



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

Library Board of Victoria
Annual Report

2014-15

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Vision and values

As expressed in our *Corporate Plan 2013–16*, the Library is guided by the following vision and values.

VISION

To 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.

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.

President's report



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

We at the State Library are very proud of the fact that our Library is today one of the most successful and popular libraries in the world. We attract close to 1.8 million visitors through our doors each year – more than the British Library in London – and almost 3.5 million visits to our website.

The Library makes a major contribution not only to Victoria's cultural life, but to its economy as well. International students comprise our largest user group, and international education is now Victoria's number one export industry.

This institution has re-imagined itself many times over our 160-year history and this is about to occur once again with a major \$83 million redevelopment. This is an exciting and ambitious plan to renew and reimagine the Library for the 21st century, which will transform our much loved institution and bring substantial cultural and economic benefits for all Victorians.

It will enable us to:

- refurbish Queen's Hall, Australia's original public library space
- create new services tailored to the needs of today's community, such as centres for digital media, entrepreneurship, and an electronic town hall for online community debates and lectures
- re-open the public entrance on Russell Street
- create new education and learning facilities for families, children and young people, and new exhibition spaces.

We were thrilled this year with the Victorian Government's commitment of \$55 million to this project, two-thirds of the total estimated project

cost. We greatly appreciate this substantial investment in Victoria's and the Library's future. The remaining third of the project cost – \$28 million – is proposed to be raised from philanthropic sources, and we are making good progress on that front.

We have in the past year staged some of the most far-reaching and diverse exhibitions in the recent history of the Library – the highly popular *Bohemian Melbourne*; the *Inspiration by Design* exhibition from the V&A Museum in London; and *Victor Hugo: Les Misérables – From Page to Stage*, the story of the journey of the literary classic to the modern musical phenomenon. The Victor Hugo exhibition was our first attempt at a ticketed exhibition; we learned valuable lessons for the future and are proud to be trying new and innovative things.

In recent months we were delighted to receive by way of bequest the John Emmerson Collection of more than 5000 rare books and publications relating in particular to the English civil war. This is one of the world's most significant collections of 15th–17th century printed English works and the most significant collection of rare books ever donated to the State Library. Together with a generous financial endowment for scholarship around the collection and its upkeep, John's total philanthropic gift to the State Library is valued at over \$5 million and is the single most generous donation this institution has ever received. We thank the Emmerson family with utmost gratitude. We were naturally delighted that the family chose the State Library to be the home for this collection after a highly competitive process between Victoria's leading academic and research institutions. They chose this great public library because of its inherent qualities – the fact that since our inception we have been free, secular and democratic,

open to all the community as a place of public learning and knowledge.

My thanks also to all our supporters – Friends of the Library, volunteers, partners, sponsors and others – and to my fellow Board members. The refurbishment of Palmer Hall as a public gallery was able to happen this year because of the Board's generous financial support. Particular thanks go to Professor Merran Evans, who served on the Board and several committees from June 2009 to her retirement in May 2015.

There are many positive achievements and outcomes to celebrate in relation to the year just passed. It is appropriate to acknowledge, however, that Library funding is under intense pressure and this has had consequences for the organisation and staff. Our operating budget from government has reduced from \$40 million to \$36 million per annum over the past two years, primarily due to the lapsing of fixed-term sustainability funding, at the same time as demands on our services have increased substantially due in particular to growth in international and tertiary education in Victoria. It is an absolute priority for the Board to strengthen the operational funding position of the organisation from both government and private sector sources at the same time as we seek to secure philanthropic grants for the redevelopment.

In these circumstances, we appreciate more than ever our dedicated staff, whose enthusiasm, professionalism and good humour continue to be appreciated by all who use the Library. I would

like to thank Sue Roberts, who completed three years as CEO and State Librarian in 2015, for all her contribution and effort. I also commend Justine Hyde on her excellent work as Acting CEO and State Librarian, supported ably by her Leadership Team, while we searched for a new CEO.

We were delighted to announce on 24 July the appointment of Kate Torney as the new CEO of the State Library. Kate is a highly accomplished and respected leader in Australia's media and information services sector, and joins us from the ABC where she has been Director of News for the past six years. She brings a great deal of relevant experience and outstanding leadership skills. We look forward to her commencing in the role in November this year.

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 2015.



John Wylie AM
President, Library Board of Victoria

Chief Executive Officer and State Librarian's year in review



It's been another terrific year, with ever growing numbers of visitors coming to the Library or engaging with us online to explore our collection and content, participate in programming and events, and connect with others from Victoria and beyond. During 2014-15 we had:

- 1,781,690 onsite visits
- 3,441,756 online visits
- 49,147 reference queries handled by our expert staff
- 254,838 collection items accessed
- 1,379,323 uses of our digitised collection items.

This increasing use demonstrates for us our continuing value and relevance to the Victorian community.

We continuously strive to improve our service in all areas, and during the past year have implemented many recommendations from our service model redesign, including establishing a dedicated customer-focused service delivery and design team, and creating a welcome zone in Palmer Hall. We were delighted when our service model project, in collaboration with Meld Studios, won the Service Design category in the Australian Good Design Awards, and we look forward to implementing further improvements over the coming year.

Another achievement during the year has been the development of our *Collections and Content Strategy 2020*, which sets out key principles to guide responsive collecting and connecting,

involving our community and evolving our practices, while reconfirming our commitment to being the trusted carers for Victoria's cultural heritage. This strategy will help us in our aim of ensuring that our collections and content inspire learning and creativity, as well as offer a pathway for exploring the world's knowledge and connecting with the global community.

Some of my highlights during the year have been staging two major exhibitions, including *Victor Hugo: Les Misérables – From Page to Stage*, our major international exhibition. *Bohemian Melbourne* brought the focus back home and proved wildly popular, receiving over 72,000 visitors and inspiring some wonderfully creative programming.

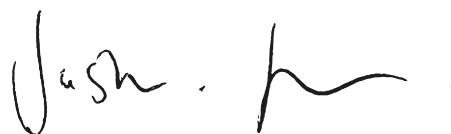
Other highlights include several significant acquisitions, one being the John Emmerson Collection, mentioned in the President's report and also on page 11. We also acquired the Geoffrey Cains manuscript collection, which consists of the papers and letters of 238 authors – including Helen Garner's correspondence on her groundbreaking novel *Monkey Grip* – compiled over a 40-year period. Our work now begins to make these treasures accessible for the Victorian community to enjoy.

Our partnerships are more vital than ever and we are particularly proud of our work with Public Libraries Victoria Network in bringing services and programming to the wider community through

the Summer Read adult reading program, Australian Poetry Slam competition and *Writing the war* touring exhibition. Partnerships were also integral to the Victor Hugo exhibition – particularly with the Bibliothèque nationale de France, Musée Carnavalet, Maisons de Victor Hugo and Cameron Mackintosh. It shows what can be achieved when we join forces with our fellow libraries and cultural institutions.

Another highlight was the completion of facade works that restored the dome exterior and western facade of the building, made possible by funding from the Victorian State Government, and the announcement of a further \$55.4 million to fund a major redevelopment that will help transform and position the Library as a world-leading learning and cultural institution for the people of Victoria.

In reflecting on the achievements of the past year, I would like to acknowledge the work and leadership of Sue Roberts. My thanks also to the Board for their guidance and especially to all the devoted staff at the Library for their magnificent efforts during the year.

A handwritten signature in black ink, appearing to read 'Justine Hyde', followed by a period.

Justine Hyde
A/g Chief Executive Officer and State Librarian

Report of operations

This section reflects the strategic directions of the *Corporate Plan 2013–16* and reports on our activities in line with these seven building blocks:

- Community engagement
- Access
- Collections and content
- Place and space
- Collaboration
- People and capabilities
- Sustainable financials and funding

Key initiatives and projects

Two key initiatives delivered during the reporting period were the *Victor Hugo: Les Misérables – From Page to Stage* exhibition and the redevelopment of the Library website. Both projects are detailed in the following report of operations.

Two key initiatives for 2015–16 will be presenting the exhibition *Heroes & Villains: Strutt's Australia*, in conjunction with the National Library of Australia, as well as completing the design scope and selecting the design team for the building redevelopment project.

Community engagement

Grow lifetime engagement by extending participation and strengthening connections

The Library is committed to building community participation through providing broadly appealing programming that draws on the collection and inspires both delight and learning.

Community engagement programs

Our Community Programs team continued to develop and deliver innovative programs that present, interpret and encourage creative engagement with the Library's collections, reaching over 41,000 attendees in 2014–15.

Programming to complement our major exhibitions throughout the year included talks and panel discussions, workshops, curator's tours, film screenings and pop-up performances. These received consistently high attendance and positive feedback.

The 'Big ideas under the dome' lecture series continues to provide prominent Australians with a forum to reflect and expand on important current issues. This year the series included the Library's annual Stephen Murray-Smith Memorial Lecture, delivered by journalist and former Member of Parliament, Maxine McKew; and the Redmond Barry Lecture, which was delivered by the late former Prime Minister, the Right Honourable Malcolm Fraser AC, CH.

For the third year in a row, White Night Melbourne attracted huge crowds into the Library, with around 19,500 people visiting during the 12-hour overnight event themed around *Alice's adventures in Wonderland*. *Rabbit hole*, a projection by artist Nick Azidis, lit up the exterior of the Library, and staff dressed as characters from the book welcomed visitors. La Trobe Reading Room visitors were treated to a projection piece by French duo Antoine + Manuel entitled *Eat me*, set against a soundtrack created by Melbourne electro-pop artist Sui Zhen.

The Library's Fellowships Program continues to deliver exciting programming outcomes. In *Sounds of the Bengal Renaissance: the music of Raja Sourindro Mohan Tagore*, Creative Fellow Dr Adrian McNeil brought together an ensemble of internationally renowned Indian and Western musicians to bring to life Tagore's music held in the Library's collection. Dome Centenary Fellowship recipient Barking Spider Visual Theatre was inspired by a little-known object in the Library's realia collection – 'The Press Dress', an 1866 silk gown printed with newspaper pages. Promoted as part of Melbourne Spring Fashion Week, *Liberty of the press* was a striking event exploring under-represented histories of the gold-rush period in Victoria, in particular those of women and Chinese immigrants.

We worked to actively connect with members of the Victorian Aboriginal community. *Not forgetting you at all: the story of Barak and the de Pury*s was presented in partnership with Melbourne Food and Wine Festival by Creative Fellow Max Allan and descendants of Wurundjeri leader William Barak and the de Pury family. In *Exploring Koori history*, part of our Creative Conversations series, Redmond Barry Fellow Dr Marguerita Stephens

and Koori Librarian Maxine Briggs explored the responsibilities of a collecting institution and why the papers of Assistant Protector William Thomas, held in the Library's collection, are so valuable for historians and Aboriginal Victorians (see p. 10).

We continued to strengthen our program offer and reach through partnership programs such as the Policy Pitch (with Grattan Institute), Making Public Histories (with the History Council of Victoria and Monash University) and the Foxcroft Lecture (supported by Professor Wallace Kirsop).

Engaging and educating

The Library continued to support learning outcomes through a range of public programs and professional development, with a focus on connecting young readers with books, words and stories.

Our early-years literacy programs, Storytime and Baby Bounce, continued to see high demand with close to 15,000 visitors throughout the year. The refurbished Play Pod has become a warm and inviting space for families to read and create stories together. For older children we introduced the Story Sessions, with 60–100 children per session working with authors and illustrators to create books. The Children's Book Festival, in partnership with the Wheeler Centre, saw over 12,000 children and families and 300 school children gather for three days of stellar programming.

Our Centre for Youth Literature continues to celebrate the voices and views of Australia's young adults, as well as support teaching, library and publishing professionals. Our digital youth literature communities saw over 220,000 visits to the Inside a Dog website, and we held events in three Australian states. We saw a 68% increase in public voting for the national Inky Awards, and a 93% increase in applications to become teen judges for the program. We began paying young creators to be writers in residence and featured 44 professional and teen writers on our programs.

The 2015 Reading Matters program was the largest ever, with 60 sessions over seven days of events celebrating and exploring current issues in youth literature. The Reading Matters touring program also toured to 16 locations across four states. There were 2559 attendees in total (76% teen, 24% professionals), a 120% increase on the previous year's attendance.

In 2014–15, we reviewed our school programs and refined our offer to ensure we support every level of the Victorian history curriculum, from Prep to Year 12. A total of 23,420 primary and secondary students visited the Library as part of a self-guided school group or participated in guided tours and workshops.

Interactive workshops, activity packs and teaching resources in English and French were developed to support our international exhibition, *Victor Hugo: Les Misérables – From Page to Stage* (see p. 13). Over 2111 students from disadvantaged schools enjoyed a full day of activities as part the *Victor Hugo* Open Access program, sponsored by Cameron Mackintosh and a generous bequest. Three special Open Access workshops were run in partnership with Michael Cassel Group, the Australian producers of the *Les Misérables* stageshow, enabling performing arts students to visit the exhibition, work with theatre professionals, and perform on stage at Her Majesty's Theatre.

Our research skills workshops for senior secondary students continue to be a popular and unique offer. In addition to onsite workshops, we delivered a pilot outreach program in outer metropolitan Melbourne, funded by the Department of Education and Early Childhood Development, which delivered research skills workshops using the Library's collections and online resources to 721 students.

Nine hundred and forty-five students from 25 universities and colleges took part in our 'New user's guide to the Library', an introduction to the Library and its services for tertiary students. Around 30% of our visitors are students, with international students now our largest user group. Our academic resources, free wi-fi and study-friendly interior spaces make a vital and unique contribution to Victoria's growing international education industry.

We continued to develop and deliver onsite and online professional development programs for educators and school library staff. One hundred and twenty participants undertook 'Research toolkit' and 'Make the web work for you' online courses. We piloted new ways of delivering professional development with 'Shift Alt Story', an online learning course on how teens interact with digital literature.

Also out in the sector, the Library successfully delivered the third year of the three-year funded Kindergarten IT Program on behalf of the Department of Education and Training. This initiative supports a diverse range of community-based kindergartens across Victoria and provides ICT hardware and software help, ICT advice, connectivity, email, web publishing and web hosting as well as online and face-to-face ICT skill development opportunities for early childhood professionals.

Engaging through partnership

Partnering with other organisations allows us to reach new audiences and share the Library's resources more broadly. The Library partnered with Public Libraries Victoria Network (PLVN) to run the annual statewide adult reading program, the Summer Read. Twenty-nine

public library services participated in the program, which encourages Victorians to read ten selected Victorian books and share their favourites with others. We again partnered with public libraries to deliver the Australian Poetry Slam, with six public libraries hosting fast-paced heats and the State Library hosting the final.

Partnerships with another six regional Victorian public libraries to host talks by Tim Fisher, co-curator of the *Victor Hugo* exhibition, further extended our reach into communities outside Melbourne. Additionally, public libraries in Casterton, Geelong, Castlemaine, Sale and Ballarat presented lectures and in-conversation events by historian Michael McKernan, author of *Victorians at war: 1914–18*, published by the State Library in partnership with NewSouth Publishing.

As our shared contribution to the centenary commemoration of World War I, the State Library and Victoria's public libraries completed a major project to digitise and publish online Victoria's community newspapers from the era. These newspapers are an important source of information telling Victorians' war stories as they happened. Millions of articles from over 200 Victorian community newspapers can be searched at slv.vic.gov.au/victorian-anzacs. In another commemorative collaboration we produced the panel exhibition *Writing the war: personal stories from WWI*, which will be hosted by 12 public library services from Morwell to Portland over the next two years (see p. 17).

As part of our commitment to making the collection available as widely as possible, our outward loans program supports external exhibitions. Over the past year there has been a marked increase in the number and scale of approved outward loans supporting a wide range of exhibitions:

- Geelong Gallery, *The Great War: a graphic legacy*
- Baillieu Library, University of Melbourne, *Some are born great ...*
- La Trobe Regional Gallery, *Jean Galbraith and friends: a shared passion for nature*
- Museum Victoria, *Love and sorrow*
- Shrine of Remembrance, permanent display gallery
- Monash University Museum of Art, *Art as a verb*
- Bundoora Homestead, *Coming home*
- Art Gallery of New South Wales and Queensland Art Gallery, *The photograph in Australia*
- Australian National Maritime Museum, *Shackleton: escape from Antarctica*
- Rockhampton Art Gallery, *Snap! Crocodile culture*
- National Museum of Australia, *What did you do in the war?*
- Art Gallery of South Australia and Art Gallery of Western Australia, *Treasure ships: art in the age of spices*
- Arts Centre Melbourne, *Flash!*

- Maroondah Art Gallery, *Cooee: indigenous animals in art and illustration*
- Yarra Ranges Regional Museum, *Barak and de Pury*
- Bendigo Art Gallery, *Imagining Ned*
- National Sport Museum, *Rallying the spirits*
- Heide Museum of Modern Art, *Albert Tucker: the truth in masquerade*
- National Gallery of Victoria, *Follow the flag: Australian artists at war 1914–45*
- Lyceum Club, *Lyceum links to WWI*

Connecting with the community

In responding to the vision outlined in our *Corporate Plan 2013–16*, we recognised the need for a strategy to achieve one of the key goals of connecting with new, broader and more diverse audiences. In 2014 we began a rebranding project to position the Library as more inviting and inclusive. From November 2014, a vibrant, colourful new visual identity has been progressively rolled out across signage, stationery, uniforms, collateral and the redeveloped website. Our name, our new positioning statement – 'What's your story?' – and our new logo together create a brand mark that is central to our new positioning. In our new brand mark, stories from different perspectives converge to form a stylised V, symbolising the State Library Victoria as the place where Victorians' stories come together to be explored, discovered and created. Our new branding provides a touchstone that informs all areas of the organisation, from our communications and programs, to our redeveloped website and service offering.

This new positioning has contributed to the increased number of visitors onsite and online. We have also attracted new audiences through targeted marketing and utilising new channels. Between 26% and 33% of exhibition visitors were first-time Library visitors with around 74% from Victoria, 22% from interstate and 3% international visitors.

Engagement with the Library's online community continued to grow with consistently high engagement across all channels, including Facebook, Twitter, Instagram, Flickr, YouTube, Storify and Periscope. Our Facebook audience increased more than 40% from around 25,000 to 35,000; Twitter followers increased more than 25% from over 15,500 to 19,500 and Instagram followers increased more than 290% from 1000 to over 3900. Social media has helped expand our reach to new audiences this year and build significant online engagement with our collections, programs and brand.

The value of the Library's media coverage during the reporting period was \$33.6 million, with an estimated reach of 147,059,568. This is one of the highest media values in the Library's history. Among the media highlights throughout the year was national and international

media coverage surrounding the extraordinary donation of the John Emmerson Collection of rare books, which is the largest rare books donation ever gifted to the Library. The 2014 Keith Murdoch Oration delivered by Lachlan Murdoch was broadcast nationally and received widespread media coverage in print, radio, television and online. The Library also gained substantial media coverage when in April it announced the Victorian Government's funding for the next stage of the Library's redevelopment, including the refurbishment of Queen's Hall. Exhibitions such as *Victor Hugo: Les Misérables – From Page to Stage*, *Bohemian Melbourne* and *Inspiration by Design: Word & Image from the Victoria and Albert Museum* also gained solid media coverage across traditional and new media. The combined media coverage was overwhelmingly positive in tone.

Access

Drive participation by creating immersive and easy exploration of content and activities

The past year has demonstrated the Library's ongoing commitment to engaging with all sectors of the community and providing skills for life through the provision of free access to information resources and technologies, adaptive technologies and services for individuals with disabilities, and targeted programs for schools and diverse community groups.

Access for communities

The Library actively seeks new opportunities to celebrate and promote Victoria's cultural diversity. Relevant initiatives over the past year include new connections with Victoria's Chinese, Bengal and Indian communities through our Creative Fellowships Program. Working with Multicultural Arts Victoria, the Library's forecourt was also transformed into a performance space for 19 local and international artists participating in the Mapping Melbourne program. We also developed a research guide for researching multicultural ancestors, and multicultural family history was the main theme of the Family History Feast event in August.

