 2012–13, the Library conserved and preserved over 56,000 items. Preservation work was undertaken on the Coles Myer, Rhonda Senbergs, Le Dawn Photographic Studio and the Scholastic Dromkeen Children's Literature collections, as well as ABC vinyl and shellac records. Four new onsite collection stores were completed, with the relocation of more than 600 paintings and framed works and over two kilometres of collection into the new storage areas.

Increasingly, the Library is providing users with access to online resources. New purchases of digital resources included Findmypast Australasia, a genealogical database; British Newspaper Archive, an historical database of more than 200 newspapers; and Literature and Culture Collection (Informit), an archive of Australian literary and cultural magazines. Access was also provided to another newspaper title in The Times (UK) group of newspapers: *The Sunday Times, 1822–2006*.

Following last year's trial of the Electronic Book Library, which resulted in users selecting more than 680 titles for the Library's digital collection, we have expanded our offering of ebooks to include recently published overseas titles for the Redmond Barry Collection. From now on, whenever possible, preference will be given to collecting ebooks over print books for titles published overseas.

Improving customer and information services

Library use continues to increase. In 2012–13 there were 1,658,756 onsite visits, 3,271,742 online visits and 2,709,706 catalogue searches. The introduction of renewal letters, reminding Library members when their membership is due to expire, has seen membership renewals in the past year increase by 150 per cent over the previous year.

Over 65,851 reference inquiries were answered by information services staff – face to face, over the phone and through online chat and email.

I wish to congratulate the State Library of Victoria on the excellent service I received when I visited Swanston Street yesterday morning. The two young men on the information desk were pleasant and helpful, as were a young lady I spoke to at the photocopy area and a gentleman at the collection point. As I'd made a special trip into the city to visit the Library, I appreciate the extra trouble and persistence of the staff in continuing to look for the material I needed when it couldn't be located. I must confess that I didn't really expect to hear anything more and was delighted to receive an email from David Flegg this morning to say that the 1977 editions of *Australian Woman's World* had been found.

LIBRARY USER, AUGUST 2012

One major service improvement, centring on supporting Victorians in using the Library more readily by themselves, saw the development of a range of online tools, including

instructional videos and new research guides on a range of topics related to Victorian materials – Aboriginal people and family history, trademarks, designs, food, children's literature, and performance.

Continuing streamlining has improved our search interface. In March we implemented the new international cataloguing standard, RDA (Resource, Description and Access), which supports the creation of data that can be used and shared more easily in an online environment, making our collection content more accessible on the internet. Significant efforts have also been made to ensure that our digitised collections are made accessible directly from Google; almost a quarter of the traffic to our digitised items now comes to the Library via Google.

This year our online copy order service produced more than 30,000 scanned pages in response to client requests. A substantial percentage came from overseas and interstate, showing the level of reach and interest beyond Victoria that our resources are creating.

Public access to the internet was enhanced with wireless points now covering the front lawn and the Dome Galleries.

Strengthening Victoria's culture

Our digitising, exhibition, publishing and events programs play a significant role in building an understanding and appreciation of the richness and diversity of our culture among local, national and international communities.

Digitisation

Digitising collection items makes them 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. The Library regularly receives feedback from community members thrilled by the discovery of our digitised resources.

Absolutely fantastic – you are doing a wonderful job ... Your collection is amazing and so much is available on line now – it's unbelievable.

ONLINE LIBRARY USER, JULY 2012

Searched the *Government Gazette* online. Found the searches to be amazingly quick and easy. Thanks a lot to all who were involved in making this wonderful resource available!

ONLINE LIBRARY USER, SEPTEMBER 2012

During 2012–13 more than 92,000 collection items were digitised. These comprised a range of items including maps, plans, posters, pamphlets, negatives, glass plates, newspapers and monographs.

In collaboration with Victoria's public libraries, the Library digitised 89 regional and suburban newspapers from 1914 to 1918, providing access through the National Library of Australia's Trove database. With funding from the Australian Research Council, 31 illuminated manuscripts have now been digitised and made available for online viewing and downloading. With the support of the RE Ross Trust, 2615 oral history analogue recordings were digitised, producing 1423 hours of listening.

The Library digitised 70 issues of the *Victorian Groundwater Records* (1884–1965), providing access for the public as well as via the University of Ballarat's Visualising Victoria's Groundwater web portal.

Exhibitions

The Library's exhibitions program provides an opportunity for visitors to directly experience our heritage collections. Our three permanent exhibitions – Cowen Gallery (drawing on the Pictures Collection), *Changing face of Victoria* and *Mirror of the world: books and ideas* – are refreshed annually.

The Keith Murdoch Gallery also features a changing exhibition program. From August 2012 to April 2013, over 77,000 visitors enjoyed *Gusto! A culinary history of Victoria*, curated by Tracey Judd-Iva.

These days it seems as if everyone is a foodie there is such a wealth of cookery shows on television. An exhibit like *Gusto!* reminds us that an interest in food and cookery has been an ongoing process and it is very interesting to map the changes. I certainly learnt some new facts – for example, it was only in the 1980s that it became so much easier to eat out and have a drink at the same time. And speaking of drink, I was also surprised to see at what an early stage 'Don't drink and drive' campaigns were in place. Thank you for such an interesting exhibition.

EXHIBITION VISITOR, MARCH 2013

On 30 May, *Free, secular and democratic: building the Public Library 1853–1913* opened in the Keith Murdoch

Gallery. Sponsored by Bates Smart and curated by Professor Harriet Edquist, Professor of Design History at RMIT University and Director of the RMIT Design Archives, this exhibition tells the story of the ideas behind the founding and first 60 years of the Library and the other institutions located here. The exhibition is a highlight of the Library's Dome Centenary celebrations.

Also celebrating the Dome Centenary, the Library presented a smaller exhibition in the Blue Rotunda featuring the work of the many artists, authors and creative people who have found inspiration in its spaces and collections. *Enchanted dome: the Library and imagination* ran from October 2012 to July 2013.

Two earlier exhibitions toured during the year. The *Love and Devotion: from Persia and beyond* exhibition of illuminated Persian, Mughal Indian and Turkish Ottoman manuscripts was exhibited by our exhibition partner – the Bodleian Libraries at the University of Oxford – and was seen by over 35,000 visitors in Oxford. *Look! The art of Australian picture books today* completed a tour to venues in Queensland, New South Wales, the Australian Capital Territory and on the Mornington Peninsula; it received 174,620 visitors. Both *Love and Devotion* and *Look!* were highly commended in the Temporary/Travelling Exhibition category of the 2013 Museums and Galleries National Awards.

In addition to our own exhibitions, Library collection items were showcased in the exhibitions of other institutions throughout the year, most notably the National Museum of Australia's *Glorious days: Australia 1913* exhibition (for Canberra's centenary celebrations), and the National Gallery of Victoria's *Napoleon: revolution to empire* and *The Four Horsemen: apocalypse, death and disaster* exhibitions. Several items were loaned for programs and exhibitions in Ballarat: a large loan of posters for the Ballarat Fine Art Gallery exhibition, *Got the message? Fifty years of political posters*; rare books and comics for Ballarat Heritage Week; and fragments from the Eureka flag loaned to the recently opened Museum of Australian Democracy at Eureka.

One of our significant collaborations in November and December 2012 involved hosting John Kaldor's *Public Art Project #26: Allora and Calzadilla's Stop, Repair, Prepare: variations on Ode to joy*. Following great acclaim at the Museum of Modern Art in New York, renowned international contemporary artists Jennifer Allora and Guillermo Calzadilla presented their celebrated project combining sound, performance, sculpture and a grand piano. This 'love it or hate it' exhibition attracted more comment from Library visitors than any other initiative during the year.

In May the Library was also pleased to host three displays as part of the 2013 agIdeas International Design Week program. These included a typographical intervention by Lebanese designer Nadine Chahine on the walls of the Information Centre and two displays in the Cowen Gallery, one featuring emerging designers and the other poster designs by French graphic artist Alain Le Querrec.

Publishing

The Library's publishing program supports the publication of books that draw upon our collections by pursuing partnerships with commercial publishers.

Books published during 2012–13 in association with or with assistance from the Library included:

- *The true story of Ned Kelly's last stand: new revelations unearthed about the bloody siege at Glenrowan*, Paul Terry, Allen & Unwin, August 2012
- *Melbourne by menu: The story of Melbourne's restaurant revolution*, Rita Erlich, Slattery Media Group, September 2012
- *Long views and short vistas: Victoria's 19th-century public botanic gardens*, Gwen Pascoe, Australian Scholarly Publishing, November 2012
- *L. Bernard Hall: the man the art world forgot*, Gwen Rankin, NewSouth Books, May 2013.

Andrew Dodd's *JJ Clark: architect of the Australian Renaissance*, produced by NewSouth Books and designed by Di Quick, won a 2013 Museums Australia Multimedia and Publication Design Award in the non-exhibition catalogue category. The Library assisted with the publication and also supported the research, which was undertaken by Dodd as recipient of the 2009 Melbourne Redmond Barry Fellowship.

Public programs and major events

A year-long program leading up to the 100th anniversary of the opening of the Library's magnificent domed reading room was launched in November with the Keith Murdoch Oration delivered by former Prime Minister, the Honourable Paul Keating. This major fundraising event attracted 280 guests including the Premier, the Governor of Victoria, the Lord Mayor of Melbourne and members of the Murdoch family. Other dome events have included the delightful Dome Conversations series, reflecting on the space as a source of inspiration to writers, artists, photographers and poets.

The domed reading room was the focal point of the Library's participation in the inaugural White Night Melbourne. Our participation was supported by Victorian Major Events Company. This spectacularly successful event saw 10,849 people visit the Library between 7pm on Saturday 23 February and 7am on Sunday 24 February.

They experienced a musical program under the dome, complemented by a specially designed illumination of the room. Visitors also viewed the beautiful Queen's Hall, visited the *Gusto!* exhibition and enjoyed a light show on the Library façade.

In another great collaboration, the Library and the Wheeler Centre presented our third Children's Book Festival on Sunday 24 March. Nearly 15,000 children and adults flocked to venues across the site and met 17 of their favourite writers and illustrators, including Lynley Dodd, creator of the classic *Hairy Maclary from Donaldson's Dairy*, and the ABC's Justine Clarke, entertainer and author of *The Gobbledygook is eating a book*.

There were many other public events throughout the year, largely supporting our exhibition program or inspired in different ways by our collections. From the Outside-in Cinema and the Flashpoint series of script readings, to the Freeplay Independent Gaming Festival and the Making Public Histories series, our programs attracted high numbers and diverse and appreciative audiences.

I would like to thank the State Library. My partner and I are overworked, struggling financially, stressed to the max. We obtained free tickets to the Outside-in Cinema today and we are both so very, very grateful and appreciative. We have been before and we can't believe what a wonderful, accessible service you provide. I am also an avid user of the Library ... Thank you again.

OUTSIDE-IN CINEMA VISITOR, APRIL 2013

Other programming highlights for 2012–13:

- The Redmond Barry Lecture was presented by broadcaster and writer Ramona Koval, who shared the influence of books on her life; the Stephen Murray-Smith Memorial Lecture was presented by award-winning biographer Jim Davidson; and the Foxcroft Lecture on libraries as history was delivered to a full house by David Pearson, Director of Culture, Heritage and Libraries for the City of London Corporation
- A new speaker series called Digital Society launched with events featuring noted journalist Aleks Krotoski; Aleks writes about technology and interactivity, contributes to the *Guardian* online and presents the *Tech Weekly* podcast
- An engaging program complementing the *Gusto!* exhibition included tours, curator talks and lively panel discussions about sustainable living, the role of the

food critic and our changing taste in food; these events were complemented by pop-up markets on the Library forecourt, elegant high teas in the Red Rotunda and events with the Melbourne Food and Wine Festival and William Angliss Institute

- Reading Matters, the Library's biennial national youth literature conference, delivered 36 events in Melbourne, regional Victoria and Queensland featuring 16 of the world's best YA (Young Adult) authors and reaching more than 1000 young people and 400 professionals
- The Library participated in numerous Melbourne-wide, Victorian and national programs including Melbourne Open House, Melbourne Rare Book Week, Melbourne Knowledge Week, the Victorian Writers Festival, National Family History Week, 2012 National Year of Reading, Children's Week and Children's Book Week.

Reducing disadvantage

We deliver a wide range of learning programs and other initiatives designed to encourage 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. We also endeavour to make programs available for regional Victorians.

Learning programs

In 2012–13, over 1500 people took part in our adult learning programs. These programs – which cover general research skills, family history, public history, newspapers and health literacy – are a growth area for the Library and will be extended to include our first online learning program, targeting family history enthusiasts.

Over 22,000 primary and secondary students participated in the Library's curriculum-based schools program. Options for schools include exhibition-based tours and activities, library orientation and various workshops. Our Open Access initiative specifically targeting students from disadvantaged schools had 1629 participants, many of whom had never before visited the Melbourne CBD.

The staff were fantastic! I wish educators such as yourselves were in classrooms every day, though – students need people like you! Excellent content. Excellent delivery. Excellent activities. Well done!

TEACHER PARTICIPATING IN OPEN ACCESS, MARCH 2013

The schools program also supported the professional development of teachers and teacher librarians.

The Bright Ideas blog and short online courses in a Personal Learning Network environment focused on technology and education. A TEDxMelbourne event on education leadership featured Will Richardson from the US, and local experts Stephen Dinham OAM and Jenny Luca speaking to a capacity audience in Experimedia. We were honoured to receive a 2012 Arts Portfolio Leadership Award for leading the collaboration with other cultural facilities to run an expo showcasing the many learning opportunities in the city.

Parallel to the schools program is a diverse program aimed at promoting a love of books, reading and literature to children and youth, and supporting professionals who work in this area. In addition to the success of the biennial Reading Matters conference, the Centre for Youth Literature team chaired 16 sessions with YA authors at the Melbourne Writers Festival; toured twice to regional schools and libraries to present notable authors and treasures from the Library's collections; maintained the popular Inside a Dog website, attracting over 168,000 visits from young people discussing their favourite books, chatting with writers in residence, submitting blog posts and running their own online book clubs; ran the annual Inky Awards, Australia's only teen-choice book awards; and maintained Read Alert, a blog for people working in the youth literature field that presents news, debate, new release and author information, and teaching materials.

I want to congratulate you and your team on a wonderful Reading Matters conference. I came away from the event with my head swimming with ideas, inspiration from fellow book enthusiasts and a further insight into the talented authors through the discussions and forums. Give yourselves a huge pat on your backs – well done!

READING MATTERS PARTICIPANT, MAY 2013

For younger children the Library continued to offer story times for babies and pre-schoolers, attracting up to 300 participants per session, as well as school holiday activities. We ran special events for Children's Week and Children's Book Week; toured Australia's inaugural Children's Laureate, popular Indigenous author Boori Monty Pryor, to school audiences in regional Victoria; and completed the Making Books Making Readers project, which empowers children and teenagers from disadvantaged areas through the sharing of their stories. As noted on page 9 of this report, a highlight of the year was the third Children's Book Festival.

Supporting culturally and linguistically diverse communities

In addition to the continued implementation of our Cultural Diversity Action Plan, the Library has played a lead role in two important partnerships supporting services to culturally and linguistically diverse communities.

The State Library is well recognised nationally and internationally for our expert knowledge in the field of multilingual web access and has consequently been engaged by Victoria's Office of Multicultural Affairs and Citizenship for its Multicultural Government Information Online project. The aim is to develop a best-practice guide to advise government departments and agencies on how to develop translated information and make it accessible online to Victoria's multicultural communities. Stage one of three has been completed this year, delivering a literature review, environmental scan and a needs analysis.

The Library also continued to manage MyLanguage, a partnership between six of Australia's state and territory libraries. At the heart of the partnership is the MyLanguage portal at mylanguage.gov.au, which provides online access to government information and resources in more than 65 community languages. In September 2012, MyLanguage hosted its second national conference in Brisbane, which focused on exploring ways of connecting communities, collaborating and creating digital opportunities for multicultural Australia.

MyLanguage also worked in partnership with the Little Big Book Club to develop new multilingual video resources to support culturally and linguistically diverse families, especially new arrivals. The resources are based on the groundbreaking multilingual children's picture book, *Wilbur*. Written by children's author Phil Cummings and illustrated by Amanda Graham, *Wilbur* introduces concepts about Australian culture and recreation in a fun and educational way. Over 10,000 copies have been distributed free to newly arrived families since its publication in 2010. A DVD featuring a series of book readings available in 14 different languages – including Somali, Tamil, Burmese, Persian-Farsi, Dinka, Hindi, Khmer, Nuer, Amharic, Chinese, Arabic, Vietnamese, French and English – was distributed free to over 1300 public libraries across Australia, and is available to borrow.

Connecting communities

The Library aims to be an inclusive partner in bringing together many different communities. Our market research shows that the Library continues to enjoy both a high level of awareness across the community and a high level of visitor satisfaction and advocacy – 87 per cent of visitors surveyed were satisfied with their visit and 85 per cent would recommend the Library to others.

In late 2012 the Library conducted a direct and focused consultation process with the Victorian community as part of our strategic planning process. We consulted broadly with more than 1340 Victorians comprising Library users and non-users, metropolitan and regional communities, culturally diverse communities, as well as 150 primary school children. The results of this process confirmed the market research showing that the State Library is overwhelmingly valued as a significant Victorian institution. It also showed that the Library can do more to connect with Victoria's communities by reducing barriers and providing services that are flexible and responsive. Mapping the results of community, staff and stakeholder consultations with additional market research data established that, over the next five years, the Library needs to (and will) expand services to enable us to better connect with young learners and families, regional and outer metropolitan communities, culturally and linguistically diverse groups, creative users and contributors.

Building online connections and communities

The Dome Centenary has provided a significant opportunity for the Library to grow its links to Victoria's community and build a sense of community connectedness in the online environment. A dedicated Dome Centenary website (dome100.com.au) was launched in November. It contains information about the role that the Library and our domed reading room have played in the cultural, social, scholarly and civic lives of the community over the past hundred years. Key to the site is stories contributed by many people about their experiences of the dome. Contributions have come from a broad spectrum of the community – artists, students, musicians, authors, academics, teachers, architects.

