



STATE LIBRARY
VICTORIA
What's your story?

Library Board of Victoria Annual Report 2015-16



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President's report



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

There is much good news to report. Our Vision 2020 building project progresses apace – in September last year we were thrilled that the Ian Potter Foundation donated \$10 million to help refurbish Queen's Hall, our original reading room and the oldest part of the Library. This donation is the largest grant ever made by the Ian Potter Foundation's education program and the largest donation ever received by the State Library. In recognition of this support, Queen's Hall will reopen as the Ian Potter Queen's Hall.

We are presently finalising design plans and are fortunate to have engaged award-winning international design firms Architectus and Schmidt Hammer Lassen Architects after a highly competitive tender process. Later this year we will select a builder for the project, with a view to commencing construction in 2017. We remain committed to our pledge to raise one-third of the redevelopment costs from philanthropic sources.

Another important and welcome announcement was the commitment from the Victorian Government in this year's state budget of a \$5 million per annum increase to the Library's operational funding, commencing in the 2016–17 financial year. This was a vital funding boost for the Library that will allow us to meet rapidly growing community needs. A further \$23 million was allocated by the 2016 State Budget for the Collection Storage Victoria Project, which will enable us to build a much-needed second offsite store in Ballarat. This new facility will ensure that we can safely house and share the ever-expanding State Collection as Victoria's history and creative output grows over time. We thank the Victorian Government for all of its support.

We were delighted to welcome Kate Torney as our new Chief Executive Officer in November last year. Kate came to the Library leadership role with more than 20 years in the information industry, most recently as Director of News at the Australian Broadcasting Corporation. She has brought a wealth of leadership experience in organisational change and digital innovation and, with the Library team, has already developed a compelling new strategic vision for the next five years.

Our visitation continues to grow year on year, and we again exceeded the previous period's figures with nearly 1.9 million visitors onsite and more than 4.3 million visits online. This increasing use of the Library space, facilities and resources demonstrates our vital role in the social, creative, educational and economic life of the Victorian community.

We welcomed the Victorian Government's Creative Industries strategy, Creative State, and played an active role with them in discussions for developing Victoria's creative industries. Sitting at the intersection of our cultural, tourism and education sectors, the State Library has a unique and important role in positioning Victoria as a centre of creativity and knowledge, with the social, cultural and economic benefits that flow from that.

We are fortunate to have an outstanding team at the State Library. As ever, a huge thanks is due to our tireless and dedicated staff. Your devotion to the Library and tirelessness in serving the public is greatly appreciated by the Board and the community.

I acknowledge and thank Justine Hyde, Director of Library Services and Experience,

who did a great job as Acting CEO from April until November last year. Justine's calm and consultative approach kept the Library on a smooth course over a period of transition and through the initial stages of the redevelopment project. I also thank Peter McMahon, Director of Digital Strategy, who supported Justine ably over that time.

I also offer my thanks to our many valuable supporters – Friends of the Library, volunteers, partners and sponsors, and also my fellow Board Members. Your contribution adds immeasurably to the Library's capacity to serve the community – we could not do it without you.

Sadly, the period ended with the passing of a highly valued colleague and friend in Victoria's public libraries. John Murrell was CEO of the West Gippsland Regional Library Corporation and until March was the longstanding President of the Public Libraries Victoria Network, the peak

body for Victoria's public library managers. John's leadership in the sector was integral to the State Library's strong relationship with the public library network and to a vast body of statewide public library development projects delivered in partnership with the State Library. He will be greatly missed.

In accordance with the *Financial Management Act 1994*, I present the Library Board of Victoria's annual report for the year ending 30 June 2016.



John Wylie AM

President, Library Board of Victoria

Chief Executive Officer 's year in review



It is with pleasure that I submit my first report as Chief Executive Officer of the State Library, and I offer my thanks to Justine Hyde, who was Acting CEO through the first part of the reporting period.

It has been another successful year for the Library and unprecedented demand for library services has made State Library Victoria one of the busiest libraries in the world. During 2015–16 we had:

- 1,894,268 visits onsite
- 4,358,031 visits online
- 49,199 reference queries
- 29,732 new member registrations
- 189,469 collection items accessed
- 1,724,481 uses of digitised collection items.

On 11 February 2016, we celebrated the Library's 160th anniversary. When we opened in 1856, the Library was the cultural and information heart of the state. That founding vision continues to guide us today as we adapt to the new and emerging needs of a growing Victoria.