A highlight of the Library's new programming efforts saw the production of events specifically focusing on Aboriginal heritage. In March 2015, *Not forgetting you at all: The story of Barak and the de Purys* brought the story of this friendship to life, with the help of descendants from both families. In April, Redmond Barry Fellow and historian Dr Marguerita Stephens presented the findings of her significant research into the history of Victoria's Kulin people based on the papers of Assistant Protector William Thomas (see p. 7).

The Library's Storytime and Baby Bounce programs continue to prove highly popular with CALD (culturally and linguistically diverse) communities. Over the

year, these programs attracted approximately 15,000 attendees (see p. 8).

Young people continue to play an important role in our Inside a Dog and Inky Awards programming, with 17 teens serving as writers in residence and as judges on the awards panel (see p. 8).

The *Victor Hugo* Open Access program was delivered to 2111 students from 19 disadvantaged schools over 29 days during the exhibition period. All regions were represented (see p. 8).

The Library also participated in the Arts Centre Melbourne's Arts Connect 9 program. This program provides Year 9 students from regional Victoria with subsidised transport and access to world class arts and cultural events in Melbourne. In 2014–15, 186 students participated in the program.

This year the Children's Book Festival schools days delivered two days of programming for 300 students from disadvantaged schools, enabling them to connect with literature, learning and the Library. The Festival's family day brought over 12,000 visitors from across Victoria and interstate to participate in over 65 sessions featuring leading authors, illustrators and performers in a celebration of children's literature (see p. 8).

The 2015 Reading Matters program is a biennial event celebrating and exploring current issues in youth literature. This year's Reading Matters in May saw record audiences and included programming delivered in metropolitan Melbourne as well as a touring component that visited 16 locations across four states (see p. 8).

The MyLanguage portal and program, a partnership between six of Australia's state and territory libraries that began in 2004, provided online access to government information and resources in more than 65 community languages. The MyLanguage website and program was formally closed in September 2014, after comprehensive consultation with primary stakeholders acknowledged the decline in demand and the ready availability of alternative online resources. The MyLanguage website has been archived to the Pandora web archive.

Additionally, and with the support of the Pierre Gorman Foundation, we launched an innovative online resource and e-learning program designed to assist public library staff in delivering better quality service to people with disabilities. Over 1000 Victorian public library staff from 39 public library services participated in the online program, which can be viewed at reallibraryaccess.net.au.

Digital and ICT

Phase one of the redesigned Library website was successfully launched on 17 December 2014. The

website redevelopment has focused on encouraging users to explore the Library through a combination of familiarity, ease of use, consistent positive experience and incentives to return to the site.

The new website brings the Library's collections, digital collections and services to the surface, resulting in increased awareness of our e-resources and venue hire services and improved user flow traffic throughout the site. New ways of accessing our collections have also been incorporated. The development of an API allows our copyright-free photo collection to be searched and displayed in a more user-friendly format, while the rich-media online galleries present our collection and exhibition content integrated with video and audio recordings, as well as virtual books. The website now makes a clear offering to different audience groups.

The *Street History: Hoddle's grid* app, which went live on iTunes in April 2014, has received almost 6000 downloads. The next mobile application in the Street History series is in development and focuses on the first suburbs of Melbourne north of the Yarra River.

The Library has integrated a range of new digital engagement technologies into its key exhibitions and permanent displays, and a number of 'virtual photo albums' have been created to support the Library's WWI displays. This past year has also seen the overhaul of the Library's internal communications infrastructure, including the successful implementation of a new email system and the introduction of a new high-speed, state-of-the-art wi-fi service to all of the Library's public areas.

Continuous improvement

Throughout 2014–15 we implemented changes from the first phase of the service model redesign. These changes included:

- establishing a new Service Delivery & Design division with the role of designing and providing customer-focused services
- a new welcome zone in Palmer Hall with enhanced wi-fi and additional seating, as well as new exhibition display
- new uniforms and name badges to make staff more identifiable and approachable
- relaxation of the baggage policy, which has made the entrance to the Library more inviting for first-time visitors, and moving from paid to free lockers.

In May 2015, we were delighted that this project with Meld Studios won the Service Design category in the Australian Good Design Awards. We will continue to implement recommendations from the redesign and strive to further improve our service for the benefit of our visitors.

Volunteers

Over the past year, volunteers (including Board and committee members) contributed 9166 hours of their time to the Library and its community, as tour guides, assisting with community and learning programs, and supporting key functions such as audio and manuscript transcriptions, and specialist work with collection materials.

We expanded our activities to recognise and support our volunteers, with an innovative 'unconference' during Volunteers Week, State Library branded t-shirts for greater visibility to the public, and a new induction and training program. Our grateful thanks go to all our wonderful volunteers.

Collections and content

Create and curate unique, compelling collections and content that inspire curiosity and discovery

One of the Library's key responsibilities is to maintain, preserve and develop the State Collection for the people of Victoria, as well as provide access to the collection for exploration and enjoyment.

During the year we reviewed our collecting policies to respond to changes in the collecting environment and evolving community expectations. The outcome is our *Collections and Content Strategy 2020*, which sets a pathway for active and responsive collecting. The report can be downloaded from our website at slv.vic.gov.au/about-us/governance/collections-content-strategy-2020.

Collection development

During 2014–15, 82,035 items were added to the Library's collection and 113,052 bibliographic records were added to the catalogue.

In April we announced that one of the world's great rare book collections, the John Emmerson Collection, had been donated to the State Library. This is the most significant donation of rare books in our 160-year history. Valued at \$4.2 million, the collection encompasses more than 5000 volumes from the 15th to 18th century, including political, religious, philosophical and literary works.

The collection was amassed over 40 years by the late John Emmerson QC (1938–2014), a bibliophile and brilliant scholar who had careers as both an Oxford physicist and a Melbourne barrister. In addition to the physical collection, John Emmerson's donation includes a bequest of \$1.3 million to help preserve, catalogue and expand the collection, and fund a scholarship.

Other key acquisitions included:

- the Geoffrey Cains manuscript collection of papers and letters from 238 authors, compiled over 40 years

and including the manuscript for Helen Garner's seminal novel *Monkey grip*

- a significant architecture publication by Andrea Palladio – *Les Quatre Livres de l'Architecture d'Andre Palladio*, 1650
- the Rennie Ellis archive, which complements the Rennie Ellis photographic collection
- original illustrations for the children's book *Amazing A-Z Thing*
- condolence books containing thousands of messages to families affected by the Malaysia Airlines Flight MH17 tragedy, now housed in the Library's manuscript collection
- the first complete collected edition of the works of the great French playwright Moliere, published in 1682, acquired with the generous support of Professor Wallace Kirsop and the State Library Victoria Foundation
- *37°48'S artists navigate Melbourne*, a limited edition portfolio of printed works by contemporary Melbourne artists, containing a mix of street art practices and traditional printmaking techniques.

The collecting of digital material was expanded during the year to include a small number of born-digital PDF format serials offered to the Library by Victorian publishers. Using the Library's Digital Object Management System, the material was ingested via a deposit process and made available to users from the catalogue. It was a small but significant beginning for what will become the main way that Victorian publishers will deposit digital publications with the Library in the future.

The Library extended its purchasing of ebooks this year to Australian titles. While these have been purchased in the past as funds permit, Australian ebooks are now being acquired monthly.

One of the most popular newspaper databases with Library users, *Press display*, was expanded at the beginning of 2015 to provide 12 months of archival content.

To improve efficiency, we implemented shelf-ready processing for the purchase of overseas print books for the general overseas and arts collections. 'Shelf-ready' is a service offered by the Library's main book supplier and provides a call number, the physical processing and a catalogue record for each print book supplied.

The Library received several important cultural gift donations during the year:

- Shaun Tan, children's author and illustrator, has donated preliminary sketches and notes for his work, *Tales from Outer Suburbia*
- two portraits by Albert Tucker of John and Sunday Reed were donated by Barbara Tucker

- a significant collection of Australian cookery books were donated by Dr Beverley Woods.

Collection digitisation

The Library digitised over 49,000 items during the past year, including photographic material, maps and plans, monographs, newspapers and increasingly more journals and manuscript material. Highlights include beginning the digitising of 2300 architectural drawings by Alistair Knox, a pioneer of vernacular, mud-brick building construction methods in mid-20th-century Victoria, as well as 90 WWI diaries of soldiers, nurses, doctors and other observers with a focus on material related to the Gallipoli campaign. In addition, over 800 unique theatre programs from 1850 to 1920 have been digitised to date.

The agreement with the Alexander Street Press (ASP) to digitise selected manuscript items to be included in the ASP publication *Early experiences in Australasia: primary sources and personal narratives 1788–1901* was completed, with over 37,000 pages of diaries, journals and correspondence digitised. Likewise, we completed the digitising of the *Journal of commerce of Victoria and Melbourne* (1858–1932) with CPA Australia, and all issues are now available on the website.

With the support of the Sidney Myer Fund, we continued the Rare Newspapers digitising project into the second year of this three-year project. Over 60,000 pages of high research value, hard-copy newspapers have now been digitised and added to the National Library of Australia's Trove database, allowing full-text searching with a text-correction facility for users. A further 37,000 pages will be digitised in the next financial year to complete this ground-breaking project.

Work commenced on the Committee for Urban Action (CUA) digitising project, which involves digitising and cataloguing a collection of black-and-white 35 mm negatives recording urban streetscapes of the 1970s, starting with a selected block in Fitzroy and the streets of Castlemaine. This project is funded by donations made to the Library's 2014 Annual Appeal.

A number of partnerships for digitising projects have been agreed with government and other organisations. A collaborative partnership agreement with the Victorian Parliamentary Library has been finalised and signed. This incorporates all work associated with digitising and providing online access to the Prendergast and Duffy manuscript collections, as well as providing the Victorian Parliamentary Library with copies of the digitised images.

The Coles Centenary Digitisation Partnership project MOU was also signed, which will provide online access

through our Digital Object Management System to 26,000 digitised images from the records of the Coles Myer manuscript collection.

We are also digitising the 1934–2000 issues of *Muffi* journal and making them accessible through our Digital Object Management System as part of an agreement with the RSL Victorian Branch.

Collection storage

In 2014–15, a total of 6.1 kilometres of collection material was moved across the main Library building at Swanston Street and the Library's Offsite Storage Facility at Mount Helen near Ballarat. Detailed collection modelling was undertaken at the start of the year to collect data needed for the Collection Storage Masterplan.

The strategic initiative to extend the life of the Ballarat Offsite Storage Facility continues. Phase one of the project was completed last year, with more than 44,500 items repositioned to create an additional 1 kilometre of storage footprint. Phase two, the Victorian Newspaper Reconfiguration Project, is 30% complete.

Additional manuscript collection storage shelving was installed and 240 metres of manuscript collection material moved to offsite storage. A significant portion of onsite closed access Australiana collections were adjusted within existing storage to allow continued collection growth in the onsite stores.

Packing, moving and unpacking the John Emmerson Collection was a particular challenge. The precisely ordered collection of more than 5000 books and pamphlets were carefully transferred from a three-storey private residence to high-security, environmentally controlled storage onsite at the Library.

Conservation and preservation

During the year, the Library preserved and conserved over 70,000 collection items, assessed and treated over 168 collections through the quarantine store, and processed 26,000 new items into the collection.

Over 850 collection items were treated, prepared and framed for the Library's Keith Murdoch Gallery and Dome Galleries exhibitions. Preservation of the 10,000 photographs in the Coles Myer collection was completed after eight years of work. The identification, listing and rehousing of photographic negatives from the Fitzroy and Castlemaine sequences of the Committee for Urban Action (CUA) were completed for digitising.

Preservation work was also undertaken on the Ern Mainka photographic collection, Mark Strizic photographic collection, State Electricity Commission Victoria photographic collection, Tom McCullough

Mildura Triennial photographic archive, Stephenson & Turner architecture photographic collection and the Keith Kings Transport photographic archive.

With bequest assistance from Suncorp Insurance and the Russell Beedles Estate, preservation treatment and rehousing was completed on the large Suncorp Insurance Archive and the Russell Beedles paper and photographic collections.

From 6 to 10 October, the Library was proud to host iPRES 2014, the 11th International Conference on Digital Preservation. Jointly presented by the National Library of Australia and State Library Victoria, the conference – the first to be held in Australasia – attracted close to 200 participants, split almost equally between international and local attendees. The keynote address on the topic of preservation, innovation and collaboration was given by Professor Shaun Hendy FRSNZ, MacDiarmid Institute for Advanced Materials and Nanotechnology, Professor of Physics and Director of Te Pūnaha Matatini (Centre for Complex Systems and Networks) at the University of Auckland.

Exhibitions

Our exhibition program provides an opportunity for visitors to directly experience the Library's collections, as well as cultural treasures from interstate and overseas. In 2014–15, close to 620,000 people attended exhibitions at the Library. The quality of our exhibitions was recognised when *Rome: Piranesi's vision* took out the 2014 Museums Australia (Victoria) Award in the Large Museums category.

Our three permanent exhibitions in the Cowen Gallery and two Dome Galleries are refreshed annually. A centenary of WWI display was installed in *The changing face of Victoria* exhibition and includes a WWI timeline, displays of SLV collection material and four videos. This is complemented by a multimedia display – *Writing the war: personal stories from WWI* – in the newly refurbished Palmer Hall. Another highlight of *The changing face of Victoria* was *Raiment and regalia* by 2013 Creative Fellow Kaz Cooke. The *Diggers Ten Commandments* and *La Fin du Monde*, acquired through funds raised in the 2014 Annual Appeal, were also displayed during the year.

The Library presented three major temporary exhibitions this year. *Victor Hugo: Les Misérables – From Page to Stage* was a world-first international exhibition presented in the Keith Murdoch Gallery and Experimedia from July to November 2014. The Library's first paid exhibition took visitors on a journey from the 19th-century Paris of Victor Hugo's novel *Les Misérables* to today's blockbuster stage musical. Curated by Tim Fisher and Anaïs Lellouche, the exhibition was developed in partnership with Cameron Mackintosh to coincide with

the new Australian production of *Les Misérables* at Her Majesty's Theatre. The centrepiece of the exhibition was the first volume of Victor Hugo's original handwritten manuscript, on loan from the Bibliothèque nationale de France. The exhibition was attended by close to 27,000 people and received strong media coverage and overwhelmingly positive feedback from attendees. It was complemented by an extensive program of events and activities, including the Festival de Victor Hugo, tours, lectures and talks, school programs, performances and creative workshops.

Bohemian Melbourne, which ran from December 2014 to February 2015, celebrated the creative free spirits that shaped Melbourne. The exhibition was curated by Clare Williamson with assistance from Dr Tony Moore. The exhibition included loans from the Arts Centre, National Gallery of Victoria, Grainger Museum at University of Melbourne, National Portrait Gallery, Australian Lesbian and Gay Archives and a number of other lenders, as well as audio-visual material from a range of sources including ABC TV. Almost 75,000 people viewed the exhibition.

Inspiration by Design: Word and Image from the Victoria and Albert Museum was opened by Julius Bryant, Keeper of Word and Image at the V&A in March 2015 and ran until mid-June. Showcasing art, graphics, photography and illustration from the collection of the National Art Library at the V&A, the exhibition was featured as part of Melbourne International Design Week and attracted more than 46,000 visitors.

In spring 2014, the Library presented the installation *Grasslands* by 2013 Georges Mora Foundation Fellow Linda Tegg. *Grasslands* aimed to recreate the site's original landscape, with thousands of indigenous plants covering the Library's forecourt and steps during October and November. The installation proved popular with local wildlife as well as Library visitors and was much photographed and shared via social media. The project was a partnership with the Melbourne Festival and was supported by the Australia Council, Arts Victoria and City of Melbourne.

The Library hosted the exhibition of the 2014 Nikon Walkley Press Photography Awards in the Blue Rotunda from October 2014 until February 2015, in partnership with the Walkley Foundation. It received nearly 30,000 visitors.

Ned Kelly's armour, death mask, pages from the Jerilderie letter and other related material from the Library's collection were loaned to the Bendigo Art Gallery for the major exhibition *Imagining Ned*, on display from March to June 2015.

Fellowships program

The Library's Creative Fellowship program provides opportunity for a range of creative artists and

researchers to work with the unique collections held by the Library. Recipients are provided with office space and a grant of \$12,500.

The Library Board awarded the following Creative Fellowships in June 2015:

- Matthew Greaves and Nicholas Tammens for a film essay and exhibition on the history and development of the Melbourne Anarchists Club in the late 1800s
- Katayoun Javan for a photographic exhibition about the experiences of Iranian immigrants in Melbourne
- Dr Johanna Selleck for a manuscript and orchestral piece inspired by the histories of female composers from colonial times to the present
- David Sornig for essays and an exhibition about a homeless camp that was located between West Melbourne and Footscray from the Depression to the 1950s
- Nicola Stairmand for a series of illustrative maps and documentation exploring everyday life at *Coranderrk*, an Aboriginal station that existed between 1863 and 1924
- Warren Taylor and Dominic Hofstede for a manuscript and online archive giving an overview of the Australian graphic design industry between 1960 and 1990.

The Centenary of World War I Fellowship was awarded to Belinda Ensor and Joel Checkley for *The Lucas girls*, oral histories and a film documentary about the 1918 women's football match between Ballarat's Lucas Factory and the Federal Khaki Clothing Factory to raise money for the war effort.

The Children's Book Fellowship was renamed this year in honour of a bequest from the Lothian family. The Louis Lothian Children's Literature Fellowship was awarded to Lyndal Mebberson for a documentary film exploring adaptations of Australian children's literary classics to stage and screen.

The Redmond Barry Fellowship, in partnership with the University of Melbourne, was awarded to Professor Jennifer Clark for a historical narrative examining the first ten years of the Council for Aboriginal Rights from 1952 to 1961.

The Russell Beedles Performing Arts Fellowship was awarded to Christopher Bryant for a playscript exploring the lives of two influential women of the theatre: Mary Ann 'Buzz' Goodbody and Betty Burstall.

The Ukrainian Studies Foundation in Australia Fellowship was awarded to Svitlana Yakovenko for a book manuscript examining the input and integration of Ukrainian immigrants into Australian society over 65 years.

The AGL Shaw Fellowships provide a \$1200 grant, a private study space and a specialist mentor to support undergraduate students on a four-week research project using the Library's collections. There were three recipients in 2015: Jarrod Zlatic (University of Melbourne, BA Honours), Emily Keppel (University of Melbourne, Master of Cultural Materials Conservation) and Monika Fikerle (RMIT University, Master of Information Management).

Library fellowships resulted in several notable outcomes, including the *Grasslands* project; the exhibition *Australian sketchbook: colonial life and the art of ST Gill*, opening in July 2015; and multiple special events, performances and talks at the Library. The Eildon Gallery at the Alliance Française in St Kilda hosted an exhibition by Christine Johnson of prints and artist books arising from her 2013 Creative Fellowship. The exhibition was accompanied by a catalogue, and some of Christine's work was also included in the *Mirror of the world* exhibition at the Library. A version of the exhibition was displayed at Montsalvat in 2015.

Publications

During the year, the Library, with support from the Foundation, published issues 93/94 and 95 of *The La Trobe Journal*, a scholarly publication focused on our rich collection. In 2015, the journal was redesigned with a more contemporary look incorporating the new State Library Victoria brand. The complete set of back issues was made available and searchable on the Library's website.

The *Victor Hugo: Les Misérables – From Page to Stage* exhibition catalogue was published by the Library to coincide with the exhibition. Edited by co-curators Tim Fisher and Anaïs Lellouche, and designed by Jenny Grigg, the book included illustrations from all of the major lenders and essays by Tim Fisher, Anaïs Lellouche, Vincent Gille, Benedict Nightingale, Sylvia Sagona and Anna Welch.

Jean Galbraith: writer in a valley, written by former Creative Fellow Meredith Fletcher and published in partnership with Monash University Publishing, was launched in July.

Victoria at war: 1914–18 by historian Michael McKernan, published in partnership with NewSouth Publishing with funding from the Victorian Government, was launched at Parliament House in August 2014 by the Minister for Veterans' Affairs.

ST Gill and his audiences by Emeritus Professor Sasha Grishin (former Creative Fellow) was published in June 2015 by the National Library of Australia in partnership with State Library Victoria, with funding support from the Gordon Darling Foundation. The publication

accompanies the exhibition *Australian sketchbook: colonial life and the art of ST Gill*.