The domed reading room at our public library is my very favourite building in Melbourne, and possibly Australia – perhaps just after the Opera House. I first came there in the 1950s as a student-teacher ... Every time I am near the Library I go up to the reading room and sit for a short while to soak up its atmosphere. Every friend of mine who has never been, I take there.

DOME CENTENARY WEBSITE VISITOR, MAY 2013

Contributions to the Dome Centenary website have been encouraged through the Library's social media and, in turn, individuals share the content via their own social media networks. The site also houses a blog, a calendar of events, resources for schools, and multimedia.

Online connections and communities of interest have also been maintained through the Library's monthly newsletters for corporate, education and Centre for Youth Literature readerships. They are distributed to a database in excess of 16,900. We are active on Facebook, Twitter, YouTube, Instagram and Flickr with 30,896 followers across all social media – an increase of 47 per cent over last year. This year the Such Was Life Australian history blog was added to our suite of blogs targeting specialist interests, including arts, genealogy and children's literature professionals. Social media provides an important innovation in the way we make the collection accessible to the public and engage with existing and emerging audiences.

Volunteers, the Foundation and Creative Fellows

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

In recent years our volunteer program has grown considerably, with new opportunities for volunteers to participate. In 2012–13 the Library recruited tour guides, audio transcribers, and family program and collections volunteers. Their contributions are greatly appreciated by both the Library and the community.

Completed the Dome Galleries tour with John and Iris. It was a great experience – truly inspired by the stories presented by the volunteers. John brought the history of Victoria to life with his knowledge of the Library, its collections and also his own personal experience having lived here for so many years. Iris contributed her enthusiasm. Victoria has a rich history and I am glad the State Library exists to maintain the records for it. Keep the volunteer program running – it certainly serves the community well. Keep up the good work SLV!

LIBRARY VISITOR, APRIL 2013

The Library also says a very big thank you to one of our long-serving volunteers, Ken Fraser, who has supported the Library for the last 20 years. A librarian by training, Ken was passionate about the Library's collections and made it his mission during retirement to catalogue the hidden backlogs of the our chess collection and the bound pamphlet collection, which otherwise would have been largely inaccessible. The bound pamphlets equate to more than 11,520 titles dating from the late 18th century, covering subjects from temperance to

viticulture, Belgian medicine to European war, as well as Australian biography, literature, history and arts. Much of this material is unique and rare. With cataloguing records, the pamphlets can now be digitised and made readily accessible online to anyone, anywhere, at any time.

Membership of the Foundation is another avenue through which the community can engage more deeply with the Library. The Foundation's membership now stands at 831, with ten corporate members. The Library receives considerable financial support from the Foundation, most notably for its Creative Fellowships program. For more information about the Foundation see page 15.

This year marked the tenth anniversary of the Library's Creative Fellowships program. This program provides opportunities to a range of researchers and creative artists to work innovatively with the extensive collections held by the Library. Recipients are provided with an office space in which to work over an extended period and receive a grant of \$12,500. As part of the Library's Dome Centenary celebrations, four special Dome Centenary Fellowships were awarded, each carrying a grant of \$25,000. These Fellowships were specifically for projects celebrating the dome as a place and as a way of bringing people together, exploring the potential of the Library, and imagining the future of the Library.

Creative Fellowships were awarded by the Library Board in June 2013 to:

- Kaz Cooke for *Indigene – raiment and regalia (or) What have you come as? Allegiances from footy jumpers to hens' night tiaras*, an installation, blog and article
- Joanne Oliver for *Etched with love and courage: the life and work of Jessie Traill, Australian printmaker 1881–1967*, a biography
- Rachel Buchanan for *The Melbourne Sirius*, an artist newspaper
- Mike Brady and Brenton Broadstock for *The road*, a musical-theatre work
- Adrian McNeil for *Making history audible in the dome: coloniality and the intercultural songs of Sourindro Mohan Tagore*, a musical performance
- Nicole Lindsay for *John Byng, a Yankee blackfellow*, a biography
- Max Allen for *Not forgetting you at all – Barak and the de Puys*, a book manuscript or documentary
- Bernard Caleo and Alex McDermott for *Faust in Melbourne: the devil collects*, a print and ebook comic and narrative performance.

Dome Centenary Fellowships were awarded to:

- Penelope Bartlau for *Liberty of the press*, puppetry and children's workshops

- David Allen for *The Qubdi Project: Somali families under the dome*, a community engagement and oral-history project
- Carolyn Watson for *The Dome Centenary Choir: a celebration of Australia's choral music heritage*, a community engagement and public performance project
- Alicia Sometimes, Emilie Baker and Sean Whelan for *'Capital: The beginning of the word' – a poetic history of the State Library of Victoria*, a performance work, recorded music and installation.

Additionally, the biennial La Trobe Society Fellowship was awarded this year. Carrying a grant of \$12,500, this fellowship promotes recognition and understanding of the achievements of Charles Joseph La Trobe, who was instrumental in the founding of the State Library and governor of the colony at the time. Projects are focused around the period of La Trobe's governorship, 1839–51. The La Trobe Society Fellowship was awarded to Madonna Grehan for *An émigré gentlewoman midwife in Port Phillip and Victoria 1848–80*, a biographical history. An Honorary La Trobe Society Fellowship was awarded to Caroline Clemente for *Thomas Woolner: a Pre-Raphaelite artist in Melbourne*, a series of scholarly articles.

The Redmond Barry 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 Marguerita Stephens for a project delivering a book manuscript entitled *Assistant Protector William Thomas and the Kulin people, 1839–67: 'the end of things'?*

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 Brook Andrew and Trent Walker for their project *Dual/Duel*. The project will result in four large artists' books for exhibition.

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. This is the tenth year in which these awards have been offered.

The 2013 winners are:

- Didem Caia for *Vile*
- Mari Lourey for *Dirt songs*
- Tobia Manderson-Galvin for *The unknown man on Somerton Beach*
- Trudy Hellier for *Just perfect*.

Merrilee Moss was highly commended for *Oriel* and awarded a sum of money specifically for working with a dramaturg on the structure of the play. Didem Caia's play was chosen for the Playwriting Australia Script Development Workshop in 2014.

Building partnerships

Innovative partnerships are an essential way for the Library 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 government departments. In any year, 10–20 per cent of the Library's spend is supported through cash and in-kind contributions.

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

Our commercial strategy is an ambitious plan to grow non-government revenue through enhanced commercial activities and working closely with our partners. A pilot series of high tea events in the Red Rotunda was run, proving so successful that these events will become a regular feature on the Library's calendar. The venue hire operation continued to grow, hosting 350 external events and generating revenues above target.

To celebrate the Dome Centenary, the Library partnered again with stationer Zetta Florence to develop a beautiful suite of merchandise.

The Library continued to work closely with Readings bookshop, Mr Tulk cafe, SmarteCarte locker service and BEAR Solutions, who deliver our public copying service. The services provided by these partners make a valuable contribution to the visitor experience at the Library.

We also continued our shared services arrangements with other agencies in the government's arts portfolio. For more information see page 21.

Working with government

Throughout the year we worked with a number of Victorian government departments and agencies to deliver initiatives.

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

program, providing services for digital inclusion including ICT and hardware support, ICT advice, connectivity, email, web publishing and web hosting to a diverse range of community kindergartens across Victoria. In 2012–13 the program also offered professional development for kindergarten staff and parents in a range of ICT topics with delivery via face-to-face classroom opportunities as well as flexible self-paced e-learning via the web. We also delivered schools programs as part of the Department of Education and Early Childhood Development's Strategic Partnerships Program.

For Victoria's Office of Multicultural Affairs and Citizenship we commenced delivery of its Multicultural Government Information Online project (see page 11 for details), and we worked with Victorian Major Events Company on the inaugural White Night Melbourne festival (see page 9).

Working with public libraries

We continued to work closely with Victoria's public library network, guided by the Library Board of Victoria's Advisory Committee on Public Libraries and its *Framework for collaborative action*.

We completed the second stage of a three-year plan of collaborative initiatives, many of which are building capability in the public library network. The highlight of the year was the publication of *Victorian public libraries 2030: strategic framework*. Emerging from an intensive sector-wide visioning process, the framework identifies the key social trends that will influence the evolution of public libraries and sets out five strategies to guide managers in their longer term strategic planning. The *Internet and PC usage in Victorian public libraries* report was also released, providing public library managers with critical data about the ongoing need for reliable free public internet access and access to digital literacy programs; it will be used for planning and advocacy purposes.

Leadership development in the sector was supported through the rollout of a six-month Shared Leadership Program for 19 emerging public library leaders, and the Margery C Ramsay Scholarship. The \$30,000 scholarship was awarded to Liz Pidgeon, Local and Family History Librarian from Yarra Plenty Regional Library, enabling her to visit major family and local history research facilities in the United Kingdom and North America to identify leading-edge services and programs that can be used for family and local history programs in Victorian public libraries.

Professional development of public library staff was supported through a range of seminars and the Frontline online training in reader-centred customer service. Frontline trained 387 staff through two cycles.

Our partnership with public libraries provided opportunities for enhanced community engagement and creativity through a number of literary programs:

- High Road to Reading delivered 92 events in 18 library services and featured great Australian authors such as Shane Maloney, John Marsden, Andy Griffiths and Melina Marchetta
- Writes of Spring was an innovative short story competition focused on encouraging creative writing while promoting the role of public libraries in collecting and sharing community stories; 35 winning entries showcasing the creativity and diversity of the Victorian community were published in a winners' book as a lasting legacy of the National Year of Reading
- The Summer Read encouraged Victorians to take time out for pleasure and enrichment through reading a selection of ten Victorian books and recommending their favourite titles to others
- The Australian Poetry Slam was run in conjunction with six public libraries hosting the fast-paced, audience-driven Victorian heats and the State Library hosting the Victorian final.

Working with universities, other state libraries and the National Library of Australia

The Library has continued to work with the Australian university sector in diverse ways. We participated in an expanded staff mentoring program with several of Melbourne and Tasmania's university libraries (see page 16 for details). The Making Public Histories program of public events was delivered in partnership with Monash University and the History Council of Victoria. We jointly offered the Redmond Barry Fellowship with the University of Melbourne (see page 13 for details).

The Library maintained support for two Australian Research Council funded projects:

- 'Grey literature, policy innovation and access to knowledge: realising the value of informal publishing', which analyses the contributions made by research literature produced and disseminated outside of commercial publishing to public policy, education, commercial innovation and social development – a project with Swinburne and Victoria universities
- 'Minutes of evidence project: promoting new and collaborative ways of understanding Australia's past and engaging with structural justice', which brings together researchers, theatre performers and education experts to heighten awareness of Australian history between Indigenous and non-Indigenous communities – a project with Melbourne and Deakin universities.

The Library managed the MyLanguage project for a consortium of state and territory libraries (see page 11 for details), and remained a major contributor to National

and State Libraries Australasia projects, particularly collection development, digital preservation and open access initiatives.

International relationships

The Library has strengthened its strong support for international library cooperation and collaboration. In October 2012, the Memorandum of Understanding between the Library Board of Victoria and the National Library Board of Singapore was renewed for the third time with a commitment to explore options for professional development, engagement with diverse communities and learning programs, multi-platform access to digital information, events and exhibitions, information sharing and benchmarking.

During the year we hosted professional development visits from a range of organisations, including the International Federation of Library Associations and University Librarian of British Columbia; the West Java Provincial Library and Archives Agency; the Institute of Developing Economies Library, based in Chiba, Japan; Hong Kong Public Library service; and Singapore's Preservation of Monuments Board.

Sue Roberts, CEO and State Librarian, also undertook benchmarking visits to Singapore's National Library Board, Nanyang Technological University Library and several major US public libraries – Queens, Chicago and Seattle – as well as the Urban Libraries Council, the peak professional body for US public libraries.

State Library of Victoria Foundation

The State Library of Victoria Foundation is dedicated to building relationships with members of the community who wish to support and further our work. Established in 1994 as a public ancillary fund, the Foundation actively raises funds through a donation and bequest program. Sponsorship and individual and corporate membership also assist the Library in achieving our mandate. Funds raised help purchase items of historical significance as well as grow, conserve and digitise the State Collection, deliver information services, mount exhibitions, run educational and cultural events, provide creative fellowships and contribute to a number of publications that promote the Library's collections and public programming.

Following the success of the *Love and Devotion* exhibition in 2012, the Foundation secured sponsorship for both *Gusto!* and *Free, secular and democratic*. Over and above traditional cash and in-kind sponsorship, the Foundation worked closely with partners to leverage benefits and maximise visitor experience. We are particularly grateful to Cabcharge for their principal

partnership of the Dome Centenary celebrations. Other key sponsors and supporters during the year were William Angliss Institute, the University of Melbourne, Bates Smart and Australians Studying Abroad.

Integral to the success of the Foundation is the support of its members and donors. A core component is the Redmond Barry Society – a committed group of individuals who have pledged a bequest to the Library. Contributions from Foundation members, donors and Redmond Barry Society members assisted the acquisition of a number of notable works during the year. These include the papers of Brigadier Walter Cass, a watercolour of the commercial meat market in North Melbourne painted by Augustus Pierce in 1893, papers and manuscripts by renowned author Peter Carey, and the Dianne Fogwell collection. Philanthropic contributions also supported the Keith Murdoch Oration and the Creative Fellowships program.

In 2012, the Foundation underwent significant change, culminating in the transition of the Foundation Executive Committee to a newly established Foundation Council. We gratefully acknowledge outgoing members of the Foundation Executive Committee, including Peter Lothian (Chair), Arturo Gandioli Fumagalli, Claire Hausler, Martin Armstrong, John Arnold, Andrew Coloretti, Gary Graco, John Mortimore, Julie Kantor and Professor Andrew Reeves. Newly appointed members of the Foundation Council include Christine Christian (Chair), Jane Hansen, Michael Kay, David Mullaly, Eddie McGuire AM, Richard Lourey, Doug Kefford AO, David Evans, Maria Myers AO, John Wylie AM and Stephen Kerr.

Delivering capability and governance

Improving efficiency and decision-making

The progressive upgrade of the Oracle financial system continues and delivers the following business benefits: improved budget modelling and reporting to the Library Board and to managers, the extension of electronic procurement capability, improved reporting of the Foundation investment portfolio and a closer integration with investment service provider systems.

During the year we integrated the Foundation's financial systems and banking processes with the Library's financial management systems.

Information and communications technology

We enhanced our digital storage capacity to accommodate the Library's ongoing digitisation initiatives; upgraded many of the Library's collection management, discovery and delivery tools including Primo, Voyager, MetaLib, DigiTool, Relais and SFX; and made noteworthy enhancements to DigiTool viewer, DigiTool image creation and the Primo mobile site.

Collection discovery was further enhanced by the creation of holdings for digital items, permitting major uploads of images that are now accessible through the National Library of Australia's Trove search service. Data changes were made to allow WorldCat to link directly to records in the State Library's catalogue, connecting our collection to more than 10,000 libraries worldwide.

Online image galleries were built for the *Gusto!*, *Enchanted dome* and *Free, secular and democratic* exhibitions, and a dedicated website for the Dome Centenary was built. We also upgraded existing websites with rebranding and improvements to the functionality of the What's On section of the main corporate site. We completed phase-out of Collage in favour of Drupal as our web content management platform.

Wireless access to the internet for the public was extended to cover the Library's front lawn and the Dome Galleries, and our services to school students have been improved by the acquisition of a class set of mini iPads.

Developing our workforce

A new corporate induction program was developed during the year and implementation commenced in June 2013.

As part of the process of internal and external consultation, many staff participated in surveys and workshops designed to assist the Library Executive and Board in the development of our new strategic framework.

We were also involved in the development of a cross-institutional staff mentoring program, which extends from a pilot program run in 2011–12. The pilot program, established in partnership with Monash University Library, was considered so successful that it was extended to another six organisations, including the University of Melbourne, University of Tasmania, Victoria University, RMIT University, La Trobe University and CAVAL. The program matches senior staff across the participating institutions as mentors with nominated mentees for a formal 12-month program.

The Library reached agreement with the Community and Public Sector Union on the terms of the Enterprise Partnership Agreement, which will remain in effect until 31 December 2015. The agreement provides for a range of scheduled salary increases and was approved by the Fair Work Commission with effect from February 2013.

Caring for our iconic heritage building

It was announced in May that the State Government has agreed to provide \$6.7 million for the Library to undertake work to correct significant weather damage and provide waterproofing to the roof of the domed reading room

as well as to correct deterioration to the fabric of the Swanston Street façade. Work has commenced on rethinking the use of existing public spaces within the Library in line with the programming objectives in the Library's new strategic plan.

Risk management

The Library completed a strategic risk review in conjunction with the internal auditors Deloitte Touche Tohmatsu, resulting in a newly compiled strategic risk register. Other risk management reporting and assessment programs continue to enable the completion of the annual risk attestation process.

We have completed the installation of an offsite ICT Disaster Recovery Centre at Museum Victoria. The business continuity plans for all operating divisions have been updated and revised. Emergency management plans have been tested with successful evacuation drills involving the public as well as staff. Our safety management systems have been successfully audited for compliance with the SafetyMap Quality system.

Market research and media highlights

Over the past year our market research included the annual intercept survey to gauge visitor demographics and experiences, and a robust community consultation program to inform the development of our new strategic plan. Our consultation methodology included the Your State Library, Your Say website, a community survey, interviews with service providers to CALD communities and focus groups with children in a broad cross-section of schools. This type of consultation will become part of the norm at the Library, as we seek to engage more broadly and more deeply with the communities we serve.

Social media was one of the main mechanisms for directing people to the Your State Library, Your Say website. Increasingly we are using social media and other online channels in our marketing strategies for exhibitions, programs and events. Following a review of print collateral, many of our print publications are being phased out as we transition to digital formats. Our specialist print editors and designers are upskilling to work across formats.