During the year we acquired several significant items, including Dorothy Wall's original Blinky Bill illustrations, a rare first edition of *Alice's adventures in Wonderland*, and the papers of acclaimed Australian writer Sonya Hartnett. These acquisitions were supported by generous donations made during the annual appeal and we sincerely thank all those who contributed.

We marked the 25th anniversary of the Library's digitisation program with the completion of two major projects. A three-year project to digitise several rare newspapers published between 1891 and 1953 was completed, with 105,000 scanned pages now available through the Trove database. The Committee for Urban Action (CUA) digitising project was also completed, making more than 1700 historic photographs of 1970s Fitzroy and Castlemaine streetscapes available online.

Our major exhibition during the period was *Australian sketchbook: the art of ST Gill*, curated by 2009 Creative Fellow Professor Sasha Grishin and presented in partnership with the National Library of Australia. It was a collaboration that drew on the collections of both libraries, as well as other key collections. It charmed audiences, achieving an above-target visitation of 65,300.

Other notable displays have included *Writing the war: personal stories from WWI*, *The Irish Rising: 'A terrible beauty is born'*, and *What's your story?*, a unique, interactive display in which the stories of everyday visitors to the Library are captured and added to the collection.

On a more sombre note, I too express my sadness at the passing of PLVN president, John Murrell. His energy, experience and dedication to Victoria's public libraries is a great loss for all of us.

In November 2015, PLVN and the State Library launched the *READ: literacy and reading for all framework*. This joint project is a statewide commitment to shared quality standards and best practice principles in the delivery of literacy programming across Victoria.

Another important collaboration for the Library is our partnership with the University of Melbourne on the Boisbouvier Founding Chair in Australian Literature. Richard Flanagan is the inaugural Chair, and we look forward to developing a national conversation about Australian writing and writers.

These past months have been a journey of discovery for me as I get to know the wonderful collection and the highly talented team at the Library. Vision 2020 planning and the development of the Library's new strategic plan for 2016–20 have offered the opportunity to listen to ideas and feedback from colleagues, Library visitors and partners, along with Victorians who don't currently use our services.

We held a number of staff and community forums and conducted a range of consultation to explore the changing role of the Library and share ideas for the future. Insights from this work have helped to shape the design brief for Vision 2020 and the direction of our strategic plan.

I would like to thank Library Board of Victoria President John Wylie, Foundation Council Chair Maria Myers, Finance Committee Chair Christine Christian, and Audit and Risk Management Committee Chair Dennis Goldner, and all Board and committee members who generously contribute their time and expertise to the Library.

I would also like to acknowledge Creative Industries Minister Martin Foley and Deputy Secretary, Creative Victoria, Andrew Abbott for their ongoing support of the Library.

Finally, thank you to the State Library volunteers and staff, including the Executive team. It is a privilege to be leading this great institution at such an exciting time in the Library's history.



Kate Torney

Chief Executive Officer

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.

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 exhibition *Australian sketchbook: colonial life and the art of ST Gill*, in partnership with the National Library of Australia, and the selection of the design team for the building redevelopment project.

Two key initiatives for 2016–17 will be presenting the exhibition *Heroes and villains: Strutt's Australia*, in conjunction with the National Library of Australia, as well as completing the redevelopment design and appointing a builder in the next stage of Vision 2020.

Community engagement

Grow lifetime engagement by extending participation and strengthening connections

The Library continues to build community engagement through a wide-ranging offer of public and educational programs that invite participation and discovery, as well as active engagement through our social media and PR channels to further share stories that inspire pleasure and curiosity in learning.

Community engagement programs

The Library continued to provide a full calendar of programming connecting audiences with our unique collections and heritage spaces. Key festivals and events included Open House Melbourne, Melbourne Spring Fashion Week, Virgin Australia Melbourne Fashion Festival, Mapping Melbourne and White Night Melbourne. Throughout 2015–16 we attracted 100,963 attendees to more than 1066 events, classes, workshops and programs.

Our Big Ideas under the Dome lecture series included a stellar line-up of speakers including Governor of Victoria, the Hon. Linda Dessau AM, speaking about sport and the arts; and Chair of the Victorian Multicultural Commission, Helen Kapalos, who shared a thought-provoking discussion on achieving social change and unity in multicultural Victoria. Lord Mayor Robert Doyle delivered the 2015 Redmond Barry Lecture, celebrating Melbourne's innovation, passion and planning; and historian and Stella Prize winner Clare Wright spoke of her personal and intellectual journey through Australian history in our 2015 Stephen Murray-Smith Memorial Lecture. Rare Books Librarian Donald Kerr delivered the annual Foxcroft Lecture, shining a light on three notable New Zealand book collectors and their cultural legacy.