Decade: Rennie Ellis 1970–1980, published by Hardie Grant in partnership with State Library Victoria and the Rennie Ellis Archive in 2013, won the Designer's Choice Book of the Year at the 2014 Australian Book Design Awards. *Decade* and its companion volume *Decadence* were also awarded two distinctions and a Judges Award at the 2015 Australian Design Biennale in Hobart.

Cultured colonists: George Alexander Gilbert and his family, settlers in Port Phillip was awarded the Local History – Small Publication Award at the 2014 Victorian Community History Awards. The book was written by 2012 Honourary Creative Fellow Margaret Bowman and published in partnership with the Athenaeum Library and Australian Scholarly Publishing.

Place and space

Create a flexible and community-centred onsite experience

Building development

One of the recommendations of the service model redesign conducted in 2014 was to reconfigure the Library entrance to provide a more inviting, less formal space that invites visitors to explore further into the building. To help achieve this goal, the Board generously funded the refurbishment of Palmer Hall, situated next to the foyer. The refurbishment was completed in April and the space now features enhanced wi-fi and additional seating, as well as the new multimedia display – *Writing the war: personal stories from WWI* – that links to a corresponding WWI display upstairs in the Dome Galleries.

Last year the Library received a special purpose grant of \$112,000 from Creative Victoria to upgrade a number of passenger lifts. The project was completed on time and on budget, with an extended project scope of works from the original plan.

In May 2013, the State Government granted \$6.7 million for works to preserve and protect the dome and Swanston Street facade. This project was successfully completed, to time and within budget, in June 2015. The project has replaced worn and broken elements of the facade, waterproofed the dome and incorporated new lighting along the western facade.

The incoming State Government announced in the May 2015 budget that the Library will receive \$55.4 million for a major redevelopment of the Library. We propose to supplement this funding with additional philanthropic contributions of \$28 million. Scheduled to be completed over a five-year period, the redevelopment project will

ensure the State Library evolves to continue to meet the ever-changing needs of the community now and in the future. It is envisaged as a major transformation that will benefit all of Victoria, enabling us to share the Library's resources, expertise, facilities and digital experiences with more people across the state.

The key features of the planned redevelopment include:

Project 1: Queen's Hall

- Restoring and reconstructing the iconic Victorian heritage Queen's Hall as a public reading room
- Building a new rooftop garden terrace

Project 2: Russell Street entrance

- Restoring and reopening the Russell Street entrance
- Introducing a new major exhibition space
- Introducing associated ancillary spaces including retail, cafe and visitor services

Project 3: Ground floor activation

- Introducing an innovation centre incorporating a centre for entrepreneurship, centre for digital media and an e-Town Hall initiative
- Introducing new spaces for children and young learners
- Curating a new Treasures of the Library gallery
- Improving the Foundation members' facilities

Project 4: Conference facilities

- Redeveloping and improving theatre and conference facilities to provide a 21st-century video conferencing capability for public lectures and debates with improved connectivity

Project 5: Staff offices and facilities

- Relocating and upgrading staff office areas.

Our aim in this ambitious project is to build a better library for today and create a legacy of facilities and programs that can evolve with the requirements of tomorrow and beyond. Planning is currently underway, with construction due to begin in 2017.

Collaboration

Develop our strategic partnerships by generating shared value and delivery

The past year has offered many opportunities for the Library to partner and collaborate with an extensive range of institutions and organisations that enhance our capacity to deliver better outcomes for the community.

Commercial partnerships

The Library has an ambitious agenda to grow non-government revenue. A key component of our commercial strategy is to develop strong working relationships with partners. The focus in 2014–15 was

the tender for our catering contract with a new emphasis on unique experiences and hospitality. Food&desire commenced as our exclusive catering partner in November 2014. This collaboration resulted in a 20% increase in venue hire and catering revenue compared to last year.

Our successful partnership with Readings bookshop continued, with Readings operating a dedicated shop as part of the *Victor Hugo* exhibition. Readings continues to support exhibition experiences, working collaboratively with us to select books and other merchandise related to exhibition themes.

In December, the Library transitioned from paid to free lockers, marking the end of a 10-year partnership with provider SmarteCarte. We continue to work closely with Mr Tulk cafe and BEAR Solutions, who deliver the public copying service. The services provided by all of our partners make a valuable contribution to visitors' experience of the Library.

Government partnerships

We have partnered with the Victorian Parliamentary Library to digitise manuscript collections relating to former Victorian Premiers Charles Duffy and George Prendergast (see p. 12). The Victorian Parliamentary Library will receive copies of the digitised images, which will also be made available through the State Library's website.

We also continued our shared services arrangements with other agencies in the government's arts portfolio. These included hosting the Aurion database, which provides human resource management and payroll services for the National Gallery of Victoria, hosting the Voyager Library Management System and providing internet connectivity services to Museum Victoria, and delivering ICT, building and facilities maintenance and related services to the Wheeler Centre.

Cross-institutional and education provider partnerships

The Library works with a range of partners to build and develop new initiatives that promote professional skills and learning within the organisation, as well as improve connections and access to content and services for the broader community.

The Australian Learning Lecture (ALL) is a joint project of the Koshland Innovation Fund and the State Library that seeks to bring big ideas in education to national attention. It is a decade-long project designed to strengthen the importance of learning in Australia for all Australians. The inaugural ALL lecture on 'Joy and Data' was delivered in May by renowned British educationalist, Sir Michael Barber. The lecture was introduced by Dame Quentin Bryce and attended by more than 400 people. A transcript is available online at www.all-learning.org.au.

This past year the Library entered into a historic new partnership with the University of Melbourne to establish a new professorship of Australian literature. The Boisbouvier Founding Chair has been funded through a generous donation from President of the Library Board of Victoria John Wylie, and Myriam Boisbouvier-Wylie, Honorary Consul-General of France in Victoria.

For the fourth year in a row, the Library was invited to Clunes Booktown Festival, held on the first weekend in May and attracting 15–20,000 visitors annually. We showed a collection of Rose postcards depicting Korea in the early 1900s. The Festival commissioned Sydney photographer William Yang and Korean photographer Koo Bohnchange to produce new work responding to these extraordinary postcards.

The Library continued to support the cross-institutional mentoring program with the university sector. This collaborative partnership is available to staff from State Library Victoria, CAVAL, Federation University, Monash University, Swinburne University, the University of Melbourne, La Trobe University, RMIT University and Victoria University.

The Library also contributes significantly to peak bodies such as the National and State Libraries of Australasia, hosting the Secretariat and working with NSLA partner libraries in the development of shared solutions focusing on digital collection development, legal deposit, digital preservation, open access and copyright, and Indigenous services and collections. NSLA also develops specialist communities of practice to leverage the expertise across Australia and New Zealand.

Literary partnerships

The Library partners with a range of organisations and agencies to specifically promote Melbourne and Victoria as a creative centre for literature and writing, and regularly liaises with the Melbourne City of Literature Office. Over the last five years we have collaborated with the Wheeler Centre on the annual Children's Book Festival (see p. 8). We regularly deliver events as part of the Melbourne Writers Festival, promoting both adult and teen writers and writing, and our publishing program produces a number of books in partnership with a range of university and commercial publishers (see p. 15).

Public libraries partnership

Under the *Libraries Act 1988* the State Library has a responsibility to provide leadership, promote high standards and support cooperative efforts across the sector, and we are committed to working with the Victorian public library network to advance our common aim of delivering excellent library and

information services to all Victorians. The current *Framework for collaborative action* defines the way in which we do this, outlining a three-year program of collaborative initiatives:

- Read
- Memory
- Lead and Learn.

The Read initiative recognises that the promotion of reading for pleasure and support for literacy development is core business for public libraries and the State Library. This year we developed a strategic framework, *Reading and literacy for all*, that articulates the unique role of libraries in this space and provides guidelines for service delivery that will lift the standard statewide. Additionally, we worked together on delivering community engagement programs such as the Summer Read and the Australian Poetry Slam.

The Memory initiative is about sharing the community stories contained in local history collections across the state. In 2014–15 we developed the *Writing the war: personal stories from WWI* panel exhibition, which will tour to 12 Victorian public libraries over the next two years and be complemented in each location by displays and programming drawn from and inspired by local collections.

The Memory initiative recognises that local history collections are increasingly in digital format and that capability in digital preservation needs to be developed across the sector to ensure ongoing access to these collections. We offered 24 places to Victorian public library and State Library staff in a local presentation of the prestigious US Library of Congress Digital Preservation Outreach and Education program. This train-the-trainer program will continue its rollout in 2015–16, building capability across the library sector.

The Lead and Learn initiative also builds capability across the sector. Leadership development was supported through the \$30,000 Margery C Ramsay Scholarship awarded to Monica Dullard from Port Phillip Library Service to investigate best practice storytime sessions offered in American public libraries, and to share her learning with Victorian libraries.

We published the *Victorian public libraries: our future, our skills* research report and created a three-year workforce development action plan to begin addressing the skills gaps identified in the report. The rollout of this plan is supported by a grant from the RE Ross Trust, which will enable us to offer training in community engagement, partnership development, collection management and digital literacy training to public library staff across the state, and to deliver high quality and highly popular professional development seminars such as 'Creating

partnerships for creative communities' and the 'Renew, rethink, revitalise' mini conference. Another grant, from the Pierre Gorman Foundation, enabled us to develop and roll out an online disability awareness program – REAL – reaching over 1000 Victorian public library staff in 2014–15 (see p. 10).

Creative communities: the cultural benefits of Victoria's public libraries was published in August 2014, the culmination of an 18-month research project. It completes a trilogy of landmark reports about the breadth, depth and impact on the whole community of services offered by public libraries. The other reports were *Libraries building communities* (2005) and *Dollars, sense and public libraries* (2011).

International relationships

This past year we strengthened our support for international cultural cooperation and collaboration. During the year the Library hosted professional development visits from a range of organisations, including the National Diet Library of Japan, the Provincial Government of East Java, the Library Association of South Korea, the Jiangsu Provincial Department of Culture, the International Islamic University Malaysia Library, the British Library and the United States Urban Libraries Council.

The Centre for Youth Literature hosted four international guests for the 2015 Reading Matters conference with writers representing the United States, United Kingdom and India. The Centre has also been appointed a nominating body for the internationally renowned Astrid Lindgren Memorial Award.

International partnerships were central and critical to staging the *Victor Hugo: Les Misérables – From Page to Stage* exhibition. This exhibition was made possible with the generous support of the Bibliothèque nationale de France, Maisons de Victor Hugo in Paris and Guernsey, Musée Carnavalet, Musée Rodin, Maison Littéraire de Victor Hugo and Cameron Mackintosh.

The exhibition *Inspiration by Design: Word & Image from the Victoria and Albert Museum* was also the result of an international partnership with the V&A in London.

People and capabilities

Foster an accountable, collaborative, dynamic and innovative learning culture

Professional development

From 10 to 12 February 2015, the Library conducted an internal Staff Conference as part of our commitment to being a learning organisation. Guest speakers included Mitchell Whitelaw, Associate Professor in the Faculty of Arts and Design at the University of Canberra, and

Marianne Broadbent, Managing Partner at NGS Global. Around 200 staff attended the talks, workshops and discussion panels on a range of themes including digital projects and innovation, building our capability and the user experience.

The Library has continued to provide learning and development opportunities to staff through participation with Victorian public library colleagues in the Shared Leadership Program; a cross-institutional mentoring program; the Aurora Leadership Program for library, archive and information management professionals; and an internal staff Fellowship, this year awarded to Exhibition Designer Megan Atkins for her project exploring the Frank Firestone Collection of embossed showcards. Staff have also been engaged in ongoing compliance awareness and training, together with a Managers' Toolkit program. We are in the process of implementing a Personal Development Assessment program – an internationally recognised program developed by OCLC WebJunction and the US Institute of Museum and Library Services – to assess staff capabilities across a range of job-related elements and assist with planning future training and staff development.

Health and safety

The Library has upgraded the accreditation of the Occupational Health and Safety management systems to the Australian and New Zealand Quality Standard 4801, demonstrating our commitment to leading the sector in the management of occupational health and safety.

Sustainable financials and funding

Develop a scalable and sustainable financial future

Support and sponsorship

The Foundation team endeavours to build support for the Library through membership, sponsorship, bequests and donations, as well as an annual appeal. This provides vital funds to support a range of Library projects and initiatives, including acquisition of specific collection items and providing free or low-cost programming and services for the people of Victoria.

Over the past year our Friends of the Library membership program has seen a 15% increase in memberships. The redeveloped Library website has been instrumental in driving more traffic to our online membership and donation pages.

Subscription to the long-standing *La Trobe Journal* is a highly valued benefit of Friends of the Library membership. The journal is being offered as part of the reciprocal benefits to other libraries' Friends groups, with South Australia offering similar access to their scholarly publications in return.

We are grateful for the ongoing generosity of our many supporters, whose donations have increased this year. Friends of the Library gave bookplate and general donations of over \$76,000, a 25% increase on the previous year. As at 30 June 2015, the Library's Annual Appeal saw a further 70 new donors and made over \$75,000 for collection acquisitions. The appeal runs until 14 August.

A further \$60,000 was given to particular projects, including a conservation internship and specific collection acquisitions. We also acknowledge the Library Board members whose donations funded the refurbishment of Palmer Hall.

Friend, Redmond Barry Society member and donor Professor Wallace Kirsop has founded the Foxcroft Fund to support acquisitions for our History of the Book Collection. This type of fund is a sound strategy to provide a future endowment for particular collection areas.

The Redmond Barry Bequest Society celebrated the most significant bequest in the Library's history from John Emmerson (see p. 11). The John Emmerson Collection will remain a reminder of the power of planned giving. We also remember John Joyce and Caroline Searby who left their legacy with us during the last year. Louis Lothian's bequest will, at the request of his family, go to support a Creative Fellowship in Children's Literature for 2015. All three will be missed and kindly remembered by their Library friends. We thank their families for their support.

The support of Trust and Foundations this year totalled \$572,500; this increased total is due to the funds from the Koshland Fund to the Australian Learning Lecture project. A significant contribution from the RE Ross Trust was directed towards the Public Library Victoria Network's Lead and Learn initiative, to advance the professional development of librarians across the state. Digitisation and the Open Access program, were also beneficiaries. The Mackintosh Foundation provided support to our Open Access schools program in 2014-15.

Our corporate membership program continues to be an important source of revenue. We thank the following organisations for their support and commitment: Alliance Française de Melbourne, Bates Smart, Ellerton Capital, Energy Australia, Evans & Partners, Flexigroup, GHD, Herbert Smith Freehills, Lazard, Lovell Chen, Maxxia, Michelin Australia, Monash College, Monash University, Obst Legal, SG Hiscock, Tabcorp and the University of Melbourne.

Sponsors and partners are also an increasingly critical source of income and support, both financial and in-kind. Their generous contributions have made possible

the successful delivery of exhibitions and a number of key initiatives.

The prestigious biennial Keith Murdoch Oration took place on 23 October 2014 in the Cowen Gallery. Lachlan Murdoch, co-chairman of News Corp and 21st Century Fox, and grandson of Sir Keith, delivered the oration to a sold-out audience of Victoria's business and government leaders, as well as several members of the extended Murdoch family. As the premier fundraising event for the Library, this exclusive black-tie dinner saw an unprecedented level of support and generated significant funds for the Library.

Donors and sponsors

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

Donors \$5000 +

Christine Bell
Wallace and Joan Kirsop
Michael Nossal
The Wallis Family
John and Myriam Wylie Foundation
2 anonymous

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Financial summary

Summary of financial results with five-year comparatives

	2015 \$'000	2014 \$'000	2013 \$'000	2012 \$'000	2011 \$'000
Revenue from government	83,410	80,565	81,529	81,423	80,930
Other revenue	15,302	11,765	9,455	7,454	9,398
TOTAL REVENUE	98,712	92,330	90,984	88,877	90,328
TOTAL EXPENSES (excluding depreciation)	(92,806)	(86,744)	(86,265)	(87,986)	(88,947)
NET RESULT FOR THE YEAR BEFORE DEPRECIATION	5,906	5,586	4,719	891	1,381
DEPRECIATION	(12,971)	(13,234)	(13,300)	(14,935)	(7,945)
TOTAL EXPENSES	(105,777)	(99,978)	(99,565)	(102,921)	(96,892)
NET RESULT FOR THE YEAR AFTER DEPRECIATION	(7,065)	(7,648)	(8,581)	(14,044)	(6,564)
CASH FLOW FROM OPERATING ACTIVITIES	(305)	(1,830)	2,648	(1,284)	1,561
TOTAL ASSETS	893,808	900,207	908,616	917,039	932,312
TOTAL LIABILITIES	10,216	9,240	10,354	10,453	10,798

Notes

Revenue from government includes \$35.895m in operating funding, \$41.403m of Capital Assets Charge and \$6.112m capital revenue. Other revenue includes revenues from commercial, donations, bequests, investment and other external sources.

Total expenses include \$41.403m of Capital Assets Charge and expenses from transactions.

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

Current year financial review

- The Library Board achieved a net result after depreciation for 2014–15 of \$7.065m deficit compared to \$7.648m deficit for 2013–14.
- The Library Board achieved a net result before depreciation for 2014–15 of \$5.906m surplus compared to \$5.586m surplus for 2013–14.

Factors contributing to the net result are outlined below.

- Revenue increased by \$6.4m to \$98.2m and was affected by the following items:
 - operating funding from government was reduced by \$2.022m, primarily due to the lapsing of fixed-term sustainability funding
 - capital revenue from government included \$6.112m in funding primarily for the facade conservation and repair works project
 - trading revenue increased to \$2.2m in 2014–15, mainly due to higher revenue from events, venue hire, commissions and rental income
 - donations were higher in 2014–15 due to a higher value of items donated to the collection (\$6.3m compared to \$2.2m in 2013–14); this includes the John Emmerson Collection, which has been valued at \$4.2m and included in donation revenue in 2014–15
 - investment revenue was maintained at \$1.2m.
- Expenses from transactions for 2014–15 increased by \$6m to \$105m, mainly due to expenditure on the facade conservation and repair works project.
- The revaluation of long-service leave liability due to changes in bond rates resulted in a loss of \$154,994 (2013–14: \$47,417 loss).
- Net assets decreased primarily as a result of increased building depreciation rates adopted in 2011–12.
- Total liabilities increased by \$1m to \$10.2m due to increases in leave provisions and accrued expenses.

2014–15 key performance indicators

The Library's 2014–15 planning framework was designed to achieve outcomes articulated in the *Corporate Plan 2013–16*.

Description	Unit of measure	Actual 2013–14	Target 2014–15	Actual 2014–15
Onsite visitation ¹	Number	1,775,885	1,790,000	1,781,690
Website visitation ²	Number	3,384,738	3,792,023	3,441,756
Items added to the Collection that celebrate and explore our heritage	Number	51,872	34,500	43,561
Visitor satisfaction ³	%	83%	90%	83%

Notes

- 1 Onsite visitation refers annual visitation to the State Library building located at 328 Swanston Street, Melbourne. Each year the Library sets an ambitious target above the BP3 target of 1,500,000 onsite visits, as outlined in the Library's Service Agreement with the Minister for Creative Industries. The Library hosted 1.78 million visits in 2014–15. Major programs such as White Night and the Children's Book Festival continued to attract large crowds (more than 19,000 and 12,000 respectively) and the exhibition *Bohemian Melbourne* proved incredibly popular with 74,837 visits.
- 2 Website visitation is measured using online user sessions (the arts portfolio agreed methodology for measuring online visits). A user session is defined as the moment a single visitor logs on to (enters) a website until they log off (exit), irrespective of the number of pages visited within this time. Therefore a user who is online for 30 minutes, and who looks at ten pages, is counted as one user session. Visits to hosted websites are not included in this measure. The Library experienced 2% growth in 2014–15.
- 3 Visitor satisfaction is measured via the annual intercept survey.