Collaboration with external partners is another prominent feature of our marketing strategies. In 2012–13 we were especially pleased with the valuable exposure for the *Gusto!* exhibition that was generated by working with the City of Melbourne on the Look.Stop.Taste promotion across 30 CBD venues, participating in the William Angliss Institute Open Day, and installing a pop-up market from the Queen Victoria Market on the forecourt to mark the opening of the exhibition.

Of the \$12,247,178 in total media coverage achieved in the year 2012–13, 76 per cent was derived from electronic media and 24 per cent from print. The Library's online media coverage has continued to increase, reflecting the general media trend of publishing more content online.

Among many media highlights was a cover article celebrating the Dome Centenary by author Shane Maloney in *The Age* 'Life and Style' in November. Also in November, Paul Keating's Keith Murdoch Oration generated media valued at \$1,391,954. The oration was streamed live, received extensive national, interstate and Victorian coverage, and was later broadcast on the ABC *Big ideas* program. From 24 December and throughout January, *The Age*'s summer edition featured a daily book extract from the ten titles in the Summer Read program, the ten shortlisted books in the 2012 Inky Awards and five titles from the Library's publishing program. The Such

Was Life blog – a new initiative to share interesting stories about Victorian history – led to Australian History and Literature Librarian Tim Hogan being invited as a guest speaker on the *Touch my history* segment on 3RRR FM. The producer of the show described Tim's radio spot as 'just brilliant ... one of the best we've had!'

In the last quarter of 2012–13 we worked with communications agency GPY&R on preparing an integrated communications strategy to align with the Library's corporate plan for 2013–16.

Corporate plan

The last 12 months marked the third year in our *Corporate Plan 2010–13*. A major focus for the year was on developing a new five-year vision and strategic direction for the Library and a new corporate plan for 2013–16. See the President's report on page 3 for more detail.

Financial summary

Summary of financial results with five-year comparatives

	2013 \$'000	2012 \$'000	2011 \$'000	2010 \$'000	2009 \$'000
Revenue from government	81,529	81,423	80,930	79,139	88,219
Other revenue	9,455	7,454	9,398	13,294	14,692
TOTAL REVENUE	90,984	88,877	90,328	92,433	102,911
TOTAL EXPENSES (excluding depreciation)	(86,265)	(87,986)	(88,947)	(90,795)	(93,772)
NET RESULT FOR THE YEAR BEFORE DEPRECIATION	4,719	891	1,381	1,638	9,139
DEPRECIATION	(13,300)	(14,935)	(7,945)	(8,139)	(8,046)
TOTAL EXPENSES	(99,565)	(102,921)	(96,892)	(98,934)	(101,818)
NET RESULT FOR THE YEAR AFTER DEPRECIATION	(8,581)	(14,044)	(6,564)	(6,501)	1,093
CASH FLOW FROM OPERATING ACTIVITIES	2,648	(1,284)	1,561	(1,584)	13,232
TOTAL ASSETS	908,616	917,039	932,312	807,315	815,039
TOTAL LIABILITIES	10,354	10,453	10,798	9,588	11,444

Notes

- 1 Revenue from government includes \$41.403m of capital assets charge.
- 2 Other revenue includes revaluation of long-service leave liability due to changes in bond rates, net gain on sale of financial instruments and net gain on sale of non-financial assets.
- 3 Total expenses include \$41.403m of capital assets charge and expenses from transactions.
- 4 The above summary should be read in conjunction with the accompanying financial statements.

Current year financial review

The Library Board achieved a net result before depreciation for 2012–13 of \$4.719m surplus compared to \$0.891m surplus for 2011–12. The net result after depreciation for 2012–13 was \$8.581m deficit compared to \$14.044m deficit for 2011–12. Factors contributing to the net result are outlined below.

- Revenue has been increased by \$2.0m to \$90.9m and has been affected by the following items:
 - revenue from government includes an additional \$3.7m in recurrent funding
 - trading revenue has increased to \$2.2m in 2012–13, mainly due to increased revenue from events, venue hire, commissions and rental income
 - external funding was higher in 2012–13, mainly due to \$1.1m in grant funding for the Kindergarten IT project and sponsorship of \$300,000 for the Dome Centenary from Cabcharge Australia Ltd
 - donations are lower in 2012–13 due to a reduction in the value of items donated to the collection (\$1.3m compared to \$2.3m in 2011–12)
 - investment revenue has continued to decline as interest rates have decreased during 2012–13.
- Expenses from transactions for 2012–13 have declined to \$99.5m, primarily due to fewer grants being distributed and general cost savings.
- The revaluation of long-service leave liability due to changes in bond rates resulted in a gain of \$156,111 (2011–12: \$466,328 loss).
- Net assets have decreased primarily as a result of increased building depreciation rates adopted in 2011–12.
- Total liabilities have been maintained at \$10.4m.

2012–13 Key Performance Indicators

The Library's 2010–13 planning framework was designed to achieve outcomes articulated in the 2010–13 corporate plan.

Description	Unit of measure	Actual 2011–12	Target 2012–13	Actual 2012–13
Increase use of the State Collection by 10% by 2013 ¹	%	41%	10%	53%
Increase active engagement in Victoria's culture facilitated by the Library by 10% in 2013 ²	%	24%	10%	32%
Percentage of targeted Victorians satisfied with their engagement with the Library ³	%	89%	80%	90%
Percentage of people engaging with the Library who will recommend the Library to others ⁴	%	94%	80%	85%
Proportion of Library activities funded by partnerships ⁵	%	11%	10%	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. A 53% increase was achieved over the triennium against a target of 10%.
- 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. A 24% increase was achieved over the triennium against a target of 10%.
- 3 Targeted Victorians are those residing in postcodes identified in the top 30% of the Index of Relative Socio-economic Disadvantage. The 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.
- 5 Over the triennium, 11% of activities undertaken were funded through partnerships.
- 6 Based on the Library's appropriation grant for 2012–13 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 2012–13

Whole-of-government initiatives

International strategies

The Library has retained a strong commitment to fostering and promoting international relationships. The Memorandum of Understanding with the National Library Board of Singapore – which encourages benchmarking, information-sharing and staff exchange programs to enhance program development and services – was renewed for a third time in 2012. In addition, we hosted a number of international professional development visits from a range of organisations, including the International Federation of Library Associations, the University Librarian of British Columbia, the West Java Provincial Library and Archives Agency, the Institute of Developing Economies Library based in Chiba, Japan, Hong Kong Public Library service, and Singapore's Preservation of Monuments Board.

Utility efficiencies

In 2012–13, we continued to implement initiatives from our Environmental Management Plan, including rolling out sensor lighting in back-of-house areas and fine-tuning air conditioning and humidity controls to achieve energy efficiencies.

World class arts to regional Victoria

The Library continued to make its unique and historic collections – including photographs, slides, posters, maps and manuscript materials – available online to all Victorians for free through its extensive digitising program. Over 10,000 maps, posters and rare Victorian pamphlets were digitised during the year with key collections including the Batten & Percy auction plans

and posters from the Riley and Ephemera Collection. Approximately 23,000 35mm slides from the Rennie Ellis collection were also digitised. Another milestone was the digitising of the records of the Burke and Wills expedition. Particular emphasis was given to the continuation of digitising Victorian regional newspapers from World War I and the digitising of rare illuminated manuscripts. We also digitised back issues the *Victorian Groundwater Records* and continued to provide access to the *Football Record* each week during the football season.

In its second year, the High Road to Reading statewide author talks and workshop program worked with 18 public library services across Victoria to deliver 92 events to over 4400 attendees. Authors are enjoying sharing their work with the community, with Shane Maloney, Andy Griffiths, Melina Marchetta and John Marsden among the highlights this year.

Through the Summer Read program, Victorians were encouraged to take time to read ten selected Victorian books and to share their favourite reads with others – gaining pleasure and enrichment from reading. The top 20 recommended titles were published on the State Library website and 13 winners were chosen randomly to receive prize packs.

The Library and six public libraries worked together to deliver the Victorian heats and state final of the Australian Poetry Slam. Victorian winner Freya Dougan-Whaite and runner-up Sam Hasell represented Victoria at the national finals.

Collaborative initiatives

Agency leadership

The Library worked collaboratively with Arts Victoria and portfolio agencies on shared services in 2012–13, 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 at Museum Victoria
- hosting the Voyager Library Management System for Museum Victoria
- provision of internet connectivity services to the Australian Centre for the Moving Image and Museum Victoria
- delivery of ICT, building and facilities maintenance and related services for the Wheeler Centre.

During the year, we have continued to support two Australian Research Council (ARC) funded projects: 'Grey literature', which analyses the impact and contributions made by grey literature (research literature produced and disseminated outside of commercial publishing) to public policy, education, commercial innovation and social development; and 'Minutes of evidence project: promoting new and collaborative ways of understanding Australia's past and engaging with structural justice', which brings together researchers, theatre performers and education experts to heighten awareness of Australian history between Indigenous and non-Indigenous communities. We completed our participation in a third ARC project: 'Medieval and Renaissance manuscripts in Australia: researching and relating Australia's manuscript holdings to new technologies and new readers'.

National policy initiatives

The Library has contributed to the national policy debate on copyright arising from the Australian Law Reform Commission's (ALRC) inquiry into the relevance of the Copyright Act in the digital environment. Specifically, we participated in three discussion forums with the cultural industries and the Commission, and provided evidence-based data to support the Australian library sector's first submission to the Commission prepared by the Australian Digital Alliance and Australian Libraries Copyright Committee. The Library will contribute in a similar way to the sector's second submission following the release of the ALRC's discussion paper, expected in June 2013. We have also continued to work collaboratively to strengthen the information infrastructure in Australia as a member library of National and State Libraries of Australasia (NSLA).

Increasing audiences and revenue

As part of the Library's 2013–18 strategy, we undertook an extensive community consultation process and also developed a visitor segmentation analysis. Significant work has been done on our Community Engagement Plan, which creates a framework for the Library to continue to engage new communities and audiences through innovative services and activities online, onsite and across regional Victoria. We developed a draft commercial strategy that seeks to leverage existing revenue streams as well as explore new commercial partnerships and initiatives. We have also commenced a review of our Foundation membership programs and philanthropic strategy.

Cultural infrastructure: sustainability and revitalisation

Asset sustainability

The Library continued to contribute to the development of an overarching strategic asset-management framework for the Arts Portfolio. In 2012–13 a significant focus was planning for rectification works to the façade and further maintenance. As reported on page 16, the government has provided funding of \$6.7 million to support these works in 2013–14.

Lifelong learning

Learning and connecting are core needs for most users and the Library responded to this with a comprehensive community learning program, including:

- educational websites such as Ergo and Inside a Dog, online courses such as the Personal Learning Network program for teachers, and a range of blogs for specific audiences from youth literature to genealogy
- an extensive program for young learners, ranging from babies and pre-schoolers (Baby Bounce and Storytime), through to the Children's Book Festival, schools and holiday programs, and programs specifically created for teens, such as those run by the Centre for Youth Literature
- regional programs such as Travelling Treasures, as well as talks and professional development offered in partnership with local schools and/or public libraries
- ideas-based programs for creative audiences, such as TEDxMelbourne, the Freeplay Independent Games Festival, and collection-based programming using heritage collections materials
- collaborative programs that support communities of interest, such as the Family History Feast for genealogists.

Our expert staff supported researchers and information seekers through the provision of specialist research programs both onsite and online. Information and collection-discovery support was provided through a variety of service channels on over 250,000 occasions.

Our suite of online topical research guides was expanded, along with the creation of a number of learning videos, enabling greater self-help and independent work.

The Library supported learning and development across the wider public library sector through the 2012 Margery C Ramsay Scholarship, valued at \$30,000, which was awarded to Liz Pidgeon, Local and Family History Librarian at Yarra Plenty Regional Library. As part of her study tour, Liz visited major family and local history research facilities in the UK and US, identifying effective services and programs that can be used or adapted in the provision of family and local history programs in Victorian public libraries.

Frontline ran an online training course focused on reader-centred customer service, delivered to 387 Victorian public library staff. A further 19 participated in the six-month Shared Leadership Program, which provided an opportunity for emerging leaders to develop their potential and maximise their leadership skills.

City of Literature

The National year of Reading concluded in in December 2012 with an event entitled 'A nation of readers: are we

there yet?'. Also under the National Year of Reading banner, the Writes of Spring short story competition focused on encouraging creative writing while promoting the role of public libraries in collecting and sharing community stories (see page 14).

The Library also contributed to Melbourne's City of Literature status through the following activities:

- 2012 Australian Poetry Slam
- High Road to Reading, a program run in collaboration with the Public Libraries Victoria Network and with support from Copyright Agency Limited
- Summer Read, a statewide reading program run in collaboration with participating public libraries
- 2013 Reading Matters youth literature conference
- 2012 Inky Awards
- Publishers' Showcase, introducing the best new Australian young adult books of 2013
- 2013 Children's Book Festival in partnership with the Wheeler Centre, attracting over 15,000 people
- *Mirror of the world: books and ideas* permanent exhibition.

Output framework

Schedule D part 2a: Output framework – portfolio key performance indicators

Description	Unit of measure	Target 2012–13	Actual 2012–13
OUTPUT GROUP 1 – Guardianship of the State Collection			
OG1a Collection development and enhancement			
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%	98.7%
OUTPUT GROUP 2 – Access and participation			
OG2a Community engagement activities			
Events	Number	655	1,157
BP3 Access – attendances/users	Number	1,300,000	1,658,756
BP3 Volunteer hours	Number	3400	6196
Volunteers	Number	100	130
BP3 Members and friends	Number	870	831
OG2b Community use of facilities			
Events	Number	365	388
OG2c Education programs			
Events – sessions, performances, workshops	Number	644	771
BP3 Students attending educational programs	Number	25,700	29,355
OG2d Exhibitions and displays			
Events – new, permanent exhibitions	Number	3	3
Events – temporary exhibitions	Number	2	4
Attendees	Number	410,000	445,592
OG2h Public access to collection/information			
Virtual access to collection	%	15%	18%
BP3 Access – Library website visitation	No. of user sessions	2,800,000	3,271,742
OG2i Visitor experience activities			
BP3 Visitors satisfied with visit	%	90%	87%

OUTPUT GROUP 3 – Sector development

OG3a Professional development and other services

Collaborative projects with NGOs/agencies	Number	31	33
Touring programs/exhibitions available from the arts body in reporting period	Number	117	229
Regional centres receiving touring programs/exhibitions offered by the arts body	Number	29	29
Loans to NGOs/agencies from the collection	Number	2,390	2,368
Percentage of participants rating training sessions as good to excellent	%	90%	95%
Investment in staff training	\$/Staff	650	353

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%	70%

Notes

For comments relating to the Library's nominated key performance indicators, please refer to the key performance indicator table on page 19.

Acquisitions statistics 2012–13

VOLUMES ADDED TO STOCK JULY 2012 – JUNE 2013

Category	Method of acquisition					Total 2011–12
	Purchase	Donation	Govt donation	Legal deposit	Total 2012–13	
Monographs in series	522	27	726	128	1403	1360
Monographs: Reference	5175	250	1828	0	7253	8733
Monographs: AMPA	2014	253	47	10	2324	2960
Monographs: Maps	24	1	0	1	26	46
Monographs: Rare books	292	635	0	0	927	284
Monographs: Australiana ¹	3212	282	23	3169	6686	7147
Monographs: Children's	275	593	18	1344	2230	2249
Monographs: Australiana rare	383	394	0	5	782	367
Monographs: Business	16	0	0	0	16	3
Monographs: Genealogy	325	0	0	0	325	341
Monographs: Chess/bridge ²	167	217	0	0	384	113
Total monographs	12,405	2652	2642	4657	22,356	23,603
Newspapers	278	140	0	861	1279	1112
Other serials	2115	381	1120	3142	6758	7661
Total serials	2393	521	1120	4003	8037	8773
TOTAL VOLUMES	14,798	3173	3762	8660	30,393	32,376

CONSOLIDATED STOCK HOLDINGS 2011–13

Stock holdings (volumes)	30 June 2011	30 June 2012	30 June 2013
Newspapers	104,531	105,643	106,922
Monographs and serials	2,076,278	2,107,542	2,136,656
TOTAL	2,180,809	2,213,185	2,243,578
Maps	111,890	112,170	112,727
Sound recordings	38,797	40,224	41,479
Video recordings	5406	5855	6133
Exhibition catalogues	140,898	146,353	151,964
Theatre programs (linear metres)	88.13	90.67	92.96
Ephemera (linear metres)	70.04	72.17	73.72
Manuscripts (linear metres)	7469	7602	7729
Pictures	817,326	872,563	911,802
PANDORA (online titles) ³	8272	9732	10,822

Notes

1 'La Trobe' 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 established under Section 16 of the *Libraries Act 1988*. The Minister for the Arts during the reporting period has been successively:

- Ted Baillieu MLA, Premier of Victoria, until 6 March 2013
- The Hon. Denis Napthine MLA, Premier of Victoria, from 6 March 2013 until 13 March 2013
- The Hon. Heidi Victoria MP, Minister for the Arts, from 13 March 2013.

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

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

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

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

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, legal 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 eight occasions during the period from 1 July 2012 to 30 June 2013.

Mr John Wylie AM, President (attended 8 meetings)
Mr Stephen Kerr, Deputy President (attended 7 meetings)
Mr Bruce Akhurst (attended 7 meetings)
Ms Robyn Annear, resigned 6 December 2012 (attended 4 meetings)
Prof. Merran Evans (attended 6 meetings)
The Hon. Sherryl Garbutt, until 23 May 2013 (attended 7 meetings)
Ms Sylvia Geddes, until 23 May 2013 (attended 7 meetings)
The Hon. Petro Georgiou AO (attended 8 meetings)
Mr Dennis Goldner (attended 8 meetings)
Mr Eddie McGuire AM, from 23 April 2013 (attended 0 meetings)

Ms Sue Roberts (Chief Executive Officer)
Ms Sally Donovan (Executive Officer until 6 December 2012)

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 Redevelopment Steering Committee, and is a member of its Finance Committee.

Mr Wylie is Chief Executive Officer of Lazard Australia, part of the Lazard Group, a global corporate advisory and asset management firm. In 2000 he co-founded the corporate advisory firm Carnegie Wylie & Company, which was acquired by Lazard in 2007. He has worked in global financial markets for over 25 years.