Service Agreement with the Minister for Creative Industries

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

Output framework

Description	Unit of measure	Target 2014-15	Actual 2014-15
OUTPUT GROUP 1 – Guardianship of the State Collection			
OG1a Collection development			
Acquisitions and deaccessions in accordance with collection development policies / strategic directions	%	100%	100%
OG1b Collection management			
New acquisitions (received in current period), electronically registered to agreed standards and targets	%	95%	97%
BP3 Agency collections storage meeting industry standard	%	99%	99%
OUTPUT GROUP 2 – Access and participation			
OG2a Community engagement activities			
Events	Number	1275	1472
BP3 Access – attendances/users	Number	1,500,000	1,781,690
BP3 Volunteer hours ¹	Number	3,400	9,166
Volunteers	Number	140	158
BP3 Members and Friends ²	Number	870	1,098
OG2b Community use of facilities			
Events	Number	400	432
OG2c Education programs			
Events – sessions, performances, workshops	Number	939	822
BP3 Students attending educational programs ³	Number	25,700	23,420
OG2d Exhibitions and displays			
Events – New, (permanent or temporary) exhibitions	Number	8	8
Attendees	Number	612,645	619,618

Description	Unit of measure	Target 2014-15	Actual 2014-15
OG2h Public access to collection / information			
Virtual access to Collection	%	95%	97%
BP3 Access – Library website visitation	No. of user sessions	3,000,000	3,441,756
OG2i Visitor experience activities			
BP3 Visitors satisfied with visit	%	90%	83%
OUTPUT GROUP 3 – Sector development			
OG3a Professional development and other services			
Collaborative projects with NGOs/agencies ⁴	Number	35	44
Touring programs/exhibitions available from the arts body in reporting period	Number	64	102
Regional centres receiving touring programs/exhibitions offered by the arts body	Number	15	19
Loans to NGOs/agencies from the Collection	Number	2,378	2,363
Investment in staff training	\$/Staff	327	638
OUTPUT GROUP 4 – Distinctive & iconic buildings, sites & facilities			
OG4a Facility development			
Facility development plan currency	Plan currency	1	1
Conditions of assets as a percentage of 'as new'	%	75%	75%

Notes

- 1 Volunteers again contributed above target support to the Library in 2014-15. Our volunteers support a large number of activities across the Library including the delivery of approximately 600 tours as well as supporting a number of collection-related projects.
- 2 The membership base of Friends of the Library stabilised during 2014-15. Membership activity over the period absorbed natural attrition of over 15%, achieving an end of year result 26% above the BP3 target.
- 3 More than 23,000 students participated in education programs at the Library. In 2014-15 the Library focused on delivering programs where they could provide the most impact. During the reporting period, 2111 students visited the *Victor Hugo: Les Misérables – From Page to Stage* exhibition through the Open Access program. Open Access targets schools who face disadvantage and may not otherwise visit the Library. The program reduces barriers to access by providing free buses and programming.
- 4 In 2014-15 the Library leveraged its offer through an increase in collaborative projects resulting in programs, research and publishing.

Acquisitions statistics 2014–15

VOLUMES ADDED TO STOCK JULY 2014 – JUNE 2015

	Purchase	Donation	Govt donation	Legal deposit	Method of acquisition	
					Total 2014–15	Total 2013–14
Monographs	7,965	1,960	1,467	4,184	15,576	26,025
Newspapers	317	46	10	477	850	800
Other serials	1,846	254	1,055	3,314	6,469	6,806
TOTAL VOLUMES	10,128	2,260	2,532	7,975	22,895	33,631

CONSOLIDATED STOCK HOLDINGS 2013–2015

Stock holdings (volumes)	30 June 2013	30 June 2014	30 June 2015
Newspapers	106,922	107,722	108,572
Monographs and serials	2,136,656	2,169,487	2,191,532
TOTAL	2,243,578	2,277,209	2,300,104
Maps	112,727	113,601	113,770
Sound recordings	41,479	52,339	54,298
Video recordings	6,133	6,275	6,317
Exhibition catalogues	151,964	159,636	166,488
Theatre programmes (linear metres)	93	95	97
Ephemera (linear metres)	74	75	76
Manuscripts (linear metres)	7,729	7,847	7,998
Pictures	911,802	963,799	1,010,640

CONSOLIDATED ELECTRONIC STATISTICS 2013–2015

	30 June 2013	30 June 2014	30 June 2015
PANDORA (online titles & websites) ¹	10,822	11,438	12,812
Ebooks (titles) ²	1,570	4,795	6,698
Electronic collections ³	24	32	32

Notes

- 1 PANDORA is an archive of Victorian digital publications and websites gathered from the internet.
- 2 Ebooks represent ebook titles purchased and accessible via the catalogue.
- 3 Electronic collections represent themed or single-format collections purchased by the Library.

Library Board and corporate governance

Functions and powers of the Library Board of Victoria

The affairs of State Library Victoria are governed by the Library Board of Victoria. The Board is a statutory body established under Section 16 of the *Libraries Act 1988*. During the reporting period the Hon. Heidi Victoria MP was Minister for the Arts until December 2014. The Hon. Martin Foley MP has been Minister for Creative Industries from December 2014.

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

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

In carrying out its functions, the Board must endeavour to ensure that through the variety and breadth of the Library's services, programs, events, exhibitions and activities, the institution contributes to the enrichment

of the cultural, educational, social and economic life of the people of Victoria, and has the power to do all things necessary or convenient in connection with the performance of its functions.

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

Board members

The Library Board of Victoria consists of up to 11 members, appointed by the Governor in Council on the recommendation of the Minister. Current Board members have 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 9 occasions during the period from 1 July 2014 to 30 June 2015.

Mr John Wylie AM, President (attended 9 meetings)
 Mr Bruce Akhurst (attended 7 meetings)
 Ms Christine Christian (attended 9 meetings)
 Mr David Evans (attended 6 meetings)
 Prof. Merran Evans, until May 2015 (attended 7 meetings)
 Mr Petro Georgiou AO (attended 9 meetings)
 Mr Dennis Goldner (attended 9 meetings)
 Mr Eddie McGuire AM (attended 3 meetings)
 Ms Karen Quinlan (attended 6 meetings)

Ms Sue Roberts (Chief Executive Officer) until April 2015
 Ms Justine Hyde (Acting Chief Executive Officer) from April 2015

About Board members

John Wylie AM, President

John Wylie was appointed President of the Library Board in May 2012 and reappointed in May 2015. He chairs the Executive Appointments and Remuneration Committee and is a member of the Redevelopment Project Steering Committee and Finance Committee. John is special advisor to financial services firm Lazard Australia, having recently retired as its CEO. John is involved in a wide range of not-for-profit community activities. He is chair

of the Australian Sports Commission and a trustee of the global Rhodes Scholarship Trust. He chaired the Melbourne Cricket Ground Trust for 14 years from 1999 to 2013, and is a former board member and honorary treasurer of the Florey Neurosciences Institutes in Melbourne. John holds an M.Phil in Management Studies from Oxford University, where he was a Rhodes Scholar, and a Bachelor of Commerce with First Class Honours from the University of Queensland.

Bruce Akhurst

Bruce Akhurst was appointed to the Library Board of Victoria in May 2010 and reappointed in June 2013. He is a member of the Executive Appointments and Remuneration Committee and chair of the Digital Strategy Committee. Bruce is executive chair of Adstream, an international services organisation for the advertising industry. He was previously chief executive officer of Sensis Pty Ltd, chair and director of Foxtel, and a director of Soufun, the leading Chinese real estate portal. A lawyer by training, Bruce relinquished the position of managing partner with Mallesons Stephen Jaques to join Telstra in 1996 where he worked for 16 years in numerous senior positions. Bruce is also a member of the RMIT University Council and chair of its Infrastructure and Information Technology Committee.

Christine Christian

Christine Christian was appointed to the Board in August 2013. She is chair of the Foundation Council and Finance Committee, and a member of the Executive Appointments and Remuneration Committee. Christine's current directorships include Members Equity Bank Limited, Career Insight Group and the New York based Powerlinx Inc. With a deep commitment to community service, Christine is a board member and committee chair of UNICEF Australia, a member of the state government appointed TAFE Assessment Panel and immediate past president of Chief Executive Women. Christine was previously CEO of Dun & Bradstreet Australia, chair of D&B Consumer Credit Services, and executive director of Dun & Bradstreet India. She was the founding chair of Business Information Industry Association – Hong Kong and Middle East, and director until 2012.

David Evans

David Evans was appointed to the Board in September 2013. He chairs the Redevelopment Project Steering Committee, is immediate past chair of the Audit and Risk Management Committee, and is a member of the Foundation Council. David is the executive chair and founder of Evans and Partners Pty Ltd. He has worked in a variety of roles within JB Were & Son and the merged entity Goldman Sachs JBWere Pty Ltd, including managing director and chief of staff. He is a director of Seven West Media (SWM) and chair of the SWM Audit

& Risk Committee, and a member of its Remuneration & Nomination Committee. He is also a director of the Shane Warne Foundation, a member of the Victorian Police Corporate Advisory Group, and chair of Cricket Australia's Investment Committee.

Professor Merran Evans

Merran Evans was appointed to the Board in June 2009 and retired in May 2015, at the conclusion of her second term. During 2014–15, Merran was a member of the Audit and Risk Management Committee and the Collections Committee. She is a past pro-vice-chancellor (Planning and Quality) at Monash University, where her previous administrative appointments include director of University Planning and Statistics and director of Monash University's London Centre. Merran is 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.

Petro Georgiou AO

Petro Georgiou was appointed to the Library Board in July 2011 and again in 2014. He serves on the Executive Appointments and Remuneration, and Audit and Risk Management committees. Petro was a member of the House of Representatives in the electorate of Kooyong from 1994 until 2010. He was chair of the Joint Standing Committee on Science and Innovation, state director of the Victorian division of the Liberal Party, and director of the Institute of Multicultural Affairs. He is Vice-Chancellor's Professorial Fellow at Monash University and the University of Melbourne.

Dennis Goldner

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

Eddie McGuire AM

Eddie McGuire was appointed to the Board in April 2013. He is an accomplished businessman, author and

media personality. He is president of the Collingwood Football Club and the Melbourne Stars Cricket Team, and chair of the Michael Long Learning and Leadership Centre. Eddie sits on a number of other boards including Victorian Major Events Company, the Shane Warne Foundation and stockbroking firm Evans and Partners. In 2005 he was recognised 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.

Karen Quinlan

Karen Quinlan was appointed to the Board in August 2013 and is a member of the Redevelopment Project Steering Committee. Karen has over 20 years' experience working in the visual arts sector. She has been director of Bendigo Art Gallery since 2000, where she has been instrumental in bringing international exhibitions to regional Victoria. In 2013 Karen became an adjunct professor at La Trobe University within the College of Humanities, Social Sciences and Commerce. She was appointed a panel member of the Creative Industries Strategy Taskforce 2015 by the Hon. Martin Foley MP, Minister for Creative Industries, and a member of the Victorian Visitor Economy Review Reference Group 2015 by the Minister for Tourism and Major Events, the Hon. John Eren MP. Karen is also chair of the Public Galleries Association of Victoria and a board member of the Virgin Australia Melbourne Fashion Festival.

Standing committees

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

Advisory Committee on Public Libraries

The Advisory Committee on Public Libraries acts as an advisory group to the Board and a communication link between the Board and public libraries. The committee met on 4 occasions during the period 1 July 2014 to 30 June 2015.

2014–15 membership

Mr Dennis Goldner, Chair (attended 3 meetings)
Mr Michael Byrne (attended 4 meetings)
Ms Camille Cullinan, from February 2015 (attended 2 meetings)
Mr Rod Fyffe (attended 4 meetings)
Ms Christine Mackenzie (attended 3 meetings)
Mr John Murrell (attended 4 meetings)
Ms Jenny Mustey, to September 2014 (attended 1 meeting)
Ms Karen Quinlan, to April 2015 (attended 1 meeting)

Alternates from Public Libraries Victoria Network

Ms Chris Kelly (attended 1 meeting)
Vice President PLVN ex officio (attended 0 meetings)

SLV representatives

Ms Sue Roberts, until April 2015 (attended 3 meetings)
Ms Justine Hyde, from April 2015 (attended 2 meetings)
Ms Jo Watson (attended 2 meetings)

Executive Officer

Ms Debra Rosenfeldt

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 6 occasions during the period 1 July 2014 to 30 June 2015, and once jointly with the Finance Committee.

2014–15 membership

Mr David Evans, Chair, until March 2015 (attended 4 meetings)
Mr Dennis Goldner, Chair, from March 2015 (attended 7 meetings)
Prof. Merran Evans, retired May 2015 (attended 7 meetings)
Ms Marianne Di Giallonardo (independent member) (attended 3 meetings)
Mr Petro Georgiou AO (attended 5 meetings)
Mr Michael Hill (independent member, attended 6 meetings)
Ms Anne Jackson (independent member, attended 6 meetings)

SLV representatives

Ms Sue Roberts, until April 2015
Ms Justine Hyde, from April 2015
Mr Tony Haeusler, until August 2014
Ms Lucy Roffey, from September 2014 until October 2014
Ms Liz Grainger (interim consultant), from October 2014 until May 2015
Mr Ross Phillips, from May 2015

Executive Officers

Ms Frances Savage
Mr Iain Curry

Building Redevelopment Committee (reconstituted as the Redevelopment Project Steering Committee during 2014–15)

This cross-agency committee forms a key part of the governance structure of the Library building redevelopment project. Formal terms of reference will be developed as part of a project planning process. Committee membership includes representatives from the Board (including chair), Creative Victoria, the

Library's executive leadership team, Major Projects Victoria (project managers), Department of Treasury and Finance, and Department of Premier and Cabinet. The committee met once during the period 1 July 2014 to 30 June 2015.

2014–15 membership

Mr David Evans, Chair (attended 1 meeting)
Ms Karen Quinlan (attended 1 meeting)
Mr John Wylie AM (attended 1 meeting)

SLV representative

Ms Justine Hyde

Executive Officer

Major Projects Victoria supports the committee

Collections Committee

The Collections Committee advises the Board on issues concerning the acquisition, maintenance and promotion of the State Collection. The committee met once during the period 1 July 2014 to 30 June 2015.

2014–15 membership

Ms Karen Quinlan, Chair (attended 1 meeting)
Prof. Phillip Deery (attended 0 meeting)
Prof. Merran Evans (attended 0 meeting)
Ms Susan Halliday (attended 0 meeting)
Ms Justine Heazlewood (attended 0 meeting)
Ms Bridget McDonnell (attended 0 meeting)
Mr Ian Renard (attended 1 meeting)
Ms Angela Rodd (attended 1 meeting)

SLV representatives

Ms Justine Hyde
Ms Jo Ritale

Executive Officer

Ms Liz Jesty, until 31 October 2014

Digital Strategy Committee

The Digital Strategy Committee advises the Board on all aspects of the Library's digital strategies, providing guidance and expertise, identifying emerging trends and technologies that enable the digital strategy to evolve and adapt. The committee met on 5 occasions during the period 1 July 2014 to 30 June 2015.

2014–15 membership

Mr Bruce Akhurst, Chair (attended 4 meetings)
Mr Mike Crooks (attended 4 meetings)
Mr Ankur Kotwall (attended 4 meetings)
Mr Nick Place (attended 5 meetings)

SLV representatives

Ms Sue Roberts, until April 2015
Mr Peter McMahon

Executive Officer

Mr Peter McMahon

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 1 occasion during the period 1 July 2014 to 30 June 2015.

2014–15 membership

Mr John Wylie AM, Chair (attended 1 meeting)
Mr Bruce Akhurst (attended 1 meeting)
Mr Petro Georgiou AO (attended 1 meeting)

SLV representatives

Ms Sue Roberts, until April 2015
Ms Justine Hyde, from April 2015

Executive Officers

Ms Sue Roberts, until April 2015
Ms Justine Hyde, from April 2015

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 and on commercial matters. The committee met 5 times during the year, and once jointly with the Audit and Risk Management Committee.

2014–15 membership

Ms Christine Christian, Chair (attended 6 meetings)
Mr Andrew Coloretti, until March 2015 (attended 4 meetings)
Mr Stephen Kerr (attended 5 meetings)
Ms Helen Lanyon, until May 2015 (attended 5 meetings)
Mr Glenn Mescher (attended 4 meetings)
Mr John Wylie AM (attended 2 meetings)

SLV representatives

Ms Sue Roberts, until April 2015
Ms Justine Hyde, from April 2015
Mr Tony Haeusler, until August 2014
Ms Lucy Roffey, from September 2014 until October 2014
Ms Liz Grainger (interim consultant), from October 2014 until May 2015
Mr Ross Phillips, from May 2015

Executive Officers

Ms Frances Savage
Mr Iain Curry

State Library Victoria Foundation Council

The Foundation Council supports the strategic objectives of State Library Victoria and secures donations to the Foundation Capital Fund. The council met on 4 occasions during the period 1 July 2014 to 30 June 2015.

2014–15 membership

Ms Christine Christian, Chair (attended 4 meetings)
Ms Robyn Campbell, from November 2014 (attended 2 meetings)
Mr David Evans (attended 1 meeting)
Mr Michael Kay (attended 2 meetings)
Mr Doug Kefford, until July 2014 (attended 0 meeting)
Mr Stephen Kerr (attended 4 meetings)
Mr Richard Lourey (attended 3 meetings)
Mr David Mullaly (attended 3 meetings)
Ms Maria Myers, until November 2014 (attended 0 meetings)
Mr John Wylie AM (attended 1 meeting)

SLV representatives

Ms Sue Roberts, until April 2015
Ms Justine Hyde, from April 2015

Executive Officer

Mr Ben Clark, until January 2015
Mr Peter McMahon, from May 2015

Library Executive

Sue Roberts, until April 2015

Sue Roberts joined the State Library as Chief Executive Officer and State Librarian in April 2012. Prior to moving to Melbourne, Sue 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.

Justine Hyde

Justine is Director, Library Services and Experience, and Acting CEO and State Librarian from April 2015. 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.

Jo Ritale

Jo Ritale has worked in public, university and state libraries for almost 20 years and for the last 10 years has managed the development of heritage collections and delivery of services from these collections. She has been Acting Director, Library Services and Experiences from April 2015. Jo has worked at the State Library since 2009 managing the Australian Manuscripts, History of the Book, Arts, Pictures, Australian History and Literature collections. In her current role, Jo is responsible for the strategic development of library services and customer experience, including visitor experience and customer service, information services and access, lifelong learning programs and collection development and management.

Peter McMahon

Peter McMahon is Director, Digital Strategy. Prior to joining State Library 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 the Library's online visitors. As a member of the Leadership Team, Peter contributes to the ongoing development of the Library's broader vision and strategies.

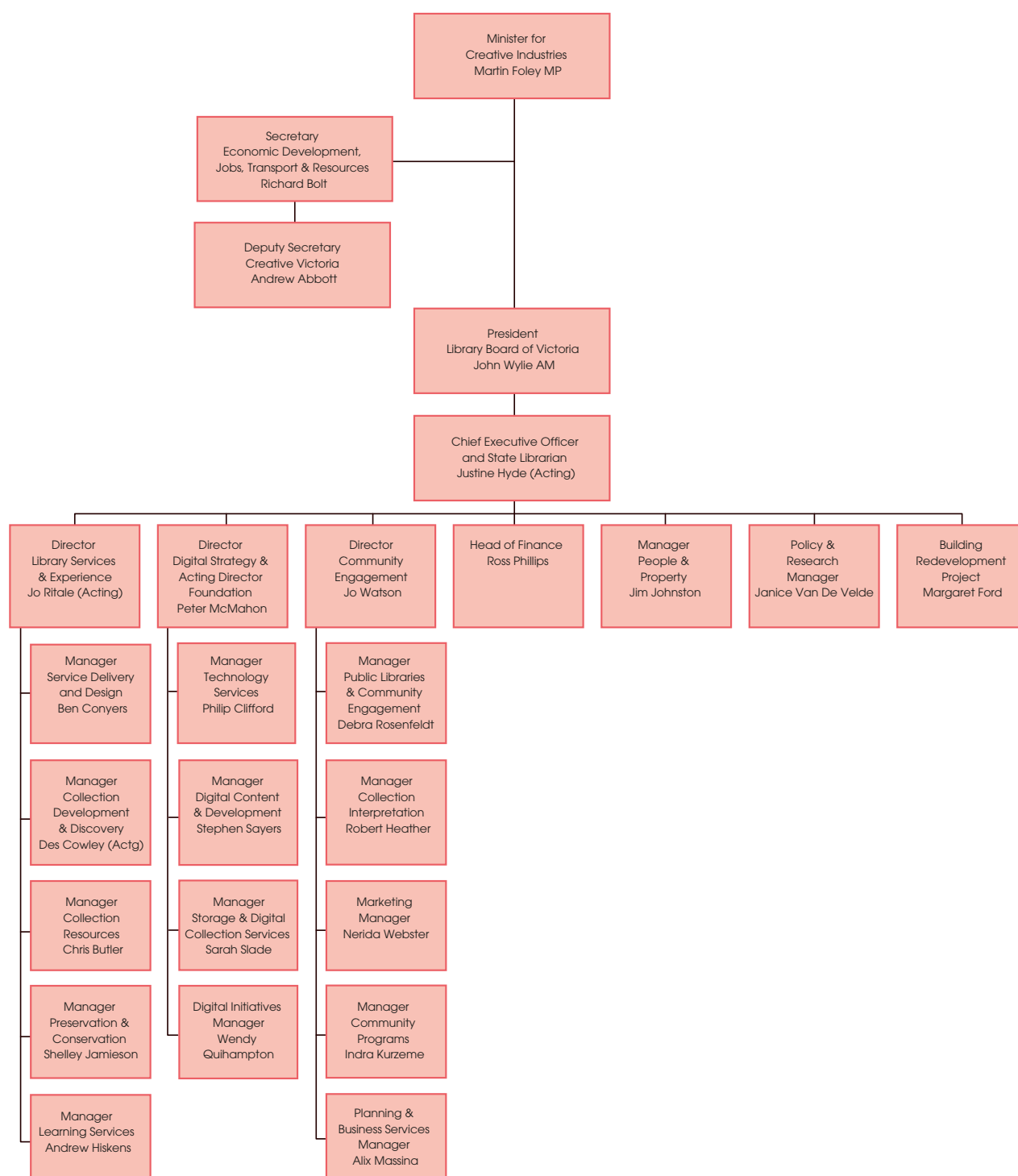
Jo Watson

Jo Watson is Director, Community Engagement. 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.

Ben Clark, until January 2015

Ben Clark joined the Library as Director, Foundation in May 2013. He was previously the philanthropy manager at ANZ Trustees. The Director, Foundation role oversees fundraising activity on behalf of the State Library, leads the Foundation Council and is a member of the Leadership Team.

Organisational structure (as at 30 June 2015)



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	3	0	3	0	0	0
Total	4	0	4	0	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	2	0	0	0	0	0	0	0
Total	1	0	3	0	0	0	0	0	0	0

Table 3 Executives with remuneration over \$100,000

Class	2015	2014	2013	2012	2011	2010	2009
Executives with remuneration over \$100,000	4	4	4	5	4	4	4
Add Vacancies	0	0	1	0	0	0	0
Executives with total remuneration below \$100,000	0	0	0	0	0	0	0
Accountable Officer (Secretary)	0	0	0	0	0	0	0
Less Separations	0	0	2	1	1	0	0
Total executive numbers at June	4	4	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 Victoria	4	0	0	1	0	3	0
Total	4	0	0	1	0	3	0

Major contracts

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

Victorian Industry Participation Policy

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

During 2014–15, there were no Library procurement activities valued at more than \$3 million in metropolitan areas or \$1 million in regional areas that triggered the application of the VIPP.

National Competition Policy

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 government guidelines, including 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 2015 that will have an impact on the 2014–15 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 12.3% (greater than 15% warrants investigation). Employee absenteeism (unplanned) averaged approximately 4.2% (greater than 5% warrants investigation). These performance measures compare to 9.3% and 3.7% respectively in 2013–14.

The Library continues to experience a satisfactory WorkCover claims performance rate with four active claims at the end of the year. There were three compensable injuries during the year (two were lost-time injuries). The cost of WorkCover premiums have continued to decrease while claims performance continues to show a position of sector leadership.

In 2014–15, eight days were lost as a result of work-related injuries, compared with six in 2013–14.

Category	Measure	2014-15	2013-14
Policy currency (review cycle 3 years)	OH&S Policy current	Yes	Yes
Provisional Improvement Notices (PINs)	No of PINs issued by HSRs	0	0
	No. of identified issues actioned	N/A	N/A
HSR Training	% of HSRs trained	100%	100%
Worksafe interactions	Notifiable incidents	0	0
	Notices received	0	0
	Visits (including as a result of notifiable incidents)	0	0
	% of identified issues actioned	N/A	N/A
WorkCover claims management	Number of standard claims	3	3
	Rate per 100 FTE	1.0	0.96
	Number of lost time claims	2	1
	Rate per 100 FTE	0.69	0.32
	Number claims exceeding 13 weeks	2	2
	Rate per 100 FTE	0.69	0.64
	Fatality claims	0	0
	Average cost per standard claim	\$1105.66	-
	% claims with a RTW plan > 30 days	0	0

In November, the Library was accredited under the Australian and New Zealand Standard 4801, which will ultimately replace the SafetyMap accreditation as the Library's standard for certification of the OH&S Management System.

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

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 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 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 2015	259	195	64	233.44	55.49
June 2014	273	204	69	248.04	63.71

	June 2015			June 2014			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	100	92.52	13.59	105	97.62	17.61	-5	-5.10	-4.02
Female	159	140.92	41.90	168	150.42	46.10	-9	-9.50	-4.20
Age									
Under 25	0	0.00	4.75	1	1.00	7.70	-1	-1.00	-2.95
25-34	31	29.00	24.99	39	38.30	28.61	-8	-9.30	-3.62
35-44	52	46.75	13.05	57	51.55	14.70	-5	-4.80	-1.65
45-54	74	65.45	5.80	72	63.45	7.70	2	2.00	-1.90
55-64	86	78.71	4.90	86	79.21	3.50	0	-0.50	1.40
Over 64	16	13.53	2.00	18	14.53	1.50	-2	-1.00	0.50
Classification									
VPS 1	3	2.80	11.99	5	4.80	16.11	-2	-2.00	-4.12
VPS 2	54	44.24	9.55	58	49.04	14.15	-4	-4.80	-4.60
VPS 3	96	85.80	15.50	98	88.10	12.10	-2	-2.30	3.40
VPS 4	39	35.80	6.65	43	40.00	5.75	-4	-4.20	0.90
VPS 5	45	42.80	5.80	45	42.10	7.80	0	0.70	-2.00
VPS 6	22	22.00	1.00	24	24.00	2.80	-2	-2.00	-1.80
STS	0	0.00	1.00	0	0.00	1.00	0	0.00	0.00
Executives	0	0.00	4.00	0	0.00	4.00	0	0.00	0.00

Note

Employees have been correctly classified in workforce data collections.

Environmental performance

Environmental aspect	Description	Unit of measure	2010-11	2012-13	2013-14	2014-15
Energy	Total use	Gigajoules	21,887	23,496	22,833	24,433
	Total associated greenhouse gas emissions	Tonnes CO ₂	6,675	4,516	4,153	6,599
	Percentage of electricity purchased as Greenpower	%	10	25	25	25
	Use per sqm office space	Megajoules	438	467	457	489
	Total Greenpower	Kilowatt hours	607,971	1,631,656	1,583,914	1,696,694
	Total cost of Greenpower	Dollars	43,539	87,878	72,630	70,063
Waste	Generated per FTE	Kilograms	484	376	327	197
	Total recycled	Kilograms	76,821	59,456	54,945	54,150
Paper	Total use	Reams	2,420	2,480	2,400	2,490
	Total per FTE	Reams	8.0	8.2	7.5	9.1
Water	Total consumption	Litres	21,889,000	20,240,000	24,256,000	23,333,687
	Consumption per FTE	Litres	72,513	67,019	75,800	84,850
Transportation	Total fuel consumption	Gigajoules	71	74	24	34
	Total travel by Library vehicles	Kilometres	19,459	28,440	9,300	13,347
	Total greenhouse gases	Tonnes CO ₂	5.3	5.7	1.9	2.7

Notes

All figures based on the following:
 50,000 sqm
 275 fte

Freedom of information

This section contains information required to be published annually under Part II of the *Freedom of Information Act 1982* (the Act). The Act enables members of the public to obtain information held by the Library, other than information in Library material maintained for reference purposes. 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 Creative Industries
- 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

Access to documents may only be obtained through written request and accompanied by a non-refundable application fee of \$27.20. GST is not payable on application fees. Additional charges may apply for searching, retrieving, copying of documents, and supervising and inspection of documents. Applications should be clear and concise, and provide an accurate description of the documents sought. As required by the Act, all reasonable steps are taken to enable the applicant to be notified of a decision concerning the release of documents as soon as practicable, and not later than 45 days after the day on which a valid request and application fee is received by the Library. The application fee may be waived or reduced if it is a routine request, or if the applicant would be caused hardship as a result of paying the fee.

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 Victoria
328 Swanston Street
Melbourne VIC 3000

Requests can also be lodged via foi@slv.vic.gov.au.

Requests in 2014–15

For the 12 months ending 30 June 2015, two requests for information were received. These requests were finalised during the year.

Literature available by subscription or free mailing lists

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

- *SLV Monthly* newsletter
- *What's On*
- *The La Trobe Journal*
- *Friends* enews
- *Corporate member* news
- *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.

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. We are currently examining issues relating to compliance with the *Carers Recognition Act 2012*; public information related to companion cards for carers can be found on our website at slv.vic.gov.au/plan-your-visit/disability-access.

Government advertising expenditure

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

Protected Disclosure Act 2012

The *Protected Disclosure Act 2012* (the Act, formerly the *Whistleblowers Protection Act 2001*) establishes a scheme for protecting people who make disclosures about improper conduct in the public sector.

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

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

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

Compliance with the *Protected Disclosure Act 2012*

The Library is not a public body to which disclosures may be made. Disclosures of improper conduct or detrimental action relating to the Library should generally be made to the Independent Broad-based Anti-corruption Commission (IBAC). Further information about making disclosures to the IBAC can be found at www.ibac.vic.gov.au.

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.

Consultancies

Consultancies under \$10,000

In 2014–15 there were 27 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2014–15 in relation to these consultancies was \$132,231 (excl. GST).

Consultancies \$10,000 and over

In 2014–15, there were 15 consultancies where the total fees payable to the consultants were \$10,000 or more. The total expenditure incurred during 2014–15 in relation to these consultancies was \$900,898 (excl. GST).

Consultant	Details	Start date	End date	Total approved fee (excl. GST) \$	Expenditure in 2014–15 (excl. GST) \$	Future expenditure (excl. GST) \$
Atticus Education Pty Ltd	Development of inaugural lecture series for Australian Learning Lecture project	23 February 2015	26 June 2015	15,000	15,000	Nil
Currie Communications	Marketing services for the Australian Learning Lecture project	5 February 2015	28 November 2015	105,000	103,046	50,000
Delivery Associates Ltd	Development of inaugural lecture series for Australian Learning Lecture project	23 February 2015	26 June 2015	20,332	20,332	Nil
DHW Consulting	Business analysis, planning and project management for building redevelopment project	5 May 2014	29 August 2014	72,000	40,080	Nil
Ernst & Young	Management reporting review	1 January 2015	30 April 2015	65,000	63,200	Nil
Fyusion Asia Pacific Pty Ltd	Program process review	22 September 2014	31 January 2015	69,800	61,854	Nil
I&J Management Services	Read project: Development of literacy framework initiatives (Statewide public library development project)	28 January 2014	30 June 2015	50,000	48,900	Nil

Consultant	Details	Start date	End date	Total approved fee (excl. GST) \$	Expenditure in 2014-15 (excl. GST) \$	Future expenditure (excl. GST) \$
Jacobs Group Australia Pty Ltd	Business analysis and planning for building redevelopment project	1 July 2014	31 December 2014	100,000	104,847	Nil
Julie Mundy	Training program delivery (Statewide public library development project)	24 June 2015	24 December 2015	58,000	28,840	29,000
Pearson Management Services	Development of inaugural lecture series for Australian Learning Lecture project	23 February 2015	26 June 2015	25,000	24,605	Nil
Squareweave Pty Ltd	Consulting, technical advice and implementation for website redevelopment	1 July 2014	31 December 2014	200,000	176,480	Nil
Sweeney Research	Audience research	1 June 2014	30 June 2015	65,000	63,090	Nil
The Trustee for the Adam Smith Trust	Australian Learning Lecture project development	1 July 2014	30 June 2015	55,000	51,660	Nil
Upton Martin Consulting	Shared Leadership Program (Statewide public library development project)	5 June 2015	31 December 2015	100,000	77,084	23,000
Yarra Valley Conference Centre	Shared Leadership Program (Statewide public library development project)	29 November 2014	31 December 2015	56,880	21,880	11,500

Financial statements

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Risk attestation



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328 Swanston Street
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Australia

Tel: +61 3 8664 7505
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slv.vic.gov.au

19 August 2015

RISK ATTESTATION 2014-15

I, John Wylie, certify that State Library 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 State Library Victoria has been critically reviewed within the last 12 months.

John Wylie AM
President

Insurance attestation



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19 August 2015

INSURANCE ATTESTATION 2014-15

I, John Wylie, certify that State Library Victoria has complied with Ministerial Direction 4.5.5.1 – Insurance.

John Wylie AM
President

Auditor-General's report

VAGO

Victorian Auditor-General's Office

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

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Library Board of Victoria

The Financial Report

The accompanying financial report for the year ended 30 June 2015 of the Library Board of Victoria which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the 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 State Library of Victoria Foundation.

The Board Members' Responsibility for the Financial Report

The Board Members of the Library Board of Victoria are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994* and for such internal control as the Board 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 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.

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 2015 and 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*.

MELBOURNE
3 September 2015



for John Doyle
Auditor-General

Library Board of Victoria letter



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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 2015 and financial position of the Library Board of Victoria at 30 June 2015.

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 28.8.15

Dennis Goldner
Chair, Audit and Risk Management
Committee
Date

Justine Hyde
Acting CEO and State Librarian
Date 28/8/15

Ross Phillips
Head of Finance
Date 28/8/15

Library Board of Victoria and controlled entity financial report for the financial year ended 30 June 2015

BALANCE SHEET AS AT 30 JUNE 2015

	Note	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial assets					
Cash and deposits	2	1,993	3,918	1,993	2,659
Receivables	3	915	1,060	705	882
Financial assets classified as available for sale	4	14,625	13,650	14,625	–
Total financial assets		17,533	18,628	17,323	3,541
Non-financial assets					
Prepayments		457	1,243	457	1,243
Library collections	5	497,626	493,088	497,626	493,088
Property, plant and equipment	6	378,191	387,247	378,191	387,247
Deferred expenditure	8	1	1	1	1
Total non-financial assets		876,275	881,579	876,275	881,579
Total assets		893,808	900,207	893,598	885,120
Liabilities					
Payables	9	1,340	1,134	1,340	1,134
Other liabilities	10	731	241	731	241
Interest-bearing liabilities	11	37	51	37	51
Provisions	12	8,108	7,814	8,108	7,814
Total liabilities		10,216	9,240	10,216	9,240
Net assets		883,592	890,967	883,382	875,880
Equity					
Contributed capital	13(a)	557,814	557,514	557,814	557,514
Accumulated surplus	13(b)	(13,345)	(24,760)	(13,345)	(24,760)
Physical asset revaluation surplus	13(c)	333,100	333,100	333,100	333,100
General reserve	13(d)	1,000	1,000	1,000	1,000
Donations and bequests reserve	13(e), 14	4,027	13,502	3,817	2,056
Specific purpose grants reserve	13(f), 15	996	10,001	996	6,970
Financial assets valuation reserve	13(g)	–	610	–	–
Net worth		883,592	890,967	883,382	875,880

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

COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

		CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	Note	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Income from transactions					
Grant from government	16	35,895	37,917	35,895	37,917
Grant from government – capital funding	16	6,112	1,245	6,112	1,245
Trading	17	2,206	1,726	2,162	1,720
Projects funded from external sources	18	2,784	2,651	2,753	2,649
Donations and bequests	19	8,592	5,696	10,604	7,055
Trust distribution from SLVF		–	–	13,507	–
Investment revenue	20(a)	1,265	1,232	151	251
Capital asset charge		41,403	41,403	41,403	41,403
Total income from transactions		98,257	91,870	112,587	92,240
Expenses from transactions					
Employee expenses	21	30,122	29,369	29,763	28,939
Buildings and facilities expenses	22	11,555	6,679	11,555	6,679
Depreciation	23	12,971	13,234	12,971	13,234
Professional and finance expenses	24	1,622	1,735	1,491	1,568
Borrowing costs	25	3	2	3	2
Grants distributed	26	168	153	168	153
Other expenses from ordinary activities	27	7,933	7,403	7,726	7,307
Capital asset charge		41,403	41,403	41,403	41,403
Total expenses from transactions		105,777	99,978	105,080	99,285
Net result from transactions		(7,520)	(8,108)	7,507	(7,045)
Other economic flows included in net result					
Net gain/(loss) on financial instruments	32(a) 20(b)	610	505	(150)	–
Net gain/(loss) on non-financial assets	32(b)	–	2	–	2
Other gains/(losses) from other economic flows	32(c)	(155)	(47)	(155)	(47)
Total other economic flows included in net result		455	460	(305)	(45)
Net result for the year		(7,065)	(7,648)	7,202	(7,090)
Other economic flows – other comprehensive income					
Fair value remeasurement gains/(losses) on available-for-sale financial assets	13(g)	(316)	353	–	–
Reclassification of fair value gains on available-for-sale financial assets	13(g)	(294)	–	–	–
Total other economic flows – other comprehensive income		(610)	353	–	–
Comprehensive result for the year		(7,675)	(7,295)	7,202	(7,090)

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

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

CONSOLIDATED					
		Equity at 1 July 2014	Total compre- hensive result	Transactions with owners in their capacity as owners	Equity at 30 June 2015
	Note	\$'000	\$'000	\$'000	\$'000
Contributed capital					
		557,514	-	-	557,514
Equity contribution from government		-	-	300	300
Contributed capital	13(a)	557,514	-	300	557,814
Accumulated surplus					
		(24,760)	(7,065)	-	(31,825)
Transfer from donations and bequests reserve		-	-	10,579	10,579
Transfer from specific purpose grants reserve		-	-	7,901	7,901
	13(b)	(24,760)	(7,065)	18,480	(13,345)
Asset revaluation surplus					
		333,100	-	-	333,100
Revaluation of land, buildings and collection assets		-	-	-	-
	13(c)	333,100	-	-	333,100
General reserve	13(d)	1,000	-	-	1,000
Donations and bequests reserve					
		13,502	-	-	13,502
Transfer from specific purpose grants reserve		-	-	1,104	1,104
Transfer to accumulated surplus		-	-	(10,579)	(10,579)
	13(e)	13,502	-	(9,475)	4,027
Specific purpose grants reserve					
		10,001	-	-	10,001
Transfer to donations and bequests reserve		-	-	(1,104)	(1,104)
Transfer to accumulated surplus		-	-	(7,901)	(7,901)
	13(f)	10,001	-	(9,005)	996
Financial assets valuation reserve					
Unrealised capital gains on financial assets		610	(610)	-	-
	13(g)	610	(610)	-	-
Total equity at end of financial year		890,967	(7,675)	300	883,592

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 2015 (CONT'D)

		CONSOLIDATED - COMPARATIVE			
		Equity at 1 July 2013	Total compre- hensive result	Transactions with owners in their capacity as owners	Equity at 30 June 2014
	Note	\$'000	\$'000	\$'000	\$'000
Contributed capital	13(a)	557,514	-	-	557,514
Accumulated surplus		(17,479)	(7,648)	-	(25,127)
Transfer to donations and bequests reserve		-	-	(49)	(49)
Transfer from specific purpose grants reserve		-	-	416	416
	13(b)	(17,479)	(7,648)	367	(24,760)
Asset revaluation surplus		333,100	-	-	333,100
Revaluation of land, buildings and collection assets		-	-	-	-
	13(c)	333,100	-	-	333,100
General reserve	13(d)	1,000	-	-	1,000
Donations and bequests reserve		13,453	-	-	13,453
Transfer from accumulated surplus		-	-	49	49
	13(e)	13,453	-	49	13,502
Specific purpose grants reserve		10,417	-	-	10,417
Transfer to accumulated surplus		-	-	(416)	(416)
	13(f)	10,417	-	(416)	10,001
Financial assets valuation reserve					
Unrealised capital gains on financial assets		257	353	-	610
	13(g)	257	353	-	610
Total equity at end of financial year		898,262	(7,295)	-	890,967