Mr Wylie is involved in a wide range of not-for-profit community activities. He is Chairman of the Australian Sports Commission, a Trustee of the global Rhodes Scholarship Trust, a director of the Melbourne Stars Big Bash League cricket team, a director of the University of Queensland Endowment Fund and a member of the Finance Committee for the Melbourne Grammar School. He recently retired as Chairman of the MCG Trust, a position he held for 14 years. In that 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.

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 was a member of the State Library of Victoria Foundation from its inception and is a past Chair. Mr Kerr 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 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 Deputy President of the Library Board, Chair of the Finance Committee and a member of the Foundation Council.

Bruce Akhurst

Bruce Akhurst was appointed to the Library Board of Victoria for a three-year term in May 2010 and was reappointed for a further three-year term in June

2013. He is a member of the Executive Appointments and Remuneration Committee and Chair of its Digital Committee. Mr Akhurst is Executive Chairman of Adstream, an international services organisation for the advertising industry, and a director of private investment company Paul Ramsay Holdings Pty Ltd. 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 (now King & Wood Mallesons) after 17 years, having been Managing Partner, to join Telstra in 1996 as its General Counsel. 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 reappointed successively for three terms. An award-winning writer of non-fiction who has been extensively associated with the Library through its educational and creative programs, Ms Annear chaired the Creative Fellowships Committee until her resignation in December 2012.

Merran Evans

Professor Merran Evans was appointed to the Board in June 2009 and reappointed in 2012. She chairs the Board's Audit and Risk Management Committee and is a member of its Collections Committee. Professor Evans is Pro Vice-Chancellor at Monash University, where her previous administrative appointments include Pro Vice-Chancellor (Quality and Planning), Director of University Planning and Statistics and Director of Monash University's London Centre. Professor Evans has been a member of many university, academic and management committees, as well as holding external and international memberships. Her research output includes a book and numerous contributions to econometrics, economics and statistical journals. She is a recipient of the Centenary Medal for services to education.

Sherryl Garbutt

The Hon. Sherryl Garbutt was appointed to the Library Board of Victoria in 2007, and was reappointed for three years in 2010, concluding in May 2013. She served as Chair of the Collections Committee and member of the Audit and Risk Management Committee and Executive Appointments and Remuneration Committee. 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 was always at the service of the Board.

Sylvia Geddes

Sylvia Geddes was appointed to the Library Board of Victoria in May 2010 for a three-year term that concluded in May 2013. She served on its Creative Fellowships Committee, as Chair since January 2013, and its Advisory Committee on Public Libraries. Sylvia 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 Commonwealth Office for the Aged. Sylvia is Deputy Chair of Victoria's Trust for Nature, a Director of Regional Arts Victoria and a founding member of the Sounding Board of the Flinders Quartet.

Petro Georgiou AO

The Hon. 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 was made an Officer of the Order of Australia in the 2013 Queen's birthday honours for 'distinguished service to the Parliament of Australia, to multiculturalism and human rights advocacy, and to the community'. 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. Dennis 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, President 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. Mr Goldner 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.

Eddie McGuire AM

Eddie McGuire is an accomplished businessman, author and media personality. His media work includes hosting numerous television and radio programs, and he was previously CEO of the Nine Network. He is also a columnist for the *Herald Sun* and runs McGuire Media, an independent media production company. Other roles include President of the Collingwood Football Club and the Melbourne Stars Cricket Team, and Chair of the Michael Long Learning and Leadership Centre. Mr McGuire sits on a number of other boards including Victorian Major Events Company, Athletics Australia, the Shane Warne Foundation and stockbroking firm Evans & Partners. Mr McGuire was recognised in 2005 for his 'service to the community, particularly through support for health care and welfare organisations, and to broadcasting', receiving a Member of the Order of Australia award. He has also received a Centenary Medal, an Australian Sports Medal and a life membership of the Australian Football Media Association. In 2013 Mr McGuire was awarded an honorary doctorate from RMIT University, receiving the degree of Doctor of Communications Honoris Causa in recognition of his achievements in media, entertainment, sport and community-based activities.

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 2012 to 30 June 2013.

2012–13 membership

Mr Dennis Goldner, Chair (attended 4 meetings)
Mr Rod Fyffe (attended 4 meetings)
Ms Sylvia Geddes, until 23 May 2013 (attended 4 meetings)
Ms Christine Mackenzie (attended 3 meetings)
Mr John Murrell (attended 4 meetings)
Ms Jenny Mustey (attended 3 meetings)
Ms Karyn Siegmann (attended 0 meetings)

SLV representatives

Ms Sue Roberts
Ms Debra Rosenfeldt, until 31 May
Ms Jo Watson, from 6 May

Executive Officer

Ms Wendy Quihampton

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. No member of the Audit and Risk Management Committee fills an executive management position at the Library. The committee met on seven occasions during the period 1 July 2012 to 30 June 2013, and once jointly with the Finance Committee.

2012–13 membership

Prof. Merran Evans, Chair (attended 8 meetings)
Ms Marianne Di Giallonardo, reappointed from 30 April 2013 (attended 7 meetings)
The Hon. Sherryl Garbutt, until 23 May 2013 (attended 5 meetings)
The Hon. Petro Georgiou AO (attended 6 meetings)
Ms Anne Jackson (attended 8 meetings)
Mr Michael Hill, from 30 April 2013 (attended 1 meeting)

SLV representatives

Ms Sue Roberts
Ms Kate Molloy, until 1 January 2013
Mr Tony Haeusler

Executive Officers

Ms Frances Savage
Mr Iain Curry

Collections Committee

The Collections Committee advises the Board on issues concerning the acquisition, maintenance and promotion of the State Collection. There have been two meetings of the committee during the period 1 July 2012 to 30 June 2013.

2012–13 membership

The Hon. Sherryl Garbutt, Chair until 23 May 2013 (attended 2 meetings)
Prof. Merran Evans (attended 2 meetings)
Ms Justine Heazlewood (attended 2 meetings)
Ms Bridget McDonnell (attended 2 meetings)
Mr Ian Renard (attended 2 meetings)
Mr Douglas Stewart (attended 1 meeting)
Ms Susan Halliday (attended 1 meeting)
Ms Angela Rodd (attended 2 meetings)
Prof. Lynette Russell (attended 0 meetings)

SLV representatives

Mr Shane Carmody, until 19 April 2013
Ms Jo Ritale
Ms Sarah Slade

Executive Officer

Ms Liz Jesty

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 on three occasions during the period 1 July 2012 to 30 June 2013.

At its meeting of 5 June 2013, the Board resolved to improve the alignment of its standing committees with its new vision and strategy, and proposed that the current Creative Fellowships Committee be renamed the Creative Programs Committee and broadened in scope to include the Library's events and exhibitions program and other creative and community engagement programs. The Board anticipates that these changes will assist and support the Library's community engagement priorities. The Creative Programs Committee has not yet met to develop specific terms of reference or determine its pattern of activity, which is governed by the Board's policy on standing committees.

2012–13 membership

Ms Robyn Annear, Chair until 6 December 2012 (attended 1 meeting)
Ms Sylvia Geddes, Chair from 6 February 2012 until 23 May 2013 (attended 3 meetings)
Mr Joel Becker (attended 3 meetings)
Dr Barbara Lemon (attended 1 meeting)
Mr Peter Lyssiotis (attended 2 meetings)

Ms Kirsty Murray from 5 December 2012 (attended 1 meeting)
Prof. Andrew Reeves (attended 3 meetings)
Dr Dianne Reilly (attended 3 meetings)
Mr Michael Shirrefs (attended 1 meeting)

SLV representatives

Mr Robert Heather
Ms Jo Ritale
Ms Gail Schmidt

Executive Officer

Shane Carmody, until 19 April 2013

Digital Committee

At its meeting of 5 June 2013, the Board resolved to improve the alignment of its standing committees with its new vision and strategy and proposed that a Digital Committee be established to assist and support the Library's Digital Strategy. The Board appointed Mr Bruce Akhurst as Chair. The committee has not yet met to develop specific terms of reference or determine its pattern of activity, which is governed by the Board's policy on standing committees.

Executive Appointments and Remuneration Committee

The Executive Appointments and Remuneration Committee ensures that the Library's policy and practice relating to executive remuneration and individual remuneration packages for executives are consistent with Victorian Government employment policy. The committee convenes during the year to review executive officer salaries and performance bonuses when appropriate. The committee met on three occasions during the period 1 July 2012 to 30 June 2013.

2012–13 membership

Mr John Wylie AM, Chair (attended 3 meetings)
Mr Bruce Akhurst (attended 3 meetings)
The Hon. Sherryl Garbutt, until 23 May 2013 (attended 3 meetings)
Mr Petro Georgiou AO (attended 3 meetings)

SLV representative

Ms Sue Roberts

Executive Officer

Ms Kate Molloy, until 1 January 2013

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 six times during the year and once jointly with the Audit and Risk Management Committee.

2012–13 membership

Mr Stephen Kerr, Chair (attended 7 meetings)
Mr Andrew Coloretti (attended 7 meetings)
Mr Dennis Goldner (attended 4 meetings)
Ms Helen Lanyon (attended 7 meetings)
Mr Glenn Mescher (attended 5 meetings)
Mr John Wylie AM (attended 5 meetings)

SLV representatives

Ms Sue Roberts
Ms Kate Molloy, until 1 January 2013
Mr Tony Haeusler

Executive Officers

Ms Frances Savage
Mr Iain Curry

State Library of Victoria Foundation Council

At its meeting of 1 August 2012, the Board resolved to abolish the Foundation Executive Committee, which had not met since 13 March 2012, and establish the Foundation Council. The objective of the Foundation Council is to support the strategic objectives of the State Library of Victoria and to secure donations to the Foundation Capital Fund. The council met on three occasions during the period 1 July 2012 to 30 June 2013.

2012–13 membership

Ms Christine Christian, Chair (attended 3 meetings)
Mr David Evans (attended 1 meeting)
Ms Jane Hansen (attended 2 meetings)
Mr Michael Kay (attended 1 meeting)
Mr Doug Kefford (attended 2 meetings)
Mr Stephen Kerr (attended 3 meetings)
Mr Richard Lourey (attended 0 meetings)
Mr Eddie McGuire AM (attended 3 meetings)
Mr David Mullaly (attended 3 meetings)
Ms Maria Myers AO (attended 2 meetings)
Mr John Wylie AM (attended 2 meetings)

SLV representatives

Ms Sue Roberts (attended 3 meetings)

Executive Officers

Mr Shane Carmody, until 19 April 2013
Mr Ben Clark, from 20 May 2013

Redevelopment Steering Committee

At its meeting of 5 June 2013, the Board resolved to improve the alignment of its standing committees with its new vision and strategy, and proposed the establishment of a new Redevelopment Steering Committee to direct and support proposed building redevelopment projects. The Board appointed Mr John Wylie AM as Chair. The committee has not yet met to develop specific terms of reference or determine its pattern of activity, which is governed by the Board's policy on standing committees.

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 and Leadership team comprises the Chief Executive Officer and State Librarian and four directors. The directors each head one of the Library's four departments. Prior to 1 January 2013, these four departments comprised Corporate Services and Planning; Collection Management and Access; Community, Learning and Public Library Partnerships; and Development. Since 1 January 2013, the four departments are Library Services and Experience, Digital Strategy, Community Engagement and Foundation.

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.

Jo Watson

Jo Watson is Director Community Engagement, having commenced her role on 6 May 2013. Jo was most recently the Chief Executive Officer of YWCA Victoria and has held executive roles in the areas of marketing, strategy and change management. Jo is responsible for development of the community engagement strategy and implementation through management of community outreach, exhibitions and events, communications and marketing, engagement with public libraries, commercial services, social inclusion, and research and evaluation. She directs activities that inspire and attract new State Library users, and programs that further engage existing users. Her role is also responsible for ensuring the State Library understands and delivers the services Victorians want from the State Library now and into the future. Jo is a member of the State Library Leadership team.

Peter McMahon

Peter McMahon is Director Digital Strategy, having commenced his role on 15 May 2013. Prior to joining the State Library of Victoria, Peter was most recently Executive Director – Sales, Marketing and Digital at Open Universities Australia. He is responsible for the development and execution of the Library's digital strategy. This role has responsibility for all aspects of the Library's digital activities, including digitisation of the current and future collections, digital storage and access, technical infrastructure and IT services, use of digital

technology within the Library, and the creation and evolution of the Library's online presence. At a broader level, the role is responsible for the effective use of digital technology to provide enriched, narrative experiences within the Library and for the delivery of engaging, customer-driven experiences for our online visitors. Peter is a member of the State Library Leadership team.

Ben Clark

Ben Clark is Director Foundation, having commenced his role on 20 May 2013. Ben has over a decade of experience in philanthropy, working in both grant-seeking and grant-making organisations. Most recently Ben was the philanthropy manager at ANZ Trustees, a national role that involved him advising high net-worth individuals on effective philanthropy and consulting to large-scale not-for-profit organisations on major gift fundraising. Ben oversees fundraising activity on behalf of the State Library. He is also a member of the State Library Leadership team and executive officer of the Foundation Council.

Justine Hyde

Justine Hyde has been appointed Director Library Services and Experience and will commence her role on 29 July 2013. Justine is a qualified librarian with experience working in, managing and leading libraries in both the private and public sector. Justine has worked in commercial law firms, the Victorian Auditor-General's Office and Victoria Legal Aid. Most recently, Justine was the Interim Director of the Law Library of Victoria implementation project, where she had been leading the establishment of a new statutory authority, the Law Library of Victoria. As well as her library qualifications, Justine has a Graduate Certificate of Arts (Creative Writing), a Graduate Diploma of Management (Executive) and is currently completing her Masters of Business Administration through the Australian Graduate School of Management. Justine is a member of the State Library Leadership team.

Liz Jesty

Liz Jesty was Director Collection Management and Access until 30 June 2013. In her role, she was responsible for the State Collection, information services and resources, acquisitions and cataloguing, collection conservation, storage, retrieval and reformatting.

Shane Carmody

As Director Development until 19 April 2013, Shane Carmody took responsibility for the work of the State Library Foundation, exhibitions and publishing, the Fellowships program and major acquisitions for the collection.

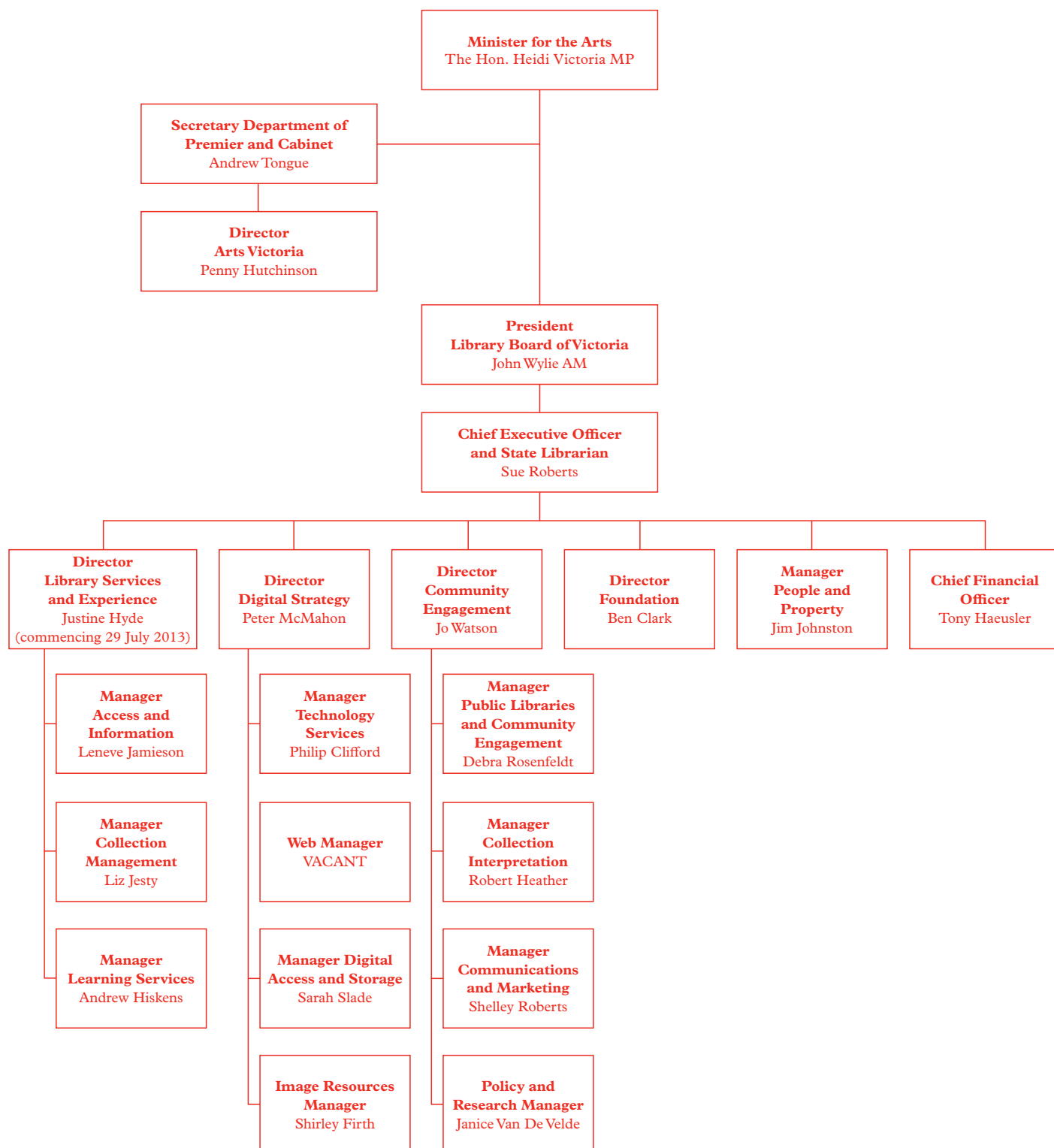
Kate Molloy

As Director Corporate Services and Planning until 1 January 2013, Kate Molloy took responsibility 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 infrastructure and applications.

Debra Rosenfeldt

As Director Community, Learning and Public Library Partnerships until 31 May 2013, Debra Rosenfeldt took responsibility 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.

Organisational structure (as at 30 June 2013)



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	0	1	0	0	0
EO-3	2	1	2	1	0	0
Total	3	1	3	1	0	0

Table 2

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

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

Table 3

Executives with remuneration over \$100,000

Class	2013	2012	2011	2010	2009
Executives with remuneration over \$100,000	4	5	4	4	4
Add Vacancies	1	0	0	0	0
Executives employed with total remuneration below \$100,000	0	0	0	0	0
Accountable Officer (Secretary)	0	0	0	0	0
Less Separations	2	1	1	0	0
Total executive numbers at June	3	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	3	1	1	1	0	3	1
Total	3	1	1	1	0	3	1

Note

The three members of the Executive and Leadership team who held executive officer positions during the reporting period are Sue Roberts, Jo Watson and Peter McMahon.

Major contracts

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

Victorian Industry Participation Policy

There were no State Library of Victoria procurement activities valued at more than \$3 million in metropolitan areas and \$1 million in regional areas that triggered the application of 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 the Building Act 1993

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

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 2013 that will have an impact on the 2012–13 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 10.5 per cent (greater than 15 per cent warrants investigation). Employee absenteeism (unplanned) averaged approximately 4.5 per cent (greater than 5 per cent warrants investigation). These performance measures compare to 6.2 per cent and 4.6 per cent respectively in 2011–12.

We continue to experience a satisfactory WorkCover claims performance rate with no active claims 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 44 per cent better than the average industry rate). We experienced 817 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 and influenza vaccinations, regular onsite yoga classes, onsite bicycle-storage facilities and support for a bicycle-users group, participation in a corporate fitness challenge, and provision of a comprehensive health awareness and healthy lifestyle program.

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 2013	285	206	79	260.20	58.02
June 2012	290	210	80	265.17	57.79

	June 2013			June 2012			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	114	106.38	21.22	115	107.38	19.89	-1	-1	1.33
Female	171	153.82	36.80	175	157.79	37.90	-4	-3.97	-1.1
Age									
Under 25	3	2.20	9.24	3	2.80	11.64	0	-0.6	-2.4
25-34	40	38.20	22.53	43	41.20	21.30	-3	-3	1.23
35-44	64	59.01	13.30	70	63.80	12.95	-6	-4.79	0.35
45-54	74	64.63	7.05	82	72.44	5.70	-8	-7.81	1.35
55-64	84	79.23	4.65	76	71.73	5.20	8	7.5	-0.55
Over 64	20	16.93	1.25	16	13.20	1.00	4	3.73	0.25
Classification									
VPS 1	6	5.00	11.07	6	5.80	11.34	0	-0.8	-0.27
VPS 2	64	56.00	15.90	68	59.77	11.40	-4	-3.77	4.5
VPS 3	99	89.10	14.95	101	91.30	19.65	-2	-2.2	-4.7
VPS 4	43	39.40	4.50	44	40.40	1.60	-1	-1	2.9
VPS 5	49	46.70	6.60	46	43.10	8.80	3	3.6	-2.2
VPS 6	24	24.00	1.00	24	23.80	0.00	0	0.2	1
STS	0	0.00	1.00	1	1.00	1.00	-1	-1	0
Executives	0	0.00	3.00	0	0.00	4.00	0	0	-1

Environmental performance

Environmental aspect	Description	Unit of measure	2008–09	2009–10	2010–11	2012–13
Energy	Total use	Gigajoules	24,988	24,001	21,887	23,496
	Total associated greenhouse gas emissions	Tonnes CO ₂	8,327	7,774	6,675	4,516
	Percentage of electricity purchased as GreenPower	%	15	15	10	25
	Use per sq.m. office space	Megajoules	500	480	438	467
	Total GreenPower	Kilowatt hours	1,041,149	1,000,053	607,971	1,631,656
	Total cost of GreenPower	Dollars	55,416	53,155	43,539	87,878
Waste	Generated per FTE	Kilograms	421	453	484	376
	Total recycled	Kilograms	32,578	71,881	76,821	59,456
Paper	Total use	Reams	3,000	2,200	2,420	2,480
	Total per FTE	Reams	8.7	7.0	8.0	8.2
Water	Total consumption	Litres	21,357,000	16,937,800	21,899,000	20,240,000
	Consumption per FTE	Litres	61,976	53,771	72,513	67,019
Transportation	Total fuel consumption	Gigajoules	250	73	71	74
	Total travel by Library vehicles	Kilometres	77,891	20,007	19,459	28,440
	Total greenhouse gases	Tonnes CO ₂	21.5	5.5	5.3	5.7

All figures based on following: 50,000 sqm
302 FTE

Diversity and access

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

Our events and exhibitions programming has continued to offer opportunities to celebrate and promote Victoria's cultural diversity; improve access to information in other languages, particularly online resources through the MyLanguage website; and the development of best practice guides and advice to government departments. During 2013 the Library also introduced a series of cross-cultural awareness and communication training sessions for staff as part of the Library's commitment to culturally and linguistically diverse communities.

Services for youth

Students and school groups continue to be regular visitors to the Library's exhibitions and events, and are frequent users of our online services and resources, as well as the Ergo and Inside a Dog websites. The Open Access program has continued to grow, attracting more than 2300 primary school children from disadvantaged schools, as well as delivering a facilitated program for children from a Special Development School. Travelling programs remain a popular avenue to extend the Library's reach and engagement with new audiences; this year's programs included the comic and graphic novels tours to schools in Ballarat, Ararat and Horsham, as well as the final showing of *Look! The art of Australian picture books today* at the Mornington Peninsula Art Gallery.

Services for special needs

People with special needs are provided with a range of assistive technology software and equipment, primarily in the Library's Assistive Technology Room. This year saw the Library's major exhibitions – *Gusto! A culinary history of Victoria* and *Free, secular and democratic* – offer improved access for people with sight disabilities through provision of braille and large-format exhibition labels, magnifiers and specialised tours for vision-impaired visitors. Access to recorded interviews and accompanying transcripts has been adopted as a standard approach to improve access to specific events. Significantly, the Library has received funding from the Gorman Foundation to develop a new Disability Awareness Kit to assist public library staff with delivering appropriate services for people with disabilities.

Services for women

The State Library of Victoria continues to develop collection areas of general and academic interest to women, including selections in the area of gender studies, and every year presents a free seminar on women's studies and Library collections in partnership with the Victorian branch of the Australian Women's Archives Project. Programming appealing to women with young families, such as Baby Bounce and Storytime, has continued to attract increasing patronage and continuing efforts are being made to cater for the needs of these growing audiences.

Services for Indigenous communities

The Library welcomed the opportunity to celebrate an important part of Victoria's Aboriginal history by participating in the Coranderrk Festival to mark the 150th anniversary of the Coranderrk Aboriginal Mission.

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.

Freedom of information

This section contains information required to be published annually under Part II of the *Freedom of Information Act 1982* (the Act). 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 the requests for access to documents under the Act is the responsibility of the Library's Freedom of Information Officer:

Freedom of Information Officer:
Corporate Governance Advisor
State Library of Victoria
328 Swanston Street
Melbourne VIC 3000

Access to documents may only be obtained through written request accompanied by a non-refundable application fee of \$25.70. Applications should be clear and concise, and provide an accurate description of the documents sought. Additional charges may apply for searching, retrieving, copying, supervising and inspection of documents. 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 a valid request and application fee is received by the Library.

Requests in 2012–13

During 2012–13 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*
- *What's On*
- *The La Trobe Journal*
- *SLVMonthly* newsletter
- *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.

Protected Disclosure Act 2012

On 10 February 2013, the *Whistleblowers Protection Act 2001* was repealed and replaced with the *Protected Disclosure Act 2012* (the Act). The Act establishes a new scheme for protecting people who make disclosures about improper conduct in the public sector.

The State Library of Victoria is committed to the aims and objectives of the Act. In particular, the Library does not tolerate improper conduct by its staff or the taking of reprisals against those who come forward to disclose such conduct.

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

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

Disclosures under the *Whistleblowers Protection Act 2001* prior to 10 February 2013

During the year while the *Whistleblowers Protection Act 2001* was in force, the Library did not receive any disclosures under that Act. Since 10 February 2013, the Library has not received any disclosures to which clause 29 of Schedule 1 to the Act applies.

Compliance with the *Protected Disclosure Act 2012*

The Library is not a public body to which disclosures may be made. Disclosures of improper conduct or detrimental action relating to the Library should generally be made to the Independent Broad-based Anti-corruption Commission (IBAC). Further information about making disclosures to the IBAC can be found at ibac.vic.gov.au. As required by s.58(5) of the Act, the Library will make available on its website procedures for protecting people who make protected disclosures from detrimental action by the Library or its staff.

Government advertising expenditure

There were no advertising campaigns with a media spend of \$150,000 or greater.

Consultancies

Details of consultancies over \$10,000

In 2012–13, there were 15 consultancies where the total fees payable to the consultants were \$10,000 or more. The total expenditure incurred during 2012–13 in relation to these consultancies was \$849,312 (excl. GST).

Consultant	Details	Start date	End date	Total approved fee (excl. GST) \$	Expenditure in 2012-13 (excl. GST) \$	Future expenditure (excl. GST) \$
Lovell Chen Pty Ltd	Contract and tender documentation services for dome and Little Lonsdale façades, western façades, heritage consultation, access system methodology	1 July 2012	30 June 2013	150,806	150,806	Nil
Fish & Nankivell Ogilvie Watson Pty Ltd	Appointment of directors	1 December 2012	30 June 2013	145,283	145,283	Nil
Tighe & Associates Pty Ltd	Victorian Public Libraries 2030 strategic framework	1 July 2012	31 March 2013	85,695	85,695	Nil
Upton Martin Consulting	Shared leadership program 2012	1 July 2012	30 December 2012	65,500	65,500	Nil
V2R Pty Ltd	Implementation of strategic plan	1 December 2012	31 May 2013	63,750	63,750	Nil
AECOM Australia Pty Ltd	Ten-year plan	1 July 2012	30 April 2013	62,683	62,683	Nil
Internal Affairs	NSLA technical registry requirements and data modelling	1 July 2012	30 June 2013	55,594	55,594	Nil
George Patterson Y & R Pty Ltd	Integrated communications strategy	4 April 2013	30 June 2013	50,000	50,000	Nil
Daryl Jackson Pty Ltd	Strategic plan implementation	1 March 2013	30 June 2013	31,411	31,411	Nil
Kids' Own (Australia) Inc.	Community publishing project	1 July 2012	30 June 2013	27,740	27,740	Nil
Sweeney Research	SLV visitor intercept survey	1 May 2013	31 May 2013	26,650	26,650	Nil
Talve & Associates Pty Ltd	Cultural benefits of public libraries study	1 July 2012	30 June 2013	25,455	25,455	Nil
Mustang Promotions Pty Ltd	MyLanguage conference management	1 July 2012	30 July 2012	25,095	25,095	Nil
Vawser & Associates	Community consultation action plan	1 July 2012	30 December 2012	22,950	22,650	Nil
I & J Management Services	Internet and PC usage in Victorian public libraries	1 July 2011	31 August 2012	64,450	11,000	Nil

Details of consultancies under \$10,000

In 2012–13 there were eight consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2012–13 in relation to these consultancies was \$30,412 (excl. GST).

Auditor-General's report



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 2013 of the Library Board of Victoria which comprises the comprehensive income 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 directors' and accountable officers' declaration has been audited.

The financial report includes the consolidated financial statements of the economic entity, comprising the Library Board of Victoria and the entities it controlled at the year's end or from time to time during the financial year as disclosed in note 1(d) to the financial statements.

The Board Members' Responsibility for the Financial Report

The Board Members of the Library Board of Victoria are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994* and for such internal control as the Board Members 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 Members, 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 the Library Board of Victoria and the economic entity as at 30 June 2013 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 2013 included both in the Library Board of Victoria's annual report and on the website. The Board Members of the Library Board of Victoria are 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
20 August 2013


John Doyle
Auditor-General

Library Board of Victoria letters

Library Board of Victoria

328 Swanston Street
Melbourne Victoria 3000
Australia
T +613 8664 7505
F +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 2013 and financial position of the Library Board of Victoria at 30 June 2013.

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 14/8/13



Merran Evans
Chair, Audit and Risk Management
Committee

Date 14/8/13



Sue Roberts
CEO and State Librarian

Date 14/8/13



Anthony L Haeusler
Chief Financial Officer

Date 14/8/13

Library Board of Victoria

328 Swanston Street
Melbourne Victoria 3000
Australia
T +613 8664 7505
F +613 9639 4737

STATE LIBRARY OF VICTORIA FOUNDATION

We certify that the attached financial statements for the Library Board of Victoria as trustee for the State Library of Victoria Foundation 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 2013 and financial position of the State Library of Victoria Foundation at 30 June 2013.

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



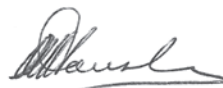
John Wylie
President
Date 14/8/13



Merran Evans
Chair, Audit and Risk Management
Committee
Date 14/8/13



Sue Roberts
CEO and State Librarian
Date 14/8/13



Anthony L. Haeusler
Chief Financial Officer
Date 14/8/13

Risk attestation

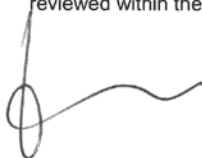
Library Board of Victoria

328 Swanston Street
Melbourne Victoria 3000
Australia
T +613 8664 7505
F +613 9639 4737

7 August 2013

RISK ATTESTATION 2012-13

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

Insurance attestation

Library Board of Victoria

328 Swanston Street
Melbourne Victoria 3000
Australia
T +613 8664 7505
F +613 9639 4737

7 August 2013

INSURANCE ATTESTATION 2012-13

I, John Wylie,

certify that the State Library of Victoria has complied with Ministerial Direction 4.5.5.1 – Insurance.



John Wylie AM
President

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
<i>Ministerial directions</i>		
	<i>Report of operations</i>	6
<i>Charter and purpose</i>		
FRD 22D	Manner of establishment and the relevant minister	26
FRD 22D	Objectives, functions, powers and duties	26
FRD 22D	Nature and range of services provided	26
<i>Management and structure</i>		
FRD 22D	Organisational structure	33
<i>Financial and other information</i>		
FRD 10	Disclosure index	49
FRD 29	Workforce data disclosures	37
FRD 22D	Summary of financial results for the year	18
FRD 22D	Significant changes in financial position during the year	18
FRD 22D	Operational and budgetary objectives and performance against objectives	19
FRD 22D	Employment and conduct principles	36
FRD 22D	Major changes or factors affecting performance	18
FRD 22D	Subsequent events	35
FRD 22D	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	35
FRD 22D	Statement on National Competition Policy	35
FRD 22D	Application and operation of <i>Protected Disclosure Act 2012</i>	41
FRD 22D	Details of consultancies over \$10,000	42
FRD 22D	Details of consultancies under \$10,000	42
FRD 22D	Disclosure of government advertising expenditure	41
FRD 22D	Standard disclosures in the report of operations	41
FRD 12	Disclosure of major contracts	35
FRD 22	Statement of availability of other information	40
FRD 22D	Occupational health and safety policy	35
FRD 15B	Executive officer disclosures	34
FRD 24C	Reporting of office-based environmental impacts	48
FRD 25	Victorian Industry Participation Policy disclosures	35
SD 4.2(g)	Specific information requirements	35
SD 4.2(j)	Sign-off requirements	45
SD 4.5.5	Risk management compliance attestation	47

Legislation	Requirement	Page
Financial statements		
<i>Financial statements required under Part 7 of the FMA</i>		
SD 4.2(a)	Statement of changes in equity	54
SD 4.2(c)	Compliance with Australian Accounting Standards and other authoritative pronouncements	59
SD 4.2(c)	Compliance with Ministerial Directions	59
SD 4.2(d)	Rounding of amounts	60
SD 4.2(c)	Accountable officer's declaration	45
SD 4.2(f)	Model financial report	59
SD 4.2(b)	Statement of financial performance	52
SD 4.2(b)	Statement of financial position	51
SD 4.2(b)	Statement of cash flows during the year	53
<i>Other disclosures in notes to the financial statements</i>		
FRD 11A	Disclosure of ex-gratia payments	35
FRD 13	Disclosure of parliamentary appropriations	80
FRD 21B	Responsible person and executive officer disclosures	109
FRD 23	Superannuation liabilities and disclosure	108
FRD 102	Inventories	64
FRD 103D	Non-current physical assets	64
FRD 104	Foreign currency	62
FRD 106	Impairment of assets	62
FRD 110	Cash flow statements	53
FRD 112C	Defined benefit superannuation obligations	108
FRD 114A	Financial instruments – general government entities and public non-financial corporations	87
Legislation		
<i>Freedom of Information Act 1982</i>		
<i>Building Act 1993</i>		
<i>Protected Disclosure Act 2012</i>		
<i>Disability Act 2006</i>		
<i>Victorian Industry Participation Policy Act 2003</i>		
<i>Financial Management Act 1994</i>		

Library Board of Victoria and controlled entity financial report for the financial year ended 30 June 2013

BALANCE SHEET AS AT 30 JUNE 2013

	Note	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Financial assets					
Cash and deposits	2	7,639	8,035	5,301	1,618
Receivables	3	862	784	833	4,700
Financial assets classified as available for sale	4	12,925	11,369	-	-
Total financial assets		21,426	20,188	6,134	6,318
Non-financial assets					
Prepayments		818	475	818	475
Library collections	5	489,476	489,586	489,476	489,586
Property, plant and equipment	6	396,895	406,789	396,895	406,789
Deferred expenditure	7	1	1	1	1
Total non-financial assets		887,190	896,851	887,190	896,851
Total assets		908,616	917,039	893,324	903,169
Liabilities					
Payables	8	1,297	813	1,297	813
Other liabilities	9	1,401	2,148	1,401	2,148
Interest-bearing liabilities	10	27	69	27	69
Provisions	11	7,629	7,423	7,629	7,423
Total liabilities		10,354	10,453	10,354	10,453
Net assets		898,262	906,586	882,970	892,716
Equity					
Contributed capital	12(a)	557,514	557,514	557,514	557,514
Accumulated surplus	12(b)	(17,479)	(6,570)	(17,479)	(6,570)
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	13,453	12,609	2,017	1,885
Specific purpose grants reserve	12(f),14	10,417	8,933	6,818	5,787
Financial assets valuation reserve	12(g)	257	-	-	-
Total equity		898,262	906,586	882,970	892,716