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 2015 (CONT'D)

STATE LIBRARY OF VICTORIA					
		Equity at 1 July 2014	Total compre- hensive result	Transactions with owners in their capacity as owners	Equity at 30 June 2015
	Note	\$'000	\$'000	\$'000	\$'000
Contributed capital		557,514	-	-	557,514
Equity contribution from government		-	-	300	300
	13(a)	557,514	-	300	557,814
Accumulated surplus		(24,760)	7,202	-	(17,558)
Transfer to donations and bequests reserve		-	-	(1,643)	(1,643)
Transfer from specific purpose grants reserve		-	-	5,856	5,856
	13(b)	(24,760)	7,202	4,213	(13,345)
Asset revaluation surplus		333,100	-	-	333,100
Revaluation of land, buildings and collection assets		-	-	-	-
	13(c)	333,100	-	-	333,100
General reserve	13(d)	1,000	-	-	1,000
Donations and bequests reserve		2,056	-	-	2,056
Transfer from specific purpose grants reserve		-	-	118	118
Transfer from accumulated surplus		-	-	1,643	1,643
	13(e)	2,056	-	1,761	3,817
Specific purpose grants reserve		6,970	-	-	6,970
Transfer to donations and bequests reserve		-	-	(118)	(118)
Transfer to accumulated surplus		-	-	(5,856)	(5,856)
	13(f)	6,970	-	(5,974)	996
Total equity at end of financial year		875,880	7,202	300	883,382

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 2015 (CONT'D)

STATE LIBRARY OF VICTORIA - COMPARATIVE					
		Equity at 1 July 2013	Total compre- hensive result	Transactions with owners in their capacity as owners	Equity at 30 June 2014
	Note	\$'000	\$'000	\$'000	\$'000
Contributed capital					
	13(a)	557,514	-	-	557,514
Accumulated surplus		(17,479)	(7,090)	-	(24,569)
Transfer to donations and bequests reserve		-	-	(39)	(39)
Transfer to specific purpose grants reserve		-	-	(152)	(152)
	13(b)	(17,479)	(7,090)	(191)	(24,760)
Asset revaluation surplus	13(c)	333,100	-	-	333,100
Revaluation of land, buildings and collection assets		-	-	-	-
	13(c)	333,100	-	-	333,100
General reserve	13(d)	1,000	-	-	1,000
Donations and bequests reserve		2,017	-	-	2,017
Transfer from specific purpose grants reserve		-	-	-	-
Transfer from accumulated surplus		-	-	39	39
	13(e)	2,017	-	39	2,056
Specific purpose grants reserve		6,818	-	-	6,818
Transfer from accumulated surplus		-	-	152	152
	13(f)	6,818	-	152	6,970
Total equity at end of financial year		882,970	(7,090)	-	875,880

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

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Note	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Cash flows from operating activities					
Grants from government – appropriation		35,895	37,917	35,895	37,917
Grants from government – capital		6,112	1,245	6,112	1,245
Donations (other than in kind) and bequests		1,100	882	3,062	2,225
Trading receipts		2,607	1,763	2,550	1,754
Other grants		3,028	2,899	3,028	2,899
Dividends and interest		1,233	1,172	152	247
GST recovered from the ATO		1,671	1,414	1,693	1,428
Payments to suppliers and employees		(51,951)	(49,122)	(51,249)	(48,426)
Net cash flows from/(used in) operating activities	29(b)	(305)	(1,830)	1,243	(711)
Cash flows from investing activities					
Proceeds from/(payments for) investments		(122)	632	–	–
Proceeds from sale of property, plant and equipment		–	2	–	2
Payment for property, plant and equipment		(547)	(254)	(547)	(254)
Payment for Library collection		(1,660)	(1,761)	(1,660)	(1,761)
Net cash used in investing activities		(2,329)	(1,381)	(2,207)	(2,013)
Cash flows from financing activities					
Repayment of finance lease		(17)	(11)	(17)	(11)
Contributed capital		300	–	300	–
Transfer of cash and cash equivalents from State Library of Victoria Foundation		–	–	5,205	–
Advance to State Library of Victoria Foundation		–	–	(3,043)	(2,267)
Receipt from State Library of Victoria Foundation		–	–	3,036	2,360
Net cash used in financing activities		283	(11)	5,481	82
Net decrease in cash and cash equivalents		(2,351)	(3,222)	4,517	(2,642)
Cash and cash equivalents at beginning of year		9,527	12,749	2,659	5,301
Cash and cash equivalents at end of year	29(a)	7,176	9,527	7,176	2,659

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

Notes to the financial statements for the year ended 30 June 2015

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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 37.

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 R Phillips, Chief Finance and Accounting Officer, State Library of Victoria on 28 August 2015.

Accounting policies are selected and applied in a manner that ensures the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

b) Basis of accounting preparation and measurement

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

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

The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements made by management in the application of AAS that have significant effects

on the financial statements and estimates, with a risk of material adjustments in the next year, are disclosed throughout the notes to the financial statements.

These financial statements are presented in Australian dollars and prepared in accordance with the historical cost convention. Historical cost is based on the fair values of the consideration given in exchange for assets.

Exceptions to the historical cost convention include:

- non-financial physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value
- provisions for employee benefits (refer to Note 1(n))
- the fair value of an asset other than land is generally based on its depreciated replacement value
- available-for-sale investments that are measured at fair value with movements reflected in equity until the asset is derecognised.

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

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

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

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

In addition, the Board determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

significant to the fair value measurement as a whole) at the end of each reporting period.

The Valuer-General Victoria (VGV) is the Department's independent valuation agency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2015 and the comparative information presented for the year ended 30 June 2014.

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 Creative Victoria, a division of the Department of Economic Development, Jobs, Transport and Resources. Creative Victoria is responsible for implementing the government's arts policies. The Library Board of Victoria governs the activities and operation of the Library and reports to the Victorian Minister for Creative Industries.
- 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. The trustee has resolved to wind up the Foundation and transfer the assets to the Library Board of Victoria (refer to 1(d)).

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

Objectives and funding

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

d) Basis of consolidation

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.

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

e) Scope and presentation of financial statements

Comprehensive operating statement

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

'Transactions' are those economic flows that are considered to arise as a result of policy decisions, usually interactions between two entities by mutual agreement. Transactions also include flows within an entity, such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash.

'Other economic flows' are changes arising from market remeasurements. They include:

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

Balance sheet

Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets. Current and non-current assets and liabilities (those expected to be recovered or settled beyond 12 months) are disclosed in the notes, where relevant.

Cash flow statement

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

Statement of changes in equity

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

Rounding of amounts

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

Prior-year comparative figures

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

f) Changes in accounting policy

There have been no changes in accounting policy in the year ended 30 June 2015.

g) Income from transactions

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

amounts disclosed as income are net of returns, allowances, duties and taxes. Income is recognised for each of the Board's major activities as follows:

Government appropriations

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

Investment income

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

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

Sale of goods and services

Income from the supply of services

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

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

Under the stage-of-completion method, income is recognised by reference to labour hours supplied or to labour hours supplied as a percentage of total services to be performed in each annual reporting period.

Income from sale of goods

Income from the sale of goods is recognised when:

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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, and
- net gain/(loss) on disposal of non-financial assets.

j) Foreign-currency transactions

All foreign-currency transactions during the financial year are brought to account using the exchange

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

rate in effect at the date of the transaction. Foreign-currency translation differences are recognised in 'other economic flows' and accumulated in a separate component of equity, in the period in which they arise.

k) Financial instruments

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

The following refers to financial instruments unless otherwise stated.

Categories of non-derivative financial instruments

Loans and receivables

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Loans and receivables category includes cash and deposits (refer to Note 1 (l)), term deposits with maturity greater than three months, trade receivables, loans and other receivables, but not statutory receivables.

Available-for-sale financial assets

Available-for-sale financial instrument assets are those designated as available for sale or not classified in any other category of financial instrument asset.

Such assets are initially recognised at fair value. Subsequent to initial recognition, they are measured at fair value with gains and losses arising from changes in fair value, recognised in 'other economic flows – other non-owner changes in equity' until the investments are disposed.

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

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

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

Financial liabilities at amortised cost

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

Financial instrument liabilities measured at amortised cost include all payables.

Offsetting financial instruments

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

Reclassification of financial instruments

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

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

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

l) Financial assets

Cash and deposits

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call, term

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 bad debts are written off when identified (refer to Note 1(l) *Impairment of financial assets*).

Investments and other financial assets

Investments are classified in the following categories:

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

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

Any dividend or interest earned on the financial asset is recognised in the 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 that 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

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

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

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

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project, and an appropriate proportion of variable and fixed overheads. Where an asset is received for no or nominal consideration, the cost is the asset's fair value at the date of acquisition. For the accounting policy on impairment of non-financial physical assets, refer to impairment of non-financial assets under Note 1(i) *Impairment of non-financial assets*.

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

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

Non-financial physical assets constructed by the Board

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

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. An independent valuation of the Board's land, buildings and collection was carried out as at 30 June 2011. The next scheduled valuation is at 30 June 2016.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time value of money and risks specific to the provision.

When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long-service leave for services rendered to the reporting date.

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

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

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

(ii) Long-service leave

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

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

The components of this current LSL liability are measured at:

- nominal value component that the Board expects to settle within 12 months, and
- 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Finance leases

Board as lessee

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

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

Finance leases include motor vehicles.

Operating leases

Board as lessor

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

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

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

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

Board as lessee

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight-line basis over the lease term, except where another

systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

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

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

Operating leases include ICT equipment.

p) Equity

Contributions by owners

Additions to net assets that have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributions by owners.

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

Specific purpose grants reserve

This represents grants received by the Library and Foundation for specific projects with the proceeds brought to account as revenue upon receipt. The balance of unexpended grants is transferred to the specific purpose grants reserve on an annual basis. Subsequent expenditure is recorded as an expense in the Comprehensive Operating Statement and results in a transfer from the reserve.

Donations and bequests reserve

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

General reserve

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

Financial assets valuation reserve

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 2015 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 2015, 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 2015. 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 15	Revenue from Contracts with Customers
AASB 2010-7	Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)
AASB 2013-9	Amendments to Australian Accounting Standards – Conceptual framework, Materiality and Financial Instruments
AASB 2014-1	Amendments to Australian Accounting Standards – (Part E Financial Instruments)
AASB 2014-5	Amendments to Australian Accounting Standards arising from AASB 15
AASB 2014-7	Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)
AASB 2014-8	Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) - Application of AASB 9
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101
AASB 2015-3	Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality
AASB 2015-6	Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	Note	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
2 CASH AND DEPOSITS					
Cash on hand	29(a)	4	4	4	4
Australian dollar term deposits	29(a)	1,000	2,720	1,000	1,500
Cash at bank	29(a)	989	1,194	989	1,155
		1,993	3,918	1,993	2,659

3 RECEIVABLES					
Current Contractual					
Debtors – external		483	590	478	579
State Library of Victoria Foundation		–	–	–	4
Franking credits receivable		210	171	5	–
Accrued interest receivable		2	8	2	8
		695	769	485	591
Statutory GST recoverable		220	291	220	291
Total current receivables		915	1,060	705	882

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					
Available-for-sale financial assets					
Cash management (at fair value)		1,031	1,687	1,031	–
Fixed interest securities (at fair value)		4,152	3,922	4,152	–
	29(a)	5,183	5,609	5,183	–
Equities					
Australian listed equity securities (at fair value)		8,426	7,074	8,426	–
Property Trust (at fair value)		1,016	967	1,016	–
Total other financial assets		14,625	13,650	14,625	–

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

5 LIBRARY COLLECTIONS

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

	CONSOLIDATED – Public Administration					
	Gross carrying value		Accumulated depreciation		Net carrying amount	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Heritage collection at fair value	331,867	331,867	–	–	331,867	331,867
Heritage collection at cost	3,226	2,561	–	–	3,226	2,561
Non-heritage collection at fair value	158,812	158,812	(12,705)	(9,528)	146,107	149,284
Donated material at fair value	12,101	5,844	(236)	(119)	11,865	5,725
Non-heritage collection at cost	4,706	3,722	(145)	(71)	4,561	3,651
Closing balance	510,712	502,806	(13,086)	(9,719)	497,626	493,088

b) Collections carried at fair value

An independent valuation of the Board's collections was performed by Simon Storey Valuers 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.

An independent valuation of the Dromkeen collection was performed by Simon Storey Valuers to determine the fair value of the collection. 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 December 2013.

An independent valuation of the Emmerson collection was performed by Peter Arnold Pty Ltd to determine the fair value of the collection. 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 2015.

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

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

	Heritage collection at fair value	Heritage collection at cost	Non-heritage collection at fair value	Donated material at fair value	Non-heritage collection at cost	Total
CONSOLIDATED 2015	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	331,867	2,561	149,284	5,725	3,651	493,088
Purchases	–	665	–	–	984	1,649
Donated materials	–	–	–	6,257	–	6,257
Disposals	–	–	–	–	–	–
Depreciation	–	–	(3,177)	(117)	(74)	(3,368)
Closing balance	331,867	3,226	146,107	11,865	4,561	497,626
CONSOLIDATED 2014						
Opening balance	329,279	1,976	152,459	3,555	2,207	489,476
Purchases	–	585	–	–	1,492	2,077
Donated materials	2,588	–	–	2,242	–	4,830
Disposals	–	–	–	–	–	–
Depreciation	–	–	(3,175)	(72)	(48)	(3,295)
Closing balance	331,867	2,561	149,284	5,725	3,651	493,088

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

6 PROPERTY, PLANT AND EQUIPMENT**a) Classification by 'purpose groups' – gross carrying amounts and accumulated depreciation**

	CONSOLIDATED – Public Administration					
	Gross carrying value		Accumulated depreciation		Net carrying amount	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land at fair value	46,116	46,116	–	–	46,116	46,116
Buildings at fair value	366,906	366,906	(37,391)	(28,417)	329,515	338,489
Building improvements at cost	649	315	(14)	(9)	635	306
Equipment at fair value	15,340	15,305	(13,558)	(13,019)	1,782	2,286
Equipment under lease at cost	68	68	(32)	(18)	36	50
Work in progress at cost	107	–	–	–	107	–
Closing balance	429,186	428,710	(50,995)	(41,463)	378,191	387,247

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

	Land at fair value	Buildings and building improvements	Equipment at fair value	Equipment under lease at cost	Work in progress at cost	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CONSOLIDATED 2015						
Opening balance	46,116	338,795	2,286	50	–	387,247
Additions	–	335	106	–	107	548
Transfers	–	–	–	–	–	–
Disposals	–	–	–	–	–	–
Depreciation	–	(8,980)	(610)	(14)	–	(9,604)
Closing balance	46,116	330,150	1,782	36	107	378,191

CONSOLIDATED 2014

Opening balance	46,116	347,773	2,584	26	396	396,895
Additions	–	–	254	35	–	289
Transfers	–	–	396	–	(396)	–
Disposals	–	–	–	–	–	–
Depreciation	–	(8,978)	(948)	(11)	–	(9,937)
Closing balance	46,116	338,795	2,286	50	–	387,247

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

7 FAIR VALUE MEASUREMENT

Restricted assets

The Board holds \$707.9m (2014: \$712.9m) worth of property listed as heritage assets (land, buildings and collection). These heritage assets cannot be modified or disposed of without formal ministerial approval.

CONSOLIDATED 2015	Carrying amount as at 30 June 2015 \$'000	Fair value measurement at end of reporting period using:		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Specialised land at fair value	46,116	-	-	46,116
Buildings at fair value				
Specialised buildings	5,864	-	-	5,864
Heritage buildings	323,651	-	-	323,651
Total buildings at fair value	329,515	-	-	329,515
Building improvements at cost	635	-	635	-
Equipment at fair value	1,782	-	1,782	-
Equipment under lease at cost	36	-	36	-
Cultural assets at fair value	497,626	-	497,626	-
Closing balance	875,710	-	500,079	375,631

There have been no transfers between levels during the period.

CONSOLIDATED 2014

Specialised land at fair value	46,116	-	-	46,116
Buildings at fair value				
Specialised buildings	6,132	-	-	6,132
Heritage buildings	332,357	-	-	332,357
Total buildings at fair value	338,489	-	-	338,489
Building improvements at cost	306	-	306	-
Equipment at fair value	2,286	-	2,286	-
Equipment under lease at cost	50	-	50	-
Cultural assets at fair value	493,088	-	493,088	-
Closing balance	880,335	-	490,730	384,605

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

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

For artwork and collection items, valuation of the assets is determined by a comparison to similar examples of

the artist's work in existence throughout Australia and research on prices paid for similar examples offered at auction or through art galleries in recent years. No revaluation was performed for artwork for the financial period ending at 30 June 2015. An independent valuation of the Board's collections was performed by the Simon Storey Valuers 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

7 FAIR VALUE MEASUREMENT (CONT'D)

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. To the extent that non-specialised artworks do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

Specialised land, specialised buildings and heritage buildings

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

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

For the Board's majority of specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciation. As depreciation adjustments are considered as significant,

unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

An independent valuation of the Board's specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2011.

Vehicles

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

Plant and equipment

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

There were no changes in valuation techniques throughout the period to 30 June 2015.

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

Reconciliation of Level 3 fair value

	Specialised land	Specialised buildings	Heritage buildings
CONSOLIDATED 2015	\$'000	\$'000	\$'000
Opening balance	46,116	6,132	332,357
Additions	-	-	-
Transfers in (out) of Level 3	-	-	-
Gains or losses recognised in net result			
Depreciation	-	(268)	(8,706)
Closing balance	46,116	5,864	323,651
CONSOLIDATED 2014			
Opening balance	46,116	6,400	341,064
Additions	-	-	-
Transfers in (out) of Level 3	-	-	-
Gains or losses recognised in net result			
Depreciation	-	(268)	(8,706)
Closing balance	46,116	6,132	323,357

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

7 FAIR VALUE MEASUREMENT (CONT'D)

Description of significant unobservable inputs to Level 3 valuations (30 June 2015 and 30 June 2014)

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of fair value measurement to changes in significant unobservable inputs
Specialised land	Market approach	Community Service Obligation (CSO) adjustment	45–77% (58%)	A significant increase or decrease in the CSO adjustment would result in a significantly lower (higher) fair value
Specialised buildings	Depreciated replacement cost	Direct cost per square metre	\$400–\$2,500/m ² (\$698)	A significant increase or decrease in direct cost per square metre adjustment would result in a significantly higher or lower fair value
		Useful life of specialised buildings	5–40 years (22 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation
Heritage buildings	Depreciated replacement cost	Direct cost per square metre	\$5,000–\$6,250 m ² (\$5,625)	A significant increase or decrease in direct cost per square metre adjustment would result in a significantly higher or lower fair value
		Useful life of specialised buildings	5–100 years (76 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
8 DEFERRED EXPENDITURE				
CARM Centre, Bundoora	1,000	1,000	1,000	1,000
Less accumulated amortisation	(999)	(999)	(999)	(999)
	1	1	1	1

9 PAYABLES				
Current Contractual				
Creditors – external	1,243	1,094	1,243	1,094
Prepaid revenue	97	40	97	40
	1,340	1,134	1,340	1,134

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.