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

COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	Note	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Income from transactions					
Grant from government	15	40,126	40,020	40,126	40,020
Trading	16	2,175	1,678	2,119	1,669
Projects funded from external sources	17	2,927	1,249	2,622	1,207
Donations and bequests	18	1,915	2,778	2,467	3,019
Investment revenue	19(a)	1,365	1,749	207	506
Capital asset charge		41,403	41,403	41,403	41,403
Total income from transactions		89,911	88,877	88,944	87,824
Expenses from transactions					
Salaries and related expenses	20	29,329	28,857	29,133	28,595
Buildings and facilities expenses	21	6,355	6,271	6,354	6,271
Depreciation		13,300	14,935	13,300	14,935
Professional and finance expenses	22	1,563	1,113	1,471	1,028
Borrowing costs	23	2	4	2	4
Grants distributed	24	70	1,536	70	1,536
Other expenses from ordinary activities	25	7,543	8,306	7,119	8,150
Capital asset charge		41,403	41,403	41,403	41,403
Total expenses from transactions		99,565	102,425	98,852	101,922
Net result from transactions		(9,654)	(13,548)	(9,908)	(14,098)
Other economic flows included in net result					
Net gain/(loss) on financial instruments	32(a)	911	(34)	-	-
Net gain/(loss) on non-financial assets	19(b)	6	5	6	5
Other gains/(losses) from other economic flows	32(b)	156	(467)	156	(467)
Total other economic flows included in net result	32(c)	1,073	(496)	162	(462)
Net result for the year		(8,581)	(14,044)	(9,746)	(14,560)
Other economic flows					
- other non-owner changes in equity					
Change in financial asset valuation reserve	12(g)	257	(884)	-	-
Total other economic flows		257	(884)	-	-
- other non-owner changes in equity					
Comprehensive result for the year		(8,324)	(14,928)	(9,746)	(14,560)

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

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	Note	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Cash flows from operating activities					
Grants from government		40,126	40,020	40,126	40,020
Donations (other than in-kind) and bequests		669	970	1,213	671
Proceeds from Persian manuscripts appeal		3	92	-	-
Trading receipts		2,513	2,061	2,442	2,047
Other grants		3,101	1,272	2,765	1,272
Dividends and interest		1,404	1,832	203	563
GST recovered from the ATO		1,329	1,922	1,361	1,913
Payments to suppliers and employees		(46,497)	(49,453)	(45,760)	(48,337)
Net cash flows from/(used in) operating activities	29(b)	2,648	(1,284)	2,350	(1,851)
Cash flows from investing activities					
Proceeds from/(payments for) investments		396	133	-	-
Proceeds from sale of property, plant and equipment		63	25	63	25
Payment for property, plant and equipment		(434)	(1,304)	(434)	(1,304)
Payment for Library collection		(2,209)	(2,319)	(2,209)	(2,319)
Net cash used in investing activities		(2,184)	(3,461)	(2,580)	(3,598)
Cash flows from financing activities					
Repayment of finance lease		(75)	(48)	(75)	(48)
Advance to State Library of Victoria Foundation		-	-	(1,568)	(1,002)
Receipt from State Library of Victoria Foundation		-	-	5,556	-
Net cash used in financing activities		(75)	(48)	3,913	(1,050)
Net decrease in cash and cash equivalents		389	(4,793)	3,683	(6,499)
Cash and cash equivalents at beginning of year		12,360	17,153	1,618	8,117
Cash and cash equivalents at end of year	29(a)	12,749	12,360	5,301	1,618

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 2013

					CONSOLIDATED	
		Equity at 1 July 2012	Total compre- hensive result	Transactions with owners in their capacity as owners	Equity at 30 June 2013	
	Note	\$'000	\$'000	\$'000	\$'000	
Contributed capital	12(a)	557,514	-	-	557,514	
Accumulated surplus		(6,570)	(8,581)	-	(15,151)	
Transfer to donations and bequests reserve		-	-	(844)	(844)	
Transfer to specific purpose grants reserve		-	-	(1,484)	(1,484)	
	12(b)	(6,570)	(8,581)	(2,328)	(17,479)	
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		12,609	-	-	12,609	
Transfer from accumulated surplus		-	-	844	844	
	12(e)	12,609	-	844	13,453	
Specific purpose grants reserve		8,933	-	-	8,933	
Transfer from accumulated surplus		-	-	1,484	1,484	
	12(f)	8,933	-	1,484	10,417	
Financial assets valuation reserve		-	257	-	257	
Unrealised capital gains on financial assets		-	257	-	257	
	12(g)	-	257	-	257	
Total equity at end of financial year		906,586	(8,324)	-	898,262	

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 2013 (CONT'D) COMPARATIVE

					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 to donations and bequests reserve		-	-	340	340
Transfer to 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 from accumulated surplus		-	-	(340)	(340)
	12(e)	12,949	-	(340)	12,609
Specific purpose grants reserve		11,817	-	-	11,817
Transfer from accumulated surplus		-	-	(2,884)	(2,884)
	12(f)	11,817	-	(2,884)	8,933
Financial assets valuation reserve		884	-	-	884
Unrealised capital gains 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 2013

STATE LIBRARY OF VICTORIA					
		Equity at 1 July 2012	Total compre- hensive result	Transactions with owners in their capacity as owners	Equity at 30 June 2013
	Note	\$'000	\$'000	\$'000	\$'000
Contributed capital	12(a)	557,514	-	-	557,514
Accumulated surplus		(6,570)	(9,746)	-	(16,316)
Transfer to donations and bequests reserve		-	-	(132)	(132)
Transfer to specific purpose grants reserve		-	-	(1,031)	(1,031)
	12(b)	(6,570)	(9,746)	(1,163)	(17,479)
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		1,885	-	-	1,885
Transfer from accumulated surplus		-	-	132	132
	12(e)	1,885	-	132	2,017
Specific purpose grants reserve		5,787	-	-	5,787
Transfer from accumulated surplus		-	-	1,031	1,031
	12(f)	5,787	-	1,031	6,818
Total equity at end of financial year		892,716	(9,746)	-	882,970

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 2013 (CONT'D) COMPARATIVE

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 to donations and bequests reserve		-	-	15	15
Transfer to 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 from accumulated surplus		-	-	(15)	(15)
	12(e)	1,900	-	(15)	1,885
Specific purpose grants reserve		9,512	-	-	9,512
Transfer from 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.

Notes to the financial statements for the year ended 30 June 2013

CONTENTS

Note		Page
1	Summary of significant accounting policies	59
2	Cash and cash equivalents	68
3	Receivables	68
4	Financial assets classified as available for sale	68
5	Library collections	69
6	Property, plant and equipment	70
7	Deferred expenditure	72
8	Payables	72
9	Other liabilities	72
10	Interest-bearing liabilities	72
11	Provisions	73
12	Equity and movements in equity	74
13	Donations and bequests reserve	75
14	Specific purpose grants reserve	76
15	Government funding	80
16	Trading income	80
17	Projects funded from external sources	80
18	Donations and bequests	82
19	Investment revenue	83
20	Salaries and related expenses	83
21	Buildings and facilities expenses	83
22	Professional and finance expenses	83
23	Borrowing costs	83
24	Grants distributed	84
25	Other expenses from ordinary activities	84
26	Contingent assets and contingent liabilities	84
27	Commitments for expenditure	85
28	Remuneration of auditors	85
29	Notes to the cash flow statement	86
30	Financial instruments	87
31	Superannuation	108
32	Other economic flows included in net result	108
33	Responsible persons	109
34	Subsequent events	110
35	Dromkeen collection	110
36	Glossary of terms	110

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 36.

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 14 August 2013.

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 2013 and the comparative information presented for the year ended 30 June 2012.

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 a director, who reports to the Library's CEO. The Library Board of Victoria is the Foundation's sole trustee and governing body. The Foundation is advised in its activities by the Foundation Council, 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.

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

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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, and
- fair value changes of financial instruments.

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 2012-13.

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.

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.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

Plant and equipment and other non-financial physical assets (excluding items under operating leases, land and heritage collection items) that have finite useful lives are depreciated. Depreciation is calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

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

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

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

Depreciation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Interest expense

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

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Grants distributed

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

Capital asset charge

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

Other operating expenses

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

Supplies and services

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

Bad and doubtful debts

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

i) Other economic flows included in the net result

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

Net gain/(loss) on non-financial assets

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

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

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

Disposal of non-financial assets

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

Gain/(loss) arising from transactions in foreign exchange

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

Impairment of non-financial assets

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

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

If there is an indication that there has been a change in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. This reversal of the impairment loss occurs only to the extent that the asset's carrying amount does not exceed the carrying amount that would have

been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

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

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

Net gain/(loss) on financial instruments

Net gain/(loss) on financial instruments includes:

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

Revaluations of financial instruments at fair value

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

Other gains/(losses) from other economic flows

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

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

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 has a legal right to offset the amounts and intend

either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Reclassification of financial instruments

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

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

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

I) 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.

A provision for doubtful receivables is made when there is objective evidence that the debts may not be collected and

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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,

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

direct labour on the project, and an appropriate proportion of variable and fixed overheads.

Revaluations of non-financial physical assets

Non-financial physical assets are measured at fair value, in accordance with the Financial Reporting Directions (FRDs) issued by the Minister for Finance. A full revaluation normally occurs every five years, based upon the asset's government purpose classification but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are generally used to conduct these scheduled revaluations. Certain infrastructure assets are revalued using specialised advisors. Any interim revaluations are determined in accordance with the requirements of the 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.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ii) Long-service leave

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

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

The components of this current LSL liability are measured at:

1. nominal value-component that the Board expects to settle within 12 months, and
2. present value-component that the Board does not expect to settle within 12 months.

Conditional LSL is disclosed as a non-current liability.

There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value. Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' (refer to Note 1[i]).

Employee benefits on-costs

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

Derecognition of financial liabilities

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

o) Leases

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

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

Finance leases

Board as lessee

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

Minimum finance lease payments are apportioned between reduction of the outstanding lease liability and 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

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Comprehensive Operating Statement and results in a transfer from the reserve.

Donations and bequests reserve

Represents the balance of unexpended donations and other income for the Library 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 2013 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 2013, 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 2013. 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 AASB 13
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 2012–1	Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements
AASB 2012–2	Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities
AASB 2012–3	Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities
AASB 2012–7	Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements
AASB 2012–11	Amendments to Australian Accounting Standards – Reduced Disclosure Requirements and Other Amendments
AASB 2013–3	Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets.

	Note	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
2 CASH AND DEPOSITS					
Cash on hand	29(a)	4	4	4	4
Australian dollar term deposits	29(a)	2,314	7,334	-	1,000
Cash at bank	29(a)	5,321	697	5,297	614
		7,639	8,035	5,301	1,618

3 RECEIVABLES					
Current					
Contractual					
Debtors – external		515	397	504	386
State Library of Victoria Foundation		-	-	98	4,086
Franking credits receivable		116	105	-	-
Accrued interest receivable		4	62	4	8
		635	564	606	4,480
Statutory GST recoverable		227	220	227	220
Total current receivables		862	784	833	4,700

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)		1,425	587	-	-
Fixed interest securities (at fair value)		3,685	3,738	-	-
	29(a)	5,110	4,325	-	-
Equities					
Australian listed equity securities (at fair value)		6,570	5,903	-	-
Property trust (at fair value)		1,245	1,141	-	-
Total other financial assets		12,925	11,369	-	-

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.

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
5 LIBRARY COLLECTIONS				
At cost – Heritage collection	1,976	1,203	1,976	1,203
At cost – non-Heritage collection	2,230	1,121	2,230	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	(6,422)	(3,176)	(6,422)	(3,176)
Collection donations at fair value	3,602	2,348	3,602	2,348
	489,476	489,586	489,476	489,586
Reconciliation				
Carrying amount at start of year	489,586	488,090	489,586	488,090
Purchases	1,882	2,324	1,882	2,324
Donated material	1,254	2,348	1,254	2,348
Net value of revaluation increment	-	-	-	-
Depreciation – non-Heritage collection	(3,246)	(3,176)	(3,246)	(3,176)
Carrying amount at end of year	489,476	489,586	489,476	489,586

a) Collections carried at fair value

An independent valuation of the Board's collections was performed by the Valuer-General Victoria to determine the fair value of the collections. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arms-length transaction. The valuation was based on independent assessments. The effective date of the valuation is 30 June 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	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'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	315	315
	367,221	367,221	367,221	367,221
Less accumulated depreciation (valuation)	(19,442)	(10,443)	(19,442)	(10,443)
Less accumulated depreciation (cost)	(6)	(3)	(6)	(3)
	(19,448)	(10,446)	(19,448)	(10,446)
Total buildings	347,773	356,775	347,773	356,775
Equipment at fair value	17,907	17,957	17,907	17,957
Less accumulated depreciation	(15,323)	(14,387)	(15,323)	(14,387)
	2,584	3,570	2,584	3,570
Equipment under lease at cost	33	107	33	107
Less accumulated depreciation	(7)	(39)	(7)	(39)
	26	68	26	68
Work in progress at cost				
– plant and equipment	396	260	396	260
	396	260	396	260
Total property, plant and equipment	396,895	406,789	396,895	406,789

a) Freehold land and buildings carried at fair value

An independent valuation of the Board's land and buildings was performed by the Valuer-General Victoria to determine 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 2013						
Opening balance	46,116	356,775	3,570	68	260	406,789
Additions	-	-	48	33	136	217
Disposals	-	-	-	(57)	-	(57)
Depreciation	-	(9,002)	(1,034)	(18)	-	(10,054)
Closing balance	46,116	347,773	2,584	26	396	396,895
STATE LIBRARY OF VICTORIA 2013						
Opening balance	46,116	356,775	3,570	68	260	406,789
Additions	-	-	48	33	136	217
Disposals	-	-	-	(57)	-	(57)
Depreciation	-	(9,002)	(1,034)	(18)	-	(10,054)
Closing balance	46,116	347,773	2,584	26	396	396,895
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		STATE LIBRARY OF VICTORIA	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
7 DEFERRED EXPENDITURE				
CARM Centre, Bundoora	1,000	1,000	1,000	1,000
Less accumulated amortisation	(999)	(999)	(999)	(999)
	1	1	1	1
8 PAYABLES				
Current				
Contractual				
Creditors – external	1,188	680	1,188	680
Prepaid revenue	109	133	109	133
	1,297	813	1,297	813
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	1,401	2,148	1,401	2,148
10 INTEREST-BEARING LIABILITIES (motor vehicles)				
Finance lease – current	7	42	7	42
Finance lease – non-current	20	27	20	27
	27	69	27	69

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	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
11 PROVISIONS					
Current provisions					
Employee benefits					
Annual leave entitlements					
- Unconditional and expected to be settled within 12 months		1,118	1,123	1,118	1,123
- Unconditional and expected to be settled after 12 months		632	701	632	701
Long-service leave entitlements					
- Unconditional and expected to be settled within 12 months		490	550	490	550
- Unconditional and expected to be settled after 12 months		3,969	3,514	3,969	3,514
		<u>6,209</u>	<u>5,888</u>	<u>6,209</u>	<u>5,888</u>
Provisions related to benefit on-costs					
- Unconditional and expected to be settled within 12 months		212	223	212	223
- Unconditional and expected to be settled after 12 months		694	656	694	656
		<u>906</u>	<u>879</u>	<u>906</u>	<u>879</u>
Total current provisions		<u>7,115</u>	<u>6,767</u>	<u>7,115</u>	<u>6,767</u>
Non-current provisions					
Employee benefits		446	567	446	567
Provisions related to benefit on-costs		68	89	68	89
Total non-current provisions		<u>514</u>	<u>656</u>	<u>514</u>	<u>656</u>
Total provisions	11(a)	<u>7,629</u>	<u>7,423</u>	<u>7,629</u>	<u>7,423</u>
(a) Employee benefits and related on-costs					
Current employee benefits					
Annual leave entitlements		1,750	1,824	1,750	1,824
Unconditional long-service entitlements		4,459	4,064	4,459	4,064
Non-current employee benefits					
Conditional long-service entitlements		446	567	446	567
Total employee benefits		<u>6,655</u>	<u>6,455</u>	<u>6,655</u>	<u>6,455</u>
Current on-costs		906	879	906	879
Non-current on-costs		68	89	68	89
Total on-costs		<u>974</u>	<u>968</u>	<u>974</u>	<u>968</u>
Total employee benefits and related on-costs		<u>7,629</u>	<u>7,423</u>	<u>7,629</u>	<u>7,423</u>
(b) Movement in provisions					
Movement in long-service leave					
Opening balance		5,356	4,741	5,356	4,741
Additional provisions recognised		701	1,042	701	1,042
Reductions arising from payments		(409)	(427)	(409)	(427)
Closing balance		<u>5,648</u>	<u>5,356</u>	<u>5,648</u>	<u>5,356</u>

		CONSOLIDATED		STATE LIBRARY OF VICTORIA	
		2013	2012	2013	2012
	Note	\$'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		(6,570)	4,250	(6,570)	4,250
Net result for the year		(8,581)	(14,044)	(9,746)	(14,560)
Net transfer (to)/from donations and bequests reserve		(844)	340	(132)	15
Net transfer (to)/from specific purpose grants reserve		(1,484)	2884	(1,031)	3,725
Accumulated surplus at end of the year		(17,479)	(6,570)	(17,479)	(6,570)
(c) Physical asset revaluation surplus					
Land and buildings asset revaluation surplus					
Balance at beginning of the year		23,616	23,616	23,616	23,616
Movement		-	-	-	-
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	309,484	309,484	309,484
Movement		-	-	-	-
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	333,100	333,100	333,100
Movement		-	-	-	-
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		12,609	12,949	1,885	1,900
Transfer (to)/from accumulated surplus		844	(340)	132	(15)
Balance at end of the year	13	13,453	12,609	2,017	1,885

		CONSOLIDATED		STATE LIBRARY OF VICTORIA	
		2013	2012	2013	2012
	Note	\$'000	\$'000	\$'000	\$'000
12 EQUITY AND MOVEMENTS IN EQUITY (CONT'D)					
(f) Specific purpose grants reserve					
Balance at beginning of the year		8,933	11,817	5,787	9,512
Transfer (to)/from accumulated surplus		1,484	(2,884)	1,031	(3,725)
Balance at end of the year	14	10,417	8,933	6,818	5,787
(g) Financial assets valuation reserve					
Balance at beginning of the year		-	884	-	-
Unrealised capital gains/(losses)		257	(884)	-	-
Balance at end of the year		257	-	-	-
Total equity at the end of the year		898,262	906,586	882,970	892,716

	CONSOLIDATED			
	2012 B/fwd balance \$'000	2013 Transfer from accum. surplus \$'000	2013 Transfer to accum. surplus \$'000	2013 C/fwd balance \$'000

13 DONATIONS AND BEQUESTS RESERVE

State Library of Victoria

C Sunderberg Estate	140	4	-	144
Constance Thomson Estate	9	-	-	9
Ethel Cutten Estate	146	6	3	149
Frederick Bryan Bequest	34	1	-	35
K Wilson Bequest	87	4	-	91
Kurt Offenburger Bequest	4	-	3	1
LM Henderson Estate	186	6	-	192
MV Anderson Estate	4	-	-	4
Margery Ramsay Estate	113	3	30	86
Phillip Joseph Winthrop Bequest	6	-	-	6
Sir Irving Benson Estate	430	15	-	445
T Buesst Bequest	135	5	-	140
VG Dobbie Bequest	126	4	-	130
VJ Chalmers Estate	131	4	-	135
Shirley Horne Bequest	295	10	-	305
Margery Pierce Bequest	6	-	-	6
Rosemary Anne Woodfull Bequest	6	-	-	6
Deborah Ruth Priest Bequest	27	1	-	28
Russell Henry Beedles Bequest	-	100	-	100
CJ La Trobe Bequest	-	5	-	5
	1,885	168	36	2,017
State Library of Victoria Foundation	10,724	1,866	1,154	11,436
Total Library Board of Victoria	12,609	2,034	1,190	13,453

	2012	2013	2013	CONSOLIDATED
	B/fwd	Transfer	Transfer	2013
	balance	from accum.	to accum.	C/fwd
		surplus	surplus	balance
	\$'000	\$'000	\$'000	\$'000

14 SPECIFIC PURPOSE GRANTS RESERVE

During the 2012–13 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 2013. The balance of this reserve account consists of the following grants:

Directorate

AGL Shaw Summer Research Fellowships	1	-	-	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	-
CEO strategic projects	-	698	-	698
Creative Fellowships	-	108	108	-
Community consultation project	-	29	29	-
Community training	-	370	20	350
Digitising <i>Victoria Government Gazette</i>	40	100	140	-
Dome Centenary	-	110	34	76
Foundation support	198	1,400	893	705
Gorman Foundation	13	-	-	13
Librarianship in PNG and East Timor	9	285	144	150
Medieval and Renaissance Manuscripts in Australia	-	10	-	10
National and State Libraries Australasia	255	450	526	179
Strategic heritage plan implementation	-	37	37	-
Susan Hunt Memorial Lecture	4	-	4	-

Collection Interpretation

A history of Victoria during the First World War	59	8	33	34
<i>Bohemian Melbourne</i> exhibition	-	7	7	-
Carnival of curiosity	-	7	7	-
Children's literature book	4	-	4	-
Collection Interpretation special projects	5	4	9	-
<i>Dromkeen one</i> exhibition	-	3	3	-
<i>Enchanted dome</i> exhibition	-	19	19	-
<i>Free, secular and democratic</i> exhibition	-	127	127	-
<i>Gusto!</i> exhibition	32	71	103	-
History of State Library of Victoria book	-	31	15	16
Kaldor public art project	-	6	6	-
Library's Maps Collection book	1	-	1	-
<i>Look!</i> exhibition	28	18	44	2
<i>Look!</i> Vision tour funds	11	-	2	9
<i>Love and Devotion</i> exhibition	123	2	125	-
<i>Newspaper</i> exhibition	-	8	2	6
Piranesi and the Grand Tour exhibition	7	40	29	18

	CONSOLIDATED			
	2012	2013	2013	2013
	B/fwd balance	Transfer from accum. surplus	Transfer to accum. surplus	C/fwd balance
	\$'000	\$'000	\$'000	\$'000
14 SPECIFIC PURPOSE GRANTS RESERVE (CONT'D)				
RE Ross Trust Playwrights' Script Development Awards	-	80	-	80
Rare Books Summer School	9	-	-	9
<i>ST Gill</i> exhibition	-	8	3	5
Strategic publishing	3	7	10	-
<i>The Matrix</i>	1	-	1	-
<i>Victor Hugo: From page to stage</i> exhibition	-	500	33	467
World of the book	5	-	5	-
Collection Management				
Benson bequest	4	-	-	4
Dromkeen collection project	-	82	47	35
Foundation external grants	3	150	151	2
Holocaust collection	3	-	1	2
Illuminated manuscripts digitisation	17	-	3	14
iPres2014 conference	-	10	-	10
Library heritage digitisation	32	36	16	52
<i>Look!</i> Vision tour funds	29	-	24	5
Newspaper digitisation	27	301	-	328
Offenburg bequest	-	3	3	-
Oral history digitising project	29	212	110	131
Pictures	-	15	15	-
Russell Beedles Collection	-	25	-	25
Sybil Craig bequest	33	1	-	34
Tapestry	-	130	3	127
State Library of NSW preservation review	-	23	2	21
Victorian map series – RE Ross Trust	19	-	19	-
Digitising Victorian military unit histories	18	-	18	-
Victoria 175	88	-	79	9
Visualising Victoria's groundwater	-	15	-	15
WG Alma Estate	52	9	12	49
Learning Services				
Australian Children's Literature Alliance	42	-	42	-
Bookgigs	10	-	-	10
Booktalkers for professionals	11	30	32	9
Booktalkers for teenagers	30	53	17	66
ABC creative writing portal	-	5	5	-
DEECD – Next Practice Program	55	-	4	51
DEECD – Strategic Partnerships Program	22	29	1	50
Family learning	-	15	15	-
FUSE	120	-	17	103

	CONSOLIDATED			
	2012	2013	2013	2013
	B/fwd balance	Transfer from accum. surplus	Transfer to accum. surplus	C/fwd balance
	\$'000	\$'000	\$'000	\$'000
14 SPECIFIC PURPOSE GRANTS RESERVE (CONT'D)				
iPads for schools	15	-	15	-
Knowledge Bank: Next Generation	117	-	-	117
Learning Spaces	19	-	-	19
Literacy Outreach Program	2	-	2	-
<i>Love and Devotion</i> volunteer coordinator	-	2	2	-
Open Access Program – JT Reid Charitable Trusts	24	-	24	-
Open Access Program – Mrs MS Ross AM	34	65	77	22
Professional development	10	1	4	7
Personal Learning Network	19	13	1	31
Reading Matters	13	53	28	38
Reading Families	17	-	5	12
Regional programs	14	-	2	12
Shell Outreach Project	38	-	12	26
Student programs	17	20	18	19
Telematics	3	-	3	-
Travelling Treasures	27	-	4	23
Trust Company Literacy Outreach Program	29	3	26	6
Web project	11	1	12	-
Young Readers program	-	30	30	-
Public Libraries				
Disability Awareness Kit online	30	-	4	26
Events program for <i>Look!</i> exhibition	1	-	-	1
Events programs	-	63	55	8
Frontline Victoria	9	75	38	46
Library Infrastructure Projects	911	224	657	478
Kindergartens IT Project	157	1,105	1,089	173
Library network and support	991	1,577	1,679	889
Rare Books Summer School	2	-	-	2
RE Ross Trust Playwrights' Script Development Awards	123	-	123	-
Redmond Barry Lecture	6	-	2	4
Summer Read	46	26	44	28
Access and Information				
Aborigines Advancement League archive	4	-	-	4
Agnes Robertson Trust record digitisation	13	-	-	13
Australian Jewish Historical Society	4	-	-	4
Coles Myer Ltd	4	-	-	4
Disability	1	-	-	1
Foundation development fund	6	-	-	6
New technology	7	-	-	7

	CONSOLIDATED			
	2012	2013	2013	2013
	B/fwd balance	Transfer from accum. surplus	Transfer to accum. surplus	C/fwd balance
	\$'000	\$'000	\$'000	\$'000
14 SPECIFIC PURPOSE GRANTS RESERVE (CONT'D)				
Online document delivery project	5	-	-	5
Suncorp Insurance archive	-	72	-	72
Port Phillip Papers Digitisation Project	9	-	-	9
Publications				
<i>La Trobe Journal</i> digitisation	14	-	8	6
Library research	36	-	13	23
Library marketing	58	9	8	59
<i>Love and Devotion</i> marketing	43	-	43	-
Online marketing/social media	1	1	2	-
Rich media content project	20	-	2	18
<i>SLV News</i>	22	60	24	58
People and Property				
Joyce McGrath Gallery	2	-	2	-
Queen's Hall maintenance	1,253	224	1,051	426
Work health and wellbeing	5	5	10	-
Total State Library of Victoria	5,787	9,316	8,285	6,818
SLV Development Fund (Foundation)	3,146	1,153	700	3,599
Total State Library of Victoria Foundation	3,146	1,153	700	3,599
Total Library Board of Victoria	8,933	10,469	8,985	10,417
Summary of reserve movements				
Total of donations and bequests reserve	1,885	168	36	2,017
Total of specific purpose grants reserve	5,787	9,316	8,285	6,818
	7,672	9,484	8,321	8,835
State Library of Victoria Foundation				
Total of donations and bequests reserve	10,724	1,866	1,154	11,436
Total of specific purpose grants reserve	3,146	1,153	700	3,599
	13,870	3,019	1,854	15,035
Consolidated				
Total of donations and bequests reserve	12,609	2,034	1,190	13,453
Total of specific purpose grants reserve	8,933	10,469	8,985	10,417
	21,542	12,503	10,175	23,870

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
15 GOVERNMENT FUNDING				
Government appropriation	40,126	40,020	40,126	40,020
16 TRADING INCOME				
Vicnet	240	318	240	318
Other	1,934	1,360	1,879	1,351
	2,175	1,678	2,119	1,669
17 PROJECTS FUNDED FROM EXTERNAL SOURCES				
Department of Planning and Community Development				
A history of Victoria during the First World War	9	59	9	59
Victorian Public Libraries 2030	-	20	-	20
Department of Premier and Cabinet				
Multilingual government information online project	75	-	75	-
Department of Education and Early Childhood Development				
Australian Children's Literature Alliance	-	15	-	15
Family learning	2	2	2	2
Kindergarten IT Project	1,102	217	1,102	217
Next Practice Program	-	3	-	3
Strategic Partnerships Program	29	25	29	25
RE Ross Trust				
Oral history digitising project	212	106	212	106
RE Ross Trust Playwright's Award	80	130	80	130
Arts Victoria				
Additional bandwidth – Federation Square	-	7	-	7
Sidney Myer Fund				
Newspaper digitisation	45	-	45	-
Cabcharge Australia Ltd				
<i>Centenary of the Dome</i>	300	-	-	-

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
17 PROJECTS FUNDED FROM EXTERNAL SOURCES (CONT'D)				
Other externally funded grants				
Allen & Unwin	-	10	-	-
ANZ Trustees Limited	8	16	8	16
Australian Library and Information Association	-	12	-	12
Australian Institute for Teaching and School Leadership Ltd	12	-	12	-
Australia Council	51	50	51	50
City of Melbourne	-	28	-	28
Copyright Agency Limited	15	15	15	15
<i>La Trobe Journal: Islam in Australia</i> sponsors	-	3	-	-
State libraries – NSW, WA, QLD, SA, NT, ACT	341	88	341	88
National Library of Australia	86	71	86	71
National Library of New Zealand	46	-	46	-
National Gallery of Victoria	35	33	35	33
ACMI – Australian Centre for the Moving Image	9	7	9	7
Museum Victoria	18	12	18	12
Victorian Arts Centre Trust	9	7	9	7
Victorian Health Promotion Foundation	5	5	5	5
The Wheeler Centre	254	222	254	222
Monash University	-	5	-	-
Victorian Major Events Company	32	-	32	-
Linc Tasmania	18	-	18	-
University of Melbourne	57	-	57	-
<i>The Age</i>	-	32	-	32
Bates Smart Pty Ltd	15	-	15	-
NewSouth Publishing	15	-	15	-
University of Ballarat	15	-	15	-
Perpetual Trustee Company Ltd	10	-	10	-
Humanities 21 Inc	10	-	10	-
Other	12	49	7	25
	2,927	1,249	2,622	1,207

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
18 DONATIONS AND BEQUESTS				
State Library of Victoria				
Donations in kind	1,254	2,348	1,254	2,348
State Library of Victoria Foundation	-	-	887	606
Bequests	100	-	100	-
Other donations	226	65	226	65
Total State Library of Victoria	1,580	2,413	2,467	3,019
State Library Of Victoria Foundation				
Memberships	120	130	-	-
Bequests received	-	30	-	-
Donations	215	205	-	-
Total State Library of Victoria Foundation	335	365	-	-
Total Library Board of Victoria	1,915	2,778	2,467	3,019

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

**State Library of Victoria Foundation
Corporate Members**

Allen & Unwin
Alliance Française de Melbourne
Australians Studying Abroad
Flexigroup Limited
Lazard Pty Limited
Monash College
Monash University
RMIT University

Corporate Sponsor

Cabcharge Australia Limited

Donors and sponsors

Mr S Baillieu Myer AC
Mr & Mrs Brian & Helen Bayston
Mr & Mrs Charles & Primrose Bright
Mrs Loreen Chambers
Mrs Nell Charlwood
Mr Charles G Clark
Professor Peter Colman & Dr Anne Colman
Mr Brian Cook
Mrs Eileen Cunningham
Drs David & Debra Devonshire
Ms Shona Dewar
Mr Dennis Goldner
Mr Peter Griffin AM
Mrs Jean Hadges
Mr Roger B Heslop
Ms Molly Hunter & Mr Peter Yewers
Dr & Mrs Milan & Anne Kantor
Ms Irene Kearsey & Mr Michael Ridley
Ms Zara Kimpton OAM
Mr Peter Lothian

Ms Bridget McDonnell & Mr John Timlin
Mr & Mrs Ross & Judy Milne-Pott
Mrs Beatrice Moignard
Mr Paul R Mullaly QC
Mr Timothy Mumme
Mr Rupert Myer AM
Mr Allan J Myers QC, AO & Mrs Maria Myers AO
Mr Stephen Newton
Mr & Mrs Brendan & Diane Power
Mr Ian Renard AM & Mrs Diana Renard
Dr Mark Roberts
Mr & Mrs Michael & Angela Rodd
Mr DW Rogers AO
Mr Jason Ronald OAM
Mrs Adrienne Shaw
Mrs Liesl Singer
Ms Anne Spurrirt & Ms Susan Yates
Dr Frederick Tosolini
Mr & Mrs Noel & Jenny Turnbull
Mr Frank van Straten OAM
Mr John Wylie AM & Mrs Myriam Wylie

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
19 INVESTMENT REVENUE				
(a) Investment revenue				
Interest revenue – general	697	858	144	418
Interest revenue – bequests	66	91	63	88
Dividends received	602	800	-	-
	1,365	1,749	207	506
(b) Capital movements				
Realised capital gains	911	132	-	-
Impairment loss on financial assets	-	(166)	-	-
	911	(34)	-	-
20 SALARIES AND RELATED EXPENSES				
Salaries	22,395	22,338	22,249	22,134
Superannuation	2,165	2,145	2,152	2,125
Other salary-related costs	4,769	4,374	4,732	4,336
	29,329	28,857	29,133	28,595
21 BUILDINGS AND FACILITIES EXPENSES				
Security	1,374	1,244	1,373	1,244
Repairs and maintenance	2,131	2,398	2,131	2,398
Insurance	768	798	768	798
Cleaning	850	823	850	823
Utilities	1,161	940	1,161	940
Other	71	68	71	68
	6,355	6,271	6,354	6,271
22 PROFESSIONAL AND FINANCE EXPENSES				
Audit – internal and external	258	183	249	179
Consultancy and other costs	1,305	930	1,222	849
	1,563	1,113	1,471	1,028
23 BORROWING COSTS				
Finance lease interest	2	4	2	4

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
24 GRANTS DISTRIBUTED				
Community skills and networks	42	831	42	831
Refund of unused grants	-	636	-	636
Library networks	28	69	28	69
	70	1,536	70	1,536
25 OTHER EXPENSES FROM ORDINARY ACTIVITIES				
Information technology	3,065	3,735	3,063	3,735
IT operating leases	1,122	898	1,122	898
Office administration	308	342	236	331
Storage and conservation	315	453	315	453
Marketing and promotion	1,888	1,835	1,557	1,763
Communications	369	495	360	472
Travel and related expenses	314	360	310	358
Publications	162	188	156	140
	7,543	8,306	7,119	8,150

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 2013 (2012: nil).