10 OTHER LIABILITIES				
Accrued expenses	731	241	731	241

11 INTEREST-BEARING LIABILITIES				
(motor vehicles)				
Finance lease – current	19	14	19	14
Finance lease – non-current	18	37	18	37
	37	51	37	51

a) Maturity analysis of interest-bearing liabilities

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

b) Nature and extent of interest-bearing liabilities

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

c) Defaults and breaches

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	Note	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
12 PROVISIONS					
Current provisions					
Employee benefits					
Annual leave entitlements					
– Unconditional and expected to be settled within 12 months		1,096	1,149	1,096	1,149
– Unconditional and expected to be settled after 12 months		569	575	569	575
Long-service leave entitlements					
– Unconditional and expected to be settled within 12 months		592	512	592	512
– Unconditional and expected to be settled after 12 months		4,449	4,278	4,449	4,278
		6,706	6,514	6,706	6,514
Provisions related to benefit on-costs					
– Unconditional and expected to be settled within 12 months		224	221	224	221
– Unconditional and expected to be settled after 12 months		767	745	767	745
		991	966	991	966
Total current provisions		7,697	7,480	7,697	7,480
Non-current provisions					
Employee benefits		356	289	356	289
Provisions related to benefit on-costs		55	45	55	45
Total non-current provisions		411	334	411	334
Total provisions	12(a)	8,108	7,814	8,108	7,814
(a) Employee benefits and related on-costs					
Current employee benefits					
Annual leave entitlements		1,665	1,724	1,665	1,724
Unconditional long-service entitlements		5,041	4,790	5,041	4,790
Non-current employee benefits					
Conditional long-service entitlements		356	289	356	289
Total employee benefits		7,062	6,803	7,062	6,803
Current on-costs		991	966	991	966
Non-current on-costs		55	45	55	45
Total on-costs		1,046	1,011	1,046	1,011
Total employee benefits and related on-costs		8,108	7,814	8,108	7,814
(b) Movement in provisions					
Movement in long-service leave					
Opening balance		5,862	5,648	5,862	5,648
Additional provisions recognised		898	786	898	786
Reductions arising from payments		(534)	(572)	(534)	(572)
Closing balance		6,226	5,862	6,226	5,862

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	Note	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
13 EQUITY AND MOVEMENTS IN EQUITY					
(a) Contributed capital					
Balance at beginning of the year		557,514	557,514	557,514	557,514
Equity contribution from government		300	–	300	–
Balance at end of the year		557,814	557,514	557,814	557,514
(b) Accumulated surplus					
Accumulated surplus at beginning of the year		(24,760)	(17,479)	(24,760)	(17,479)
Net result for the year		(7,065)	(7,648)	7,202	(7,090)
Net transfer (to)/from donations and bequests reserve		10,579	(49)	(1,643)	(39)
Net transfer (to)/from specific purpose grants reserve		7,901	416	5,856	(152)
Accumulated surplus at end of the year		(13,345)	(24,760)	(13,345)	(24,760)
(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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

		CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	Note	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
13 EQUITY AND MOVEMENTS IN EQUITY (CONT'D)					
(e) Donations and bequests reserve					
Balance at beginning of the year		13,502	13,453	2,056	2,017
Transfer (to)/from specific grants reserve		1,104	–	118	–
Transfer (to)/from accumulated surplus		(10,579)	49	1,643	39
Balance at end of the year	14	4,027	13,502	3,817	2,056
(f) Specific purpose grants reserve					
Balance at beginning of the year		10,001	10,417	6,970	6,818
Transfer (to)/from donation and bequests reserve		(1,104)	–	(118)	–
Transfer (to)/from accumulated surplus		(7,901)	(416)	(5,856)	152
Balance at end of the year	15	996	10,001	996	6,970
(g) Financial assets valuation reserve					
Balance at beginning of the year		610	257	–	–
Fair value remeasurement gains/(losses) on available-for-sale financial assets		(316)	353	–	–
Reclassification of fair value gains on available-for-sale financial assets		(294)	–	–	–
Balance at end of the year		–	610	–	–
Total equity at the end of the year		883,592	890,967	883,382	875,880

	2014 B/fwd balance \$'000	2015 Transfer from reserve \$'000	2015 Transfer to reserve \$'000	2015 C/fwd balance \$'000
14 DONATIONS AND BEQUESTS RESERVE				
State Library of Victoria	2,056	–	1,761	3,817
State Library of Victoria Foundation	11,446	13,336	2,100	210
Total Library Board of Victoria	13,502	13,336	3,861	4,027

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

15 SPECIFIC PURPOSE GRANTS RESERVE

During the 2014–15 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 2015.

	2014 B/fwd balance \$'000	2015 Transfer from reserve \$'000	2015 Transfer to reserve \$'000	2015 C/fwd balance \$'000
State Library of Victoria	6,970	5,974	–	996
State Library of Victoria Foundation	3,031	4,145	1,114	–
Total Library Board of Victoria	10,001	10,119	1,114	996
Summary of reserve movements				
State Library of Victoria				
Total of donations and bequests reserve	2,056	–	1,761	3,817
Total of specific purpose grants reserve	6,970	5,974	–	996
	9,026	5,974	1,761	4,812
State Library of Victoria Foundation				
Total of donations and bequests reserve	11,446	13,336	2,100	210
Total of specific purpose grants reserve	3,031	4,145	1,114	–
	14,477	17,481	3,214	210
Consolidated				
Total of donations and bequests reserve	13,502	13,336	3,861	4,027
Total of specific purpose grants reserve	10,001	10,119	1,114	996
	23,503	23,455	4,975	5,023

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
16 GOVERNMENT FUNDING				
Government appropriation	35,865	37,917	35,895	37,917
Capital funding	6,112	1,245	6,112	1,245
Total	41,977	39,162	41,977	39,162
17 TRADING INCOME				
Vicnet	58	164	58	164
Other	2,148	1,562	2,104	1,556
	2,206	1,726	2,162	1,720

Other income includes venue hire, ticket sales, direct delivery and cost recoveries.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
18 PROJECTS FUNDED FROM EXTERNAL SOURCES				
Department of Premier and Cabinet				
Multilingual government information online project	-	25	-	25
A history of Victoria during the First World War	-	9	-	9
Department of Education and Early Childhood Development				
Kindergarten IT Project	860	1,410	860	1,410
Strategic Partnerships Program	41	28	41	28
Other	12	-	12	-
Australian Communities Foundation				
Australian Learning Lecture	500	-	500	-
RE Ross Trust				
RE Ross Trust Playwright's Award	-	81	-	81
Learn	50	-	50	-
Sidney Myer Fund				
Newspaper digitisation	45	45	45	45
Coles Supermarkets Australia Pty Ltd				
Newspaper digitisation	100	-	100	-
Other externally funded grants				
ACMI – Australian Centre for the Moving Image	9	9	9	9
Arts Victoria	51	-	51	-
Australia Council	50	50	50	50
City of Melbourne	3	23	3	23
CO.AS.IT – Italian Historical Society	-	25	-	25
Linc Tasmania	40	23	40	23
Museum Victoria	18	18	18	18
National Gallery of Victoria	34	34	34	34
National Library of Australia	98	-	98	-
National Library of New Zealand	55	-	55	-
Parliament of Victoria	21	-	21	-
State Libraries – NSW, WA, QLD, SA, NT, ACT	400	253	400	253
The Wheeler Centre	242	252	242	252
University of Melbourne	25	21	25	21
Victorian Arts Centre Trust	9	9	9	9
Victor Hugo exhibition sponsors	-	173	-	173
Victorian Major Events Company	53	47	53	47
Other	68	116	37	114
	2,784	2,651	2,753	2,649

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
19 DONATIONS AND BEQUESTS				
State Library of Victoria				
Donations in kind – Emmerson collection	4,200	–	4,200	–
Donations in kind – Dromkeen collection	–	2,588	–	2,588
Donations in kind – other	2,063	2,242	2,063	2,242
State Library of Victoria Foundation	–	–	2,443	1,664
Bequests	1,433	8	1,433	8
Other donations	465	553	465	553
Total State Library of Victoria	8,161	5,391	10,604	7,055
State Library Of Victoria Foundation				
Memberships	173	155	–	–
Donations	258	150	–	–
Total State Library of Victoria Foundation	431	305	–	–
Total Library Board of Victoria	8,592	5,696	10,604	7,055

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
20 INVESTMENT REVENUE				
(a) Investment revenue				
Interest revenue – general	306	509	80	192
Interest revenue – bequests	54	59	54	59
Dividends received	905	664	17	–
	1,265	1,232	151	251
(b) Capital movements				
Realised capital gains /(losses)	610	505	(150)	–
	610	505	(150)	–
21 EMPLOYEE EXPENSES				
Salaries	22,993	22,537	22,717	22,194
Superannuation	2,267	2,256	2,239	2,224
Other salary-related costs	4,862	4,576	4,807	4,521
	30,122	29,369	29,763	28,939
22 BUILDINGS AND FACILITIES EXPENSES				
Security	1,446	1,277	1,446	1,277
Repairs and maintenance	7,332	2,513	7,332	2,513
Insurance	790	771	790	771
Cleaning	765	865	765	865
Utilities	1,142	1,152	1,142	1,152
Other	80	101	80	101
	11,555	6,679	11,555	6,679
23 DEPRECIATION				
Buildings	8,980	8,978	8,980	8,978
Plant & equipment	610	948	610	948
Motor vehicles	14	11	14	11
Library collection	3,367	3,297	3,367	3,297
	12,971	13,234	12,971	13,234

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
24 PROFESSIONAL AND FINANCE EXPENSES				
Audit – internal and external	266	155	251	150
Consultancy and other costs	1,356	1,580	1,240	1,418
	1,622	1,735	1,491	1,568
25 BORROWING COSTS				
Finance lease interest	3	2	3	2
26 GRANTS DISTRIBUTED				
Community skills and networks	–	89	–	89
Refund of unused grants	138	10	138	10
Library networks	30	54	30	54
	168	153	168	153
27 OTHER EXPENSES FROM ORDINARY ACTIVITIES				
Information technology	2,666	3,177	2,655	3,172
IT operating leases	881	980	881	980
Office administration	274	157	262	147
Storage and conservation	319	365	319	365
Marketing and promotion	2,481	1,917	2,352	1,884
Communications	641	337	629	322
Travel and related expenses	467	332	461	318
Publications	204	138	167	119
	7,933	7,403	7,726	7,307
28 REMUNERATION OF AUDITORS				
Fees paid and payable to the Auditor-General for auditing the financial report	35	34	30	30

The Auditor-General provided no other services.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

		CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	Note	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'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	1,000	2,270	1,000	1,500
Cash at bank	2	989	1,194	989	1,155
Investments	4	5,183	5,609	5,183	-
		7,176	9,527	7,176	2,659
b) Reconciliation of net result for the year					
Net result for the year		(7,065)	(7,648)	7,202	(7,090)
Non-cash movements					
Depreciation		12,971	13,234	12,971	13,234
(Gain)/loss on sale of non-financial assets		-	(2)	-	(2)
Donations in kind – Emmerson collection		(4,200)	-	(4,200)	-
Donations in kind – Dromkeen collection		-	(2,588)	-	(2,588)
Donations in kind		(2,063)	(2,242)	(2,063)	(2,242)
Gain on sale of available-for-sale financial assets		(610)	(505)	150	-
Emmerson bequest received as shares		(1,279)	-	(1,279)	-
Other non-cash movements		20	9	16	9
Non-operating items					
Trust distribution from Foundation		-	-	(13,507)	-
Movements in assets and liabilities					
Increase in provisions		294	185	294	185
Decrease/(increase) in receivables		145	(198)	177	(142)
Decrease/(increase) in prepayments		786	(752)	786	(752)
Increase/(decrease) in payables		206	(163)	206	(163)
Decrease in other liabilities		490	(1,160)	490	(1,160)
Net cash flows from/(used in) operating activities		(305)	(1,830)	1,243	(711)

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

During the year the consolidated entity received collections with an aggregate fair value of \$6,256,781 (2014: \$4,830,771) 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 \$nil (2014: \$35,203). These acquisitions are not reflected in the cash flow statement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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 Finance and Accounting Officer.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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:

2015	CONSOLIDATED			
	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	1,993	-	-	1,993
Receivables				
Franking credits	210	-	-	210
Debtors	483	-	-	483
Accrued investment income	2	-	-	2
SLV Foundation current account	-	-	-	-
Investments and other financial assets				
Equities	-	8,426	-	8,426
Property trust	-	1,016	-	1,016
Fixed interest securities	-	4,152	-	4,152
Cash management account	-	1,031	-	1,031
Total contractual financial assets	2,688	14,625	-	17,313
Contractual financial liabilities				
Payables				
Supplies and services	-	-	1,340	1,340
Lease liabilities	-	-	37	37
Total contractual financial liabilities	-	-	1,377	1,377
2014				
Contractual financial assets				
Cash and deposits	3,918	-	-	3,918
Receivables				
Franking credits	171	-	-	171
Debtors	590	-	-	590
Accrued investment income	8	-	-	8
SLV Foundation current account	-	-	-	-
Investments and other financial assets				
Equities	-	7,074	-	7,074
Property trust	-	967	-	967
Fixed interest securities	-	3,922	-	3,922
Cash management account	1,687	-	-	1,687
Total contractual financial assets	6,374	11,963	-	18,337
Contractual financial liabilities				
Payables				
Supplies and services	-	-	1,134	1,134
Lease liabilities	-	-	51	51
Total contractual financial liabilities	-	-	1,185	1,185

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

30 FINANCIAL INSTRUMENTS (CONT'D)

2015		Contractual financial assets - loans and receivables	Contractual financial assets available-for- sale	STATE LIBRARY OF VICTORIA Contractual financial liabilities at amortised cost	Total
		\$'000	\$'000	\$'000	\$'000
Contractual financial assets					
Cash and deposits		1,993	-	-	1,993
Receivables	Franking credits	5	-	-	5
	Debtors	478	-	-	478
	Accrued investment income	2	-	-	2
	SLV Foundation current account	-	-	-	-
Investments and other financial assets					
	Equities	-	8,426	-	8,426
	Property trust	-	1,016	-	1,016
	Fixed interest securities	-	4,152	-	4,152
	Cash management account	-	1,031	-	1,031
Total contractual financial assets		2,478	14,625	-	17,103
Contractual financial liabilities					
Payables	Supplies and services	-	-	1,340	1,340
	Lease liabilities	-	-	37	37
Total contractual financial liabilities		-	-	1,377	1,377
2014					
Contractual financial assets					
Cash and deposits		2,659	-	-	2,659
Receivables	Franking credits	-	-	-	-
	Debtors	579	-	-	579
	Accrued investment income	8	-	-	8
	SLV Foundation current account	4	-	-	4
Investments and other financial assets					
	Equities	-	-	-	-
	Property trust	-	-	-	-
	Fixed interest securities	-	-	-	-
	Cash management account	-	-	-	-
Total contractual financial assets		3,250	-	-	3,250
Contractual financial liabilities					
Payables	Supplies and services	-	-	1,134	1,134
	Lease liabilities	-	-	51	51
Total contractual financial liabilities		-	-	1,185	1,185

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

30 FINANCIAL INSTRUMENTS (CONT'D)

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

2015	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	–	193	–	–	193
Contractual financial assets available-for-sale recognised in net result	610	1,071	(84)	–	1,597
Contractual financial assets available-for-sale recognised in other comprehensive result	(610)	–	–	–	(610)
Total contractual financial assets	–	1,265	(84)	–	1,181
Contractual financial liabilities					
Contractual financial liabilities at amortised cost	–	(3)	–	–	(3)
Total contractual financial liabilities	–	(3)	–	–	(3)
2014					
Contractual financial assets					
Contractual financial assets – loans and receivables	–	339	–	–	339
Contractual financial assets available-for-sale recognised in net result	505	893	(86)	–	1,312
Contractual financial assets available-for-sale recognised in other comprehensive result	353	–	–	–	353
Total contractual financial assets	858	1,232	(86)	–	2,004
Contractual financial liabilities					
Contractual financial liabilities at amortised cost	–	(2)	–	–	(2)
Total contractual financial liabilities	–	(2)	–	–	(2)

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

30 FINANCIAL INSTRUMENTS (CONT'D)

2015	STATE LIBRARY OF VICTORIA				
	Net holding gain / (loss)	Total interest income / expense	Fee income / (expense)	Impairment loss	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial assets					
Contractual financial assets – loans and receivables	–	151	–	–	151
Contractual financial assets available-for-sale recognised in net result	(150)	–	–	–	(150)
Contractual financial assets available-for-sale recognised in other comprehensive result	–	–	–	–	–
Total contractual financial assets	(150)	151	–	–	1
Contractual financial liabilities					
Contractual financial liabilities at amortised cost	–	(3)	–	–	(3)
Total contractual financial liabilities	–	(3)	–	–	(3)
2014					
Contractual financial assets					
Contractual financial assets – loans and receivables	–	251	–	–	251
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	–	251	–	–	251
Contractual financial liabilities					
Contractual financial liabilities at amortised cost	–	(2)	–	–	(2)
Total contractual financial liabilities	–	(2)	–	–	(2)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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, 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:

2015	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	1,993	–	–	–	1,993
Receivables	–	210	–	485	695
Investments and other financial assets	–	–	14,625	–	14,625
Total contractual financial assets	1,993	210	14,625	485	17,313
2014					
Contractual financial assets					
Cash and deposits	3,918	–	–	–	3,918
Receivables	–	171	–	598	769
Investments and other financial assets	–	–	13,650	–	13,650
Total contractual financial assets	3,918	171	13,650	598	18,337

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

30 FINANCIAL INSTRUMENTS (CONT'D)

2015	STATE LIBRARY OF VICTORIA				
	Financial institutions Double-A credit rating \$'000	Government agencies Triple-A credit rating \$'000	Other min Triple-B credit rating \$'000	Other \$'000	Total \$'000
Contractual financial assets					
Cash and deposits	1,993	–	–	–	1,993
Receivables	–	5	–	480	485
Investments and other financial assets	–	–	14,625	–	14,625
Total contractual financial assets	1,993	5	14,625	480	17,103
2014					
Contractual financial assets					
Cash and deposits	2,659	–	–	–	2,659
Receivables	–	–	–	591	591
Investments and other financial assets	–	–	–	–	–
Total contractual financial assets	2,659	–	–	591	3,250

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

30 FINANCIAL INSTRUMENTS (CONT'D)

e) Ageing analysis of contractual financial assets

The ageing analysis of contractual financial assets is as follows:

		CONSOLIDATED				
2015	Carrying amount	Not past due and not impaired	Past due but not impaired			
			Less than 1 mth	1-3 mths	3 mths- 1 yr	1-5 yrs
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial assets						
Receivables						
Debtors	483	384	87	7	-	-
Accrued investment income	2	2	-	-	-	-
Franking credits	210	210	-	-	-	-
SLVF current account	-	-	-	-	-	-
Total contractual financial assets	695	596	87	7	-	-

There are no material financial assets that are individually determined to be impaired. The Board does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The ageing analysis table above discloses the ageing only of contractual financial assets that are past due but not impaired.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

30 FINANCIAL INSTRUMENTS (CONT'D)

STATE LIBRARY OF VICTORIA						
2015	Carrying amount	Not past due and not impaired	Past due but not impaired			
			Less than 1 mth	1-3 mths	3 mths- 1 yr	1-5 yrs
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial assets						
Receivables						
Debtors	478	384	87	7	-	-
Accrued investment income	2	2	-	-	-	-
Franking credits	5	5	-	-	-	-
SLVF current account	-	-	-	-	-	-
Total contractual financial assets	485	391	87	7	-	-
2014						
Contractual financial assets						
Receivables						
Debtors	579	463	36	3	-	-
Accrued investment income	8	8	-	-	-	-
Franking credits	-	-	-	-	-	-
SLVF current account	4	4	-	-	-	-
Total contractual financial assets	591	475	36	3	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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:

2015	Carrying amount	Nominal amount	CONSOLIDATED				
			Maturity dates				
			Less than 1 mth	1-3 mths	3 mths- 1 yr	1-5 yrs	5+ yrs
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial liabilities							
Payables							
Supplies and services	1,340	1,340	1,272	43	25	-	-
Lease liabilities	37	37	12	1	6	18	-
Total contractual financial liabilities	1,377	1,377	1,284	44	31	18	-
2014							
Contractual financial liabilities							
Payables							
Supplies and services	1,134	1,134	1,103	19	10	2	-
Lease liabilities	51	51	2	5	21	23	-
Total contractual financial liabilities	1,185	1,185	1,105	24	31	25	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

30 FINANCIAL INSTRUMENTS (CONT'D)

		STATE LIBRARY OF VICTORIA					
2015	Carrying amount	Nominal amount	Maturity dates				
			Less than 1 mth	1-3 mths	3 mths-1 yr	1-5 yrs	5+ yrs
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial liabilities							
Payables							
Supplies and services	1,340	1,340	1,272	43	25	-	-
Lease liabilities	37	37	12	1	6	18	-
Total contractual financial liabilities	1,377	1,377	1,284	44	31	18	-
2014							
Contractual financial liabilities							
Payables							
Supplies and services	1,134	1,134	1,103	19	10	2	-
Lease liabilities	51	51	2	5	21	23	-
Total contractual financial liabilities	1,185	1,185	1,105	24	31	25	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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:

2015			CONSOLIDATED		
			Interest rate exposure		
			Fixed interest rate	Variable interest rate	Non-interest bearing
	Weighted average interest rate	Carrying amount			
	%	\$'000	\$'000	\$'000	\$'000
Contractual financial assets					
Cash and deposits	3.3%	1,993	–	1,993	–
Receivables					
Franking credits	–	210	–	–	210
Debtors	–	483	–	–	483
Accrued investment income	–	2	2	–	–
SLV Foundation current account	–	–	–	–	–
Investments and other financial assets					
Equities	–	8,426	–	–	8,426
Property trust	–	1,016	–	–	1,016
Fixed interest securities	3.5%	4,152	4,152	–	–
Cash management account	3.8%	1,031	–	1,031	–
Total contractual financial assets		17,313	4,154	3,024	10,135
Contractual financial liabilities					
Payables					
Supplies and services	–	1,340	–	–	1,340
Lease liabilities	6.6%	37	37	–	–
Total contractual financial liabilities		1,377	37	–	1,340

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

30 FINANCIAL INSTRUMENTS (CONT'D)

2015	STATE LIBRARY OF VICTORIA				
	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	3.2%	1,993	–	1,993	–
Receivables					
Franking credits	–	5	–	–	5
Debtors	–	478	–	–	478
Accrued investment income	–	2	2	–	–
SLV Foundation current account	–	–	–	–	–
Investments and other financial assets					
Equities	–	8,426	–	–	8,426
Property trust	–	1,016	–	–	1,016
Fixed interest securities	3.5%	4,152	4,152	–	–
Cash management account	3.8%	1,031	–	1,031	–
Total contractual financial assets		17,103	4,154	3,024	9,925
Contractual financial liabilities					
Payables					
Supplies and services	–	1,340	–	–	1,340
Lease liabilities	6.6%	37	37	–	–
Total contractual financial liabilities		1,377	37	–	1,340

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

30 FINANCIAL INSTRUMENTS (CONT'D)

2014		Weighted average interest rate	Carrying amount	CONSOLIDATED		
				Interest rate exposure		
				Fixed interest rate	Variable interest rate	Non-interest bearing
		%	\$'000	\$'000	\$'000	\$'000
Contractual financial assets						
Cash and deposits		3.9%	3,918	1,220	39	2,659
Receivables	Franking credits	-	171	-	-	171
	Debtors	-	590	-	-	590
	Accrued investment income	-	8	8	-	-
	SLV Foundation current account	-	-	-	-	-
Investments and other financial assets						
	Equities	-	7,074	-	-	7,074
	Property trust	-	967	-	-	967
	Fixed interest securities	4.4%	3,922	3,922	-	-
	Cash management account	4.4%	1,687	-	1,687	-
Total contractual financial assets			18,337	5,150	1,726	11,461
Contractual financial liabilities						
Payables	Supplies and services	-	1,134	-	-	1,134
	Lease liabilities	6.6%	51	51	-	-
Total contractual financial liabilities			1,185	51	-	1,134

Equity-price risk

Exposure to equity-market risk arises from the Board's direct investments in equities quoted on the Australian Stock Exchange. The Board has appointed a fund manager to manage its investment portfolio. The fund manager, on behalf of the Board, closely monitors performance and manages the equity-price risk through diversification of its investment portfolio. The Board's exposure to losses from adverse price movements is not hedged. The carrying amount of equity investments recorded in the financial report represents the Board's maximum exposure to equity market risk.

Sensitivity disclosure analysis and assumptions

The Board's fund manager cannot be expected to predict movements in market rates and prices. Taking into account past performance, future expectations, economic forecasts and fund manager's knowledge and experience, the Board believes that the following movements are 'reasonably possible' over the next 12 months (base rates are sourced from Reserve Bank of Australia and Australian Stock Exchange):

- a parallel shift of +2% and -2% in market interest rates (AUD) from year end rates of 2.0%, (2014: 2.5%)
- a proportional equity price movement of +5% (+273 points) and -5% (-273 points) from the year end S&P/ASX200 benchmark index of 5459.0 (2014: 5395.7).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

30 FINANCIAL INSTRUMENTS (CONT'D)

2014		Weighted average interest rate	Carrying amount	STATE LIBRARY OF VICTORIA		
				Interest rate exposure		
				Fixed interest rate	Variable interest rate	Non-interest bearing
		%	\$'000	\$'000	\$'000	\$'000
Contractual financial assets						
Cash and deposits		3.9%	2,659	-	-	2,659
Receivables	Franking credits	-	-	-	-	-
	Debtors	-	579	-	-	579
	Accrued investment income	-	8	8	-	-
	SLV Foundation current account	-	4	-	-	4
Investments and other financial assets						
	Equities	-	-	-	-	-
	Property trust	-	-	-	-	-
	Fixed interest securities	-	-	-	-	-
	Cash management account	-	-	-	-	-
Total contractual financial assets			3,250	8	-	3,242
Contractual financial liabilities						
Payables	Supplies and services	-	1,134	-	-	1,134
	Lease liabilities	6.6%	51	51	-	-
Total contractual financial liabilities			1,185	51	-	1,134

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

30 FINANCIAL INSTRUMENTS (CONT'D)

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.

I) Interest rate risk sensitivity

2015	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	1,993	(40)	-	40	-
Receivables					
Franking credits	210	-	-	-	-
Debtors	483	-	-	-	-
Accrued investment income	2	-	-	-	-
SLV Foundation current account	-	-	-	-	-
Investments and other financial assets					
Equities	8,426	-	-	-	-
Property trust	1,016	-	-	-	-
Fixed interest securities	4,152	(83)	-	83	-
Cash management account	1,031	(21)	-	21	-
Total contractual financial assets	17,313	(144)	-	144	-
Contractual financial liabilities					
Payables					
Supplies and services	1,340	-	-	-	-
Lease liabilities	37	-	-	-	-
Total contractual financial liabilities	1,377	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

30 FINANCIAL INSTRUMENTS (CONT'D)

2015		Carrying amount	STATE LIBRARY OF VICTORIA			
			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		1,993	(40)	-	40	-
Receivables	Franking credits	5	-	-	-	-
	Debtors	478	-	-	-	-
	Accrued investment income	2	-	-	-	-
	SLV Foundation current account	-	-	-	-	-
Investments and other financial assets						
	Equities	8,426	-	-	-	-
	Property trust	1,016	-	-	-	-
	Fixed interest securities	4,152	(83)	-	83	-
	Cash management account	1,031	(21)	-	21	-
Total contractual financial assets		17,103	(144)	-	144	-
Contractual financial liabilities						
Payables	Supplies and services	1,340	-	-	-	-
	Lease liabilities	37	-	-	-	-
Total contractual financial liabilities		1,377	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

30 FINANCIAL INSTRUMENTS (CONT'D)

2014		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		3,918	(78)	-	78	-
Receivables	Franking credits	171	-	-	-	-
	Debtors	590	-	-	-	-
	Accrued investment income	8	-	-	-	-
	SLV Foundation current account	-	-	-	-	-
Investments and other financial assets						
	Equities	7,074	-	-	-	-
	Property trust	967	-	-	-	-
	Fixed interest securities	3,922	(78)	-	78	-
	Cash management account	1,687	(34)	-	34	-
Total contractual financial assets		18,337	(190)	-	190	-
Contractual financial liabilities						
Payables	Supplies and services	1,134	-	-	-	-
	Lease liabilities	51	-	-	-	-
Total contractual financial liabilities		1,185	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

30 FINANCIAL INSTRUMENTS (CONT'D)

2014		Carrying amount	STATE LIBRARY OF VICTORIA			
			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	2,659	(53)	-	53	-
	Receivables Franking credits	-	-	-	-	-
	Debtors	579	-	-	-	-
	Accrued investment income	8	-	-	-	-
	SLV Foundation current account	4	-	-	-	-
	Investments and other financial assets					
	Equities	-	-	-	-	-
	Property trust	-	-	-	-	-
	Fixed interest securities	-	-	-	-	-
	Cash management account	-	-	-	-	-
	Total contractual financial assets	3,250	(53)	-	53	-
Contractual financial liabilities						
	Payables Supplies and services	1,134	-	-	-	-
	Lease liabilities	51	-	-	-	-
	Total contractual financial liabilities	1,185	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

30 FINANCIAL INSTRUMENTS (CONT'D)

II) Equity price risk sensitivity

2015		Carrying amount	CONSOLIDATED	
			Equity price	
			-5%	+5%
			Available-for-sale revaluation surplus	Available-for-sale revaluation surplus
		\$'000	\$'000	\$'000
Contractual financial assets				
Investments and other financial assets	Equities	8,426	(421)	421
	Property trust	1,016	(51)	51
Total contractual financial assets		9,442	(472)	472
2014		Carrying amount	Equity price	
			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	7,074	(354)	354
	Property trust	967	(48)	48
Total contractual financial assets		8,041	(402)	402

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

30 FINANCIAL INSTRUMENTS (CONT'D)

2015		Carrying amount	CONSOLIDATED	
			Equity price	
			-5%	+5%
			Available-for-sale revaluation surplus	Available-for-sale revaluation surplus
		\$'000	\$'000	\$'000
Contractual financial assets				
Investments and other financial assets	Equities	8,426	(421)	421
	Property trust	1,016	(51)	51
Total contractual financial assets		9,442	(472)	472

2014		Carrying amount	Equity price	
			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	-	-	-
	Property trust	-	-	-
Total contractual financial assets		-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

30 FINANCIAL INSTRUMENTS (CONT'D)

h) Fair value

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

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

- Level 1 – the fair value of financial instruments with standard terms and conditions, traded in active liquid

markets are determined with reference to quoted market prices

- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly, and
- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cashflow analysis using unobservable market inputs.

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

				CONSOLIDATED			
Fair value measurement at 30 June using:				Carrying amount	Fair value	Carrying amount	Fair value
				2015	2015	2014	2014
Level				\$'000	\$'000	\$'000	\$'000
Contractual financial assets							
Cash and deposits				1,993	1,993	3,918	3,918
Receivables	Franking credits	2		210	210	171	171
	Debtors	2		483	483	590	590
	Accrued investment income	2		2	2	8	8
	SLV Foundation current account	2		–	–	–	–
Investments and other financial assets							
	Equities	1		8,426	8,426	7,074	7,074
	Property trust	1		1,016	1,016	967	967
	Fixed interest securities	1		4,152	4,152	3,922	3,922
	Cash management account	2		1,031	1,031	1,687	1,687
Total contractual financial assets				17,313	17,313	18,337	18,337
Contractual financial liabilities							
Payables	Supplies and services	2		1,340	1,340	1,134	1,134
	Lease liabilities	2		37	37	51	51
Total contractual financial liabilities				1,377	1,377	1,185	1,185

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Fair value measurement at 30 June using:			STATE LIBRARY OF VICTORIA			
			Carrying amount	Fair value	Carrying amount	Fair value
Level			2015 \$'000	2015 \$'000	2014 \$'000	2014 \$'000
Contractual financial assets						
Cash and deposits			1,993	1,993	2,659	2,659
Receivables	Franking credits	2	5	5	–	–
	Debtors	2	478	478	579	579
	Accrued investment income	2	2	2	8	8
	SLV Foundation current account	2	–	–	4	4
Investments and other financial assets						
	Equities	1	8,426	8,426	–	–
	Property trust	1	1,016	1,016	–	–
	Fixed interest securities	1	4,152	4,152	–	–
	Cash management account	2	1,031	1,031	–	–
Total contractual financial assets			17,103	17,103	3,250	3,250
Contractual financial liabilities						
Payables	Supplies and services	2	1,340	1,340	1,134	1,134
	Lease liabilities	2	37	37	51	51
Total contractual financial liabilities			1,377	1,377	1,185	1,185

There have been no transfers between levels during the period.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate fair value: The listed securities are valued at fair value with reference to a quoted (unadjusted) market price from an active market. The Board categorises these instruments as Level 1. All other financial assets and liabilities are valued at fair value with reference to invoices or other third party documentation. The Board categorises these instruments as Level 2.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

31 SUPERANNUATION

The Board made superannuation contributions for employees as follows:

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Defined benefit plan				
State Superannuation Fund	485	523	485	523
Defined contribution plans				
VicSuper	1,394	1,400	1,380	1,390
Private superannuation funds	388	333	374	311
	2,267	2,256	2,239	2,224

There are no superannuation contributions outstanding as at 30 June 2015. 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	610	505	(150)	-
(b) Net gain/(loss) on non-financial assets				
Net gain/(loss) in disposal of non-financial assets	-	2	-	2
(c) Other losses from other economic flows				
Revaluation of long-service leave liability due to changes in bond rates	(155)	(47)	(155)	(47)
	455	460	(305)	(45)

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	The Hon. Heidi Victoria MP	1 July 2014 to 3 December 2014
Minister for the Creative Industries	The Hon. Martin Foley MP	4 December 2014 to 30 June 2015
Chief Executive Officer	Sue Roberts	1 July 2014 to 1 April 2015
Acting Chief Executive Officer	Justine Hyde	1 April 2015 to 30 June 2015

Remuneration

Amounts relating to remuneration for the Minister for Creative Industries are disclosed in the financial statements for the Department of Premier and Cabinet. Remuneration received or receivable by the Accountable Officer in connection with the management of the Library during the reporting period was in the range \$300,000–309,999 (\$300,000–309,999 in 2014).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

Mr John Wylie AM (President)	Mr Eddie McGuire AM
Professor Merran Evans (to 23 May 2015)	Ms Christine Christian
Mr Petro Georgiou AO	Ms Karen Quinlan
Mr Bruce Akhurst	Mr David Evans
Mr Dennis Goldner	

No member of the Board received remuneration or retirement benefits during 2014–15.

(a) 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. There were no related party transactions during the year ended 30 June 2015.

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	
	2015 No.	2014 No.	2015 No.	2014 No.
\$20,000–29,999	1	–	2	–
\$30,000–39,999	1	–	1	–
\$100,000–109,999	1	–	1	–
\$110,000–119,999	1	–	–	–
\$130,000–139,999	1	–	1	–
\$140,000–149,999	1	1	1	1
\$150,000–159,999	–	1	–	2
\$160,000–169,999	–	1	–	–
\$170,000–179,999	–	1	–	1
\$180,000–189,999	–	–	1	–
\$190,000–199,999	1	1	–	1
\$200,000–209,000	1	1	2	1
\$210,000–219,000	1	–	–	–
\$230,000–239,000	–	–	1	–
\$250,000–259,000	1	–	–	–
Total number of executives	10	6	10	6
Total annualised employee equivalent (AEE)	7	6	7	6
Total amount (\$'000)	1,408	1,038	1,295	1,027

(b) Payments to other personnel

Payments have been made to other personnel (i.e. contractor with significant management responsibilities). These payments have been disclosed in the table above in the band of \$130,000–139,000 (2014:nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

34 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The Library Board of Victoria is not aware of any contingent asset or contingent liability as at 30 June 2015 (2014:nil).

35 COMMITMENTS FOR EXPENDITURE

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

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Capital expenditure commitments				
Capital expenditure includes collection expenditure payable as follows:				
Not later than one year	212	6,077	212	6,077
Later than one year, not later than five years	27	916	27	916
Later than five years	-	-	-	-
	239	6,993	239	6,993
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	2,627	2,915	2,627	2,915
Later than one year, not later than five years	3,257	1,840	3,257	1,840
Later than five years	700	747	700	747
	6,584	5,502	6,584	5,502
Operating leases				
Commitments for minimum-lease payments in relation to non-cancellable operating leases are payable as follows:				
Not later than one year	698	825	698	825
Later than one year, not later than five years	531	949	531	949
	1,229	1,774	1,229	1,774
Total commitments for expenditure (GST inclusive)	8,052	14,269	8,052	14,269
Less GST recoverable from the ATO	(732)	(1,297)	(732)	(1,297)
Total commitments for expenditure (GST exclusive)	7,320	12,972	7,320	12,972

The Library has entered into a Memorandum of Understanding dated 5 June 2015, with Creative Victoria and Major Projects Victoria for the State Library Redevelopment Initiative Project. As at the date of these accounts, no contracts have been signed with any other third parties for any aspect of the redevelopment project and, as such, there are no commitments to be recognised.

36 SUBSEQUENT EVENTS

The Library Board of Victoria is not aware of any events occurring subsequent to 30 June 2015 that may have a material effect on the financial statements (2014:nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

37 GLOSSARY OF TERMS

AAS

Australian Accounting Standards

AASB

Australian Accounting Standards Board

ABS

Australian Bureau of Statistics

ATO

Australian Taxation Office

Amortisation

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

Capital asset charge

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

Commitments

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

Comprehensive result

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

CSO

Community Service Obligation

CV

Creative Victoria

DTF

Department of Treasury and Finance

DPC

Department of Premier and Cabinet

DEDJTR

Department of Economic Development, Jobs, Transport and Resources

Depreciation

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

Effective interest method

The effective interest method is used to calculate the amortised cost of a financial asset or liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, where appropriate, a shorter period.

Employee benefits expenses

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

Ex-gratia expenses

Ex-gratia expenses mean the voluntary payment of money or other non-monetary benefit (e.g. a write-off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity.

Financial asset

A financial asset is any asset that is:

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

Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

Financial liability

A financial liability is any liability that is:

- (a) a contractual obligation:
 - (i) to deliver cash or another financial asset to another entity, or
 - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity, or
- (b) a contract that will or may be settled in the entity's own equity instruments and is:
 - (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments, or
 - (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

37 GLOSSARY OF TERMS (CONT'D)

cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements

A complete set of financial statements comprises:

- (a) a statement of financial position as at the end of the period
- (b) a statement of profit or loss and other comprehensive income for the period
- (c) a statement of changes in equity for the period
- (d) a statement of cash flows for the period
- (e) notes, comprising a summary of significant accounting policies and other explanatory information
- (f) comparative information in respect of the preceding period as specified in paragraphs 38 of AASB 101 *Presentation of Financial Statements*, and
- (g) a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

General government sector

The general government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those that are mainly non-market in nature, those that are largely for collective consumption by the community and those that involve the transfer or redistribution of income. These services are financed mainly through taxes or other compulsory levies and user charges.

Grants and other transfers

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

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

Grants for onpassing

All grants paid to one institutional sector (e.g. a state general government) to be passed on to another institutional sector (e.g. local government or a private nonprofit institution).

GST

Goods and Services Tax introduced by the Federal Government with the *A New Tax System (Goods and Services Tax) Act 1999*.

Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance.

Interest expense

Costs incurred in connection with the borrowing of funds; interest expense includes the interest component of finance leases repayments.

Interest revenue

Interest revenue includes interest received on bank term deposits, interest from investments and any other interest received.

LSL

Long-service leave

MPV

Major Projects Victoria

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other economic flows – other comprehensive income'.

Net result from transactions / net operating balance

Net result from transactions or net operating balance is a key fiscal aggregate and is income from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

Non-financial assets

Non-financial assets are all assets that are not 'financial assets'. It includes inventories, land, buildings, plant and equipment, cultural and heritage assets, and intangible assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

37 GLOSSARY OF TERMS (CONT'D)**Other economic flows included in net result**

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. It includes gains and losses from disposals, revaluations and impairments of non-financial physical and intangible assets fair value changes of financial instruments.

Other economic flows – other comprehensive income

Other economic flows – other comprehensive income comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards. The components of other economic flows – other comprehensive income include:

- (a) changes in physical asset revaluation surplus
- (b) share of net movement in revaluation surplus of associates and joint ventures, and
- (c) gains and losses on remeasuring available-for-sale financial assets.

Payables

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

Receivables

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

Sales of goods and services

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

SLV

State Library of Victoria

SLVF

State Library of Victoria Foundation

Supplies and services

Generally represents cost of goods sold and the daytoday running costs, including maintenance costs, incurred in the normal operations of the Library.

Transactions

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

VGv

Valuer-General Victoria

VAGO

Victorian Auditor-General's Office

Disclosure index

The Annual Report of the Library Board of Victoria is prepared in accordance with the *Financial Management Act 1994* and the Directions of the Minister for Finance. This index has been prepared to facilitate identification of compliance with statutory disclosure requirements.

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