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'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	98	141	98	141
Later than one year, not later than five years	314	348	314	348
Later than five years	-	46	-	46
	412	535	412	535
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	3,386	3,393	3,386	3,393
Later than one year, not later than five years	4,079	1,528	4,079	1,528
Later than five years	818	1,724	818	1,724
	8,283	6,645	8,283	6,645
Operating leases				
Commitments for minimum-lease payments in relation to non-cancellable operating leases are payable as follows:				
Not later than one year	835	1,066	835	1,066
Later than one year, not later than five years	1,166	972	1,166	972
	2,001	2,038	2,001	2,038
Total commitments for expenditure (GST inclusive)	10,696	9,218	10,696	9,218
Less GST recoverable from the ATO	(972)	(834)	(972)	(834)
Total commitments for expenditure (GST exclusive)	9,724	8,384	9,724	8,384
28 REMUNERATION OF AUDITORS				
Fees paid and payable to the Auditor-General for auditing the financial report	34	36	30	32

The Auditor-General provided no other services.

		CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	Note	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'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	2,314	7,334	-	1,000
Cash at bank	2	5,321	697	5,297	614
Investments	4	5,110	4,325	-	-
		12,749	12,360	5,301	1,618
b) Reconciliation of net result for the year					
Net result for the year		(8,581)	(14,044)	(9,746)	(14,560)
Non-cash movements					
Depreciation		13,300	14,935	13,300	14,935
(Gain)/loss on sale of non-financial assets		(6)	(5)	(6)	(5)
Donations in kind		(1,254)	(2,348)	(1,254)	(2,348)
Gain on sale of available-for-sale financial assets		(911)	35	-	-
Other non-cash movements		-	(7)	-	-
Movements included in investing and financing activities					
Repayment of finance lease interest		-	4	-	4
Movements in assets and liabilities					
Increase in provisions		206	723	206	723
Decrease/(increase) in receivables		(77)	451	(121)	433
Decrease in inventory		-	20	-	20
Decrease/(increase) in prepayments		(16)	13	(16)	8
Increase/(decrease) in payables		734	(841)	734	(841)
Decrease in other liabilities		(747)	(220)	(747)	(220)
Net cash flows from/(used in) operating activities		2,648	(1,284)	2,350	(1,851)

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

During the year the consolidated entity received collections with an aggregate fair value of \$1,254,370 (2012: \$2,347,590) 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 \$32,998 (2012: \$36,598). 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:

					CONSOLIDATED
2013		Contractual financial assets – loans and receivables	Contractual financial assets available-for-sale	Contractual financial liabilities at amortised cost	Total
		\$'000	\$'000	\$'000	\$'000
Contractual financial assets					
Cash and deposits		7,639	-	-	7,639
Receivables	Franking credits	116	-	-	116
	Debtors	515	-	-	515
	Accrued investment income	4	-	-	4
	SLV Foundation current account	-	-	-	-
Investments and other financial assets					
	Equities	-	6,570	-	6,570
	Property trust	-	1,245	-	1,245
	Fixed interest securities	-	3,685	-	3,685
	Cash management account	1,425	-	-	1,425
Total contractual financial assets		9,699	11,500	-	21,199
Contractual financial liabilities					
Payables	Supplies and services	-	-	1,297	1,297
	Lease liabilities	-	-	27	27
Total contractual financial liabilities		-	-	1,324	1,324
2012					
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

30 FINANCIAL INSTRUMENTS (CONT'D)

					STATE LIBRARY OF VICTORIA				
2013		Contractual financial assets – loans and receivables	Contractual financial assets available-for-sale	Contractual financial liabilities at amortised cost	Total				
		\$'000	\$'000	\$'000	\$'000				
Contractual financial assets									
Cash and deposits		5,301	-	-	5,301				
Receivables	Franking credits	-	-	-	-				
	Debtors	504	-	-	504				
	Accrued investment income	4	-	-	4				
	SLV Foundation current account	98	-	-	98				
Investments and other financial assets									
	Equities	-	-	-	-				
	Property trust	-	-	-	-				
	Fixed interest securities	-	-	-	-				
	Cash management account	-	-	-	-				
Total contractual financial assets		5,907	-	-	5,907				
Contractual financial liabilities									
Payables	Supplies and services	-	-	1,297	1,297				
	Lease liabilities	-	-	27	27				
Total contractual financial liabilities		-	-	1,324	1,324				
2012									
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				

30 FINANCIAL INSTRUMENTS (CONT'D)**c) Net holding gain/(loss) on financial instruments by category**

2013	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	-	305	-	-	305
Contractual financial assets available-for-sale recognised in net result	911	849	(63)	-	1,697
Contractual financial assets available-for-sale recognised in other comprehensive result	257	-	-	-	257
Total contractual financial assets	1,168	1,154	(63)	-	2,259
Contractual financial liabilities					
Contractual financial liabilities at amortised cost	-	(2)	-	-	(2)
Total contractual financial liabilities	-	(2)	-	-	(2)
2012					
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)	846
Contractual financial assets available-for-sale recognised in other comprehensive result	(884)	-	-	-	(884)
Total contractual financial assets	(752)	1,606	(60)	(166)	628
Contractual financial liabilities					
Contractual financial liabilities at amortised cost	-	(4)	-	-	(4)
Total contractual financial liabilities	-	(4)	-	-	(4)

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.

30 FINANCIAL INSTRUMENTS (CONT'D)

2013	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	-	208	-	-	208
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	-	208	-	-	208
Contractual financial liabilities					
Contractual financial liabilities at amortised cost	-	(2)	-	-	(2)
Total contractual financial liabilities	-	(2)	-	-	(2)
2012					
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)

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:

2013	CONSOLIDATED				
	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	7,639	-	-	-	7,639
Receivables	-	116	-	519	635
Investments and other financial assets	-	-	12,925	-	12,925
Total contractual financial assets	7,639	116	12,925	519	21,199
2012					
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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013
30 FINANCIAL INSTRUMENTS (CONT'D)

STATE LIBRARY OF VICTORIA					
2013	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	5,301	-	-	-	5,301
Receivables	-	-	-	606	606
Investments and other financial assets	-	-	-	-	-
Total contractual financial assets	5,301	-	-	606	5,907
2012					
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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013
30 FINANCIAL INSTRUMENTS (CONT'D)

e) Ageing analysis of contractual financial assets

The ageing analysis of contractual financial assets is as follows:

CONSOLIDATED						
2013	Carrying amount	Not past due and not impaired	Past due but not impaired			
			Less than 1 mth	1–3 mths	3 mths – 1 yr	1–5 yrs
			\$'000	\$'000	\$'000	\$'000
Contractual financial assets						
Receivables						
Debtors	515	476	36	3	-	-
Accrued investment income	4	4	-	-	-	-
Franking credits	116	116	-	-	-	-
SLVF current account	-	-	-	-	-	-
Total contractual financial assets	635	596	36	3	-	-
2012						
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	-

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 2013
30 FINANCIAL INSTRUMENTS (CONT'D)

STATE LIBRARY OF VICTORIA						
2013	Carrying amount	Not past due and not impaired	Past due but not impaired			
			Less than 1 mth	1–3 mths	3 mths – 1 yr	1–5 yrs
			\$'000	\$'000	\$'000	\$'000
Contractual financial assets						
Receivables						
Debtors	504	465	36	3	-	-
Accrued investment income	4	4	-	-	-	-
Franking credits	-	-	-	-	-	-
SLVF current account	98	98	-	-	-	-
Total contractual financial assets	606	567	36	3	-	-
2012						
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	-

30 FINANCIAL INSTRUMENTS (CONT'D)**f) Liquidity risk**

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

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

The Board manages its liquidity risk by:

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

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

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

The following table discloses the contractual maturity analysis for the Board's contractual financial liabilities.

2013	Carrying amount	Nominal amount	Maturity dates				
			Less than 1 mth	1–3 mths	3 mths – 1 yr	1 yr – 5 yrs	5+ yrs
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial liabilities							
Payables							
Supplies and services	1,297	1,297	1,263	19	15	-	-
Lease liabilities	27	27	1	2	6	18	-
Total contractual financial liabilities	1,324	1,324	1,264	21	21	18	-
2012							
Contractual financial liabilities							
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	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013
30 FINANCIAL INSTRUMENTS (CONT'D)

STATE LIBRARY OF VICTORIA							
2013	Carrying amount	Nominal amount	Maturity dates				
			Less than 1 mth	1–3 mths	3 mths – 1 yr	1 yr – 5 yrs	5+ yrs
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial liabilities							
Payables							
Supplies and services	1,297	1,297	1,263	19	15	-	-
Lease liabilities	27	27	1	2	6	18	-
Total contractual financial liabilities	1,324	1,324	1,264	21	21	18	-
2012							
Contractual financial liabilities							
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	-

30 FINANCIAL INSTRUMENTS (CONT'D)**g) Market risk**

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

Foreign-currency risk

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

Interest-rate risk

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

Cash flow interest-rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Board has minimal exposure to cash flow interest-rate risks through its cash and deposits, term deposits that are at fixed interest rates. Exposure to cash flow interest-rate risk arises primarily through the Board's interest-bearing assets (term deposits) at the time of expiration of one term and renegotiation for a new term.

The Board manages this risk by mainly undertaking fixed-rate or non-interest-bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate. Management has concluded that cash at bank can be left at floating rate without necessarily exposing the Board to significant risk; management monitors movement in interest rates on a daily basis.

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

2013	CONSOLIDATED				
	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	5.1%	7,639	2,314	24	5,301
Receivables					
Franking credits	-	116	-	-	116
Debtors	-	515	-	-	515
Accrued investment income	-	4	4	-	-
SLV Foundation current account	-	-	-	-	-
Investments and other financial assets					
Equities	-	6,570	-	-	6,570
Property trust		1,245			1,245
Fixed interest securities	4.9%	3,685	3,685	-	-
Cash management account	4.9%	1,425	-	1,425	-
Total contractual financial assets		21,199	6,003	1,449	13,747
Contractual financial liabilities					
Payables					
Supplies and services	-	1,297	-	-	1,297
Lease liabilities	6.6%	27	27	-	-
Total contractual financial liabilities		1,324	27	-	1,297

30 FINANCIAL INSTRUMENTS (CONT'D)

			STATE LIBRARY OF VICTORIA				
2013			Weighted average interest rate	Carrying amount	Interest rate exposure		
					Fixed interest rate	Variable interest rate	Non-interest bearing
			%	\$'000			
Contractual financial assets							
Cash and deposits			4.5%	5,301	-	-	-
Receivables	Franking credits		-	-	-	-	-
	Debtors		-	504	-	-	504
	Accrued investment income		-	4	4	-	-
	SLV Foundation current account		-	98	-	-	98
Investments and other financial assets							
	Equities		-	-	-	-	-
	Property trust		-	-	-	-	-
	Fixed interest securities		-	-	-	-	-
	Cash management account		-	-	-	-	-
Total contractual financial assets				5,907	4	-	602
Contractual financial liabilities							
Payables	Supplies and services		-	1,297	-	-	1,297
	Lease liabilities		6.6%	27	27	-	-
Total contractual financial liabilities				1,324	27	-	1,297

30 FINANCIAL INSTRUMENTS (CONT'D)

2012	CONSOLIDATED				
	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	6.6%	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

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 per cent and -2 per cent in market interest rates (AUD) from year end rates of 2.75% (2012: 3.5%)
- a proportional equity price movement of +5 per cent (+240 points) and -5 per cent (-240 points) from the year end S&P/ASX200 benchmark index of 4802.6 (2012: 4094.6).

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.

30 FINANCIAL INSTRUMENTS (CONT'D)

			STATE LIBRARY OF VICTORIA			
2012		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%	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	-	-	813
	Lease liabilities	6.6%	69	69	-	-
Total contractual financial liabilities			882	69	-	813

l) Interest rate risk sensitivity

2013	Carrying amount	CONSOLIDATED			
		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	7,639	(153)	-	153	-
Receivables Franking credits	116	-	-	-	-
Debtors	515	-	-	-	-
Accrued investment income	4	-	-	-	-
SLV Foundation current account	-	-	-	-	-
Investments and other financial assets					
Equities	6,570	-	-	-	-
Property trust	1,245	-	-	-	-
Fixed interest securities	3,685	(74)	-	74	-
Cash management account	1,425	(28)	-	28	-
Total contractual financial assets	21,199	(255)	-	255	-
Contractual financial liabilities					
Payables Supplies and services	1,297	-	-	-	-
Lease liabilities	27	-	-	-	-
Total contractual financial liabilities	1,324	-	-	-	-

30 FINANCIAL INSTRUMENTS (CONT'D)

		STATE LIBRARY OF VICTORIA			
2013	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	5,301	(106)	-	106	-
Receivables Franking credits	-	-	-	-	-
Debtors	504	-	-	-	-
Accrued investment income	4	-	-	-	-
SLV Foundation current account	98	-	-	-	-
Investments and other financial assets					
Equities	-	-	-	-	-
Property trust	-	-	-	-	-
Fixed interest securities	-	-	-	-	-
Cash management account	-	-	-	-	-
Total contractual financial assets	5,907	(106)	-	106	-
Contractual financial liabilities					
Payables Supplies and services	1,297	-	-	-	-
Lease liabilities	27	-	-	-	-
Total contractual financial liabilities	1,324	-	-	-	-

30 FINANCIAL INSTRUMENTS (CONT'D)*l) Interest rate risk sensitivity (cont'd)*

2012	Carrying amount	CONSOLIDATED			
		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	(248)	-	248	-
Contractual financial liabilities					
Payables Supplies and services	813	-	-	-	-
Lease liabilities	69	-	-	-	-
Total contractual financial liabilities	882	-	-	-	-

30 FINANCIAL INSTRUMENTS (CONT'D)

		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	\$'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 2013
30 FINANCIAL INSTRUMENTS (CONT'D)

II) Equity price risk sensitivity

		CONSOLIDATED		
2013		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	6,570	(328)	328
	Property trust	1,245	(62)	62
Total contractual financial assets		7,815	(390)	390

		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

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.

		Fair value measurement at 30 June using:	CONSOLIDATED				STATE LIBRARY OF VICTORIA			
			Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
			2013 \$'000	2013 \$'000	2012 \$'000	2012 \$'000	2013 \$'000	2013 \$'000	2012 \$'000	2012 \$'000
		Level								
Contractual financial assets										
Cash and deposits			7,639	7,639	8,035	8,035	5,301	5,301	1,618	1,618
Receivables	Franking credits	3	116	116	105	105	-	-	-	-
	Debtors	3	515	515	397	397	504	504	386	386
	Accrued investment income	3	4	4	62	62	4	4	8	8
	SLV Foundation current account	3	-	-	-	-	98	98	4,086	4,086
Investments and other financial assets										
	Equities	1	6,570	6,570	5,903	5,903	-	-	-	-
	Property trust	1	1,245	1,245	1,141	1,141	-	-	-	-
	Fixed interest securities	1	3,685	3,685	3,738	3,738	-	-	-	-
	Cash management account	3	1,425	1,425	587	587	-	-	-	-
Total contractual financial assets			21,199	21,199	19,968	19,968	5,907	5,907	6,098	6,098
Contractual financial liabilities										
Payables	Supplies and services	3	1,297	1,297	813	813	1,297	1,297	813	813
	Lease liabilities	3	27	27	69	69	27	27	69	69
Total contractual financial liabilities			1,324	1,324	882	882	1,324	1,324	882	882

31 SUPERANNUATION

The Board made superannuation contributions for employees as follows:

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Defined benefit plan				
State Superannuation Fund	538	576	538	576
Defined contribution plans				
VicSuper	1,360	1,340	1,348	1,320
Private superannuation funds	266	229	266	229
	2,164	2,145	2,152	2,125

There are no superannuation contributions outstanding as at 30 June 2013. The Library Board of Victoria has no responsibility for unfunded liabilities associated with any of the abovementioned 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	911	(34)	-	-
(b) Net gain/(loss) on non-financial assets				
Net gain/(loss) in disposal of non-financial assets	6	5	6	5
(c) Other losses from other economic flows				
Revaluation of long-service leave liability due to changes in bond rates	156	(467)	156	(467)
	1,073	(496)	162	(462)

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 MP	1 July 2011 to 6 March 2013
Minister for the Arts	The Hon. Denis Napthine MP	7 March 2013 to 12 March 2013
Minister for the Arts	The Hon. Heidi Victoria MP	13 March 2013 to 30 June 2013
Chief Executive Officer	Sue Roberts	1 July 2012 to 30 June 2013

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 \$280,000–289,999 (\$420,000–429,999 in 2012).

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

Mr John Wylie AM (President)	Mr Petro Georgiou AO
Mr Stephen Kerr (Deputy President)	Mr Bruce Akhurst
Ms Robyn Annear (resigned 6 December 2012)	Ms Sylvia Geddes (until 23 May 2013)
Professor Merran Evans	Mr Dennis Goldner
The Hon. Sherryl Garbutt (until 23 May 2013)	Mr Eddie McGuire AM (from 23 April 2013)

No member of the Board has received remuneration or retirement benefits during 2012–13.

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		Base remuneration	
	2013 No.	2012 No.	2013 No.	2012 No.
\$20,000–29,999	1	-	1	-
\$30,000–39,999	1	-	1	-
\$80,000–89,999	-	-	1	-
\$140,000–149,999	1	-	2	-
\$150,000–159,999	-	1	1	1
\$160,000–169,999	2	-	1	1
\$170,000–179,999	2	-	1	1
\$180,000–189,999	1	-	-	-
\$200,000–209,999	-	1	-	-
\$210,000–219,999	-	1	-	-
Total number of executives	8	3	8	3
Total annualised employee equivalent (AEE)	5	3	5	3
Total amount (\$'000)	1,058	570	918	485

There were no related party transactions during the year ended 30 June 2013.

34 SUBSEQUENT EVENTS

The Library Board of Victoria is not aware of any events occurring subsequent to 30 June 2013 that may have a material effect on the financial statements. (2012: nil).

35 DROMKEEN COLLECTION

The Dromkeen collection has been received by the Library in its role of the Trustee of the Dromkeen collection. Currently as per Library policies, the Dromkeen collection is being processed before being formally accessioned and added to the Library collection. The current value of the Dromkeen collection is estimated at \$1.6 million.

36 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:

- c) cash
- d) an equity instrument of another entity, or
- e) 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 Library.

Transactions

Those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. Transactions can be in-kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. Transactions also include flows within an entity such as depreciation, where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset.

VGV

Valuer-General Victoria

VAGO

Victorian Auditor-General's Office