We also delivered 11 public talks in the Policy Pitch series, in partnership with Grattan Institute, and five in the Making Public History series, in partnership with Monash University and the History Council of Victoria.

We continued with our Creative Conversations series, intimate lectures that feature artists and writers from the State Library's Fellowship Program. Events in this series included Dr Ruth Pullin examining how Eugene von Guérard combined life on the goldfields with his artistic practice; former war correspondent Jill Jolliffe untangling the truths and misconceptions of WWI; Minna Muhlen-Schulte capturing the emotional dimension of wartime stories through memoirs, letters and newspapers of the time; and Dr Stefan Schutt uncovering the story behind many of Victoria's fascinating ghost signs as part of the Lewis & Skinner signwriting archive. A particular highlight in the series this year was 'Capital: the beginning of the word', created by Dome Centenary Fellows Alicia Sometimes, Emilie Zoe Baker and Sean Whelan, which featured an evening of poetry, live music and visual art in the domed reading room and Queen's Hall. Performers on the night included opera singer Helen Menzel-Ling and blues, rock and soul band The Renovators, with a surprise appearance by Missy Higgins and Angie Hart. The evening culminated with almost 200 audience members writing love letters to the domed reading room.

In partnership with public libraries around the country, we took part in the 2015 Australian Poetry Slam, hosting the state final in September that saw Victorian Slam Champion Abe Nouk and Runner-up Ed Carlyon win the chance to compete in the national slam final.

In December we participated in Multicultural Arts Victoria's Mapping Melbourne festival, presenting four diverse performance art and theatrical experiences: 'Shout 2015!', Erwin Windu Pranata's contemporary moving sculptures; 'Luminous Lunas returns!', a surreal performance on the Library forecourt; 'An act of remembering' live art performance commemorating 40 years since the end of the Vietnam War; and 'Microcosm', an intense chorus of voice, sound and image.

The Library was again excited to participate in White Night Melbourne, the city's all-night arts and culture party. We commissioned artists Nick Azidis, Lisa Greenaway, Bentley Dean and Adem Jeffers to create a work about knowledge, ideas and libraries. This stunning illumination, entitled *Ideation*, was projected across the domed reading room interior and was the highlight destination for many visitors in the Northern Lights precinct. Crowds on the forecourt were also treated to a light and music show: *Landscaping Architecture* by Amanda Morgan, James HH Morgan and DJ JNETT. We exceeded last year's attendance, achieving visitation of 21,000 people throughout the night.

We also participated once more in Open House Melbourne, offering tours of our Conservation Lab and opening up Queen's Hall.

Engaging and educating

Learning and education is core to all of our activities library-wide, and we also run specific programs to support people of all ages with reading, research skills, digital literacy and becoming engaged library users.

Throughout 2015–16, the Library continued to provide a cohesive offer of quality programming for young learners. More than 17,500 visitors participated in our weekly Baby Bounce and Storytime early literacy programs that connect children and families with books, storytelling and literacy – the highest session seeing 248 attendees. In 2016, the Library launched the Premier's Early Years Reading Challenge, and we were joined at Storytime by the Premier's wife, historian Katherine Andrews, and the Hon. Jenny Mikakos, Minister for Families and Children. The dedicated children's space, Play Pod, continued to offer an interactive and engaging environment for families, providing children's book-inspired quarterly themes across the year.

The inaugural Kids' Big Book Spectacular marked the first appearance of the 2016 Australian Children's Laureate, Leigh Hobbs. Connecting children of 8 to 12 years old to storytelling and illustration, the event saw close to 5000 visitors enjoy a day of workshops and activities, including an exclusive exhibition showcasing the new laureate's artwork.

Our Centre for Youth Literature celebrates the voices and views of Australia's young adults, writers and illustrators, and the library, publishing and education sectors. Meet the author events, streamed live online and presented in partnership with ABC Splash, attracted young readers and gave regional and remote students the opportunity to hear and see their favourite writers and illustrators from their classrooms.

In 2015–16 the Inky Awards, Australia's teen choice book awards, involved more than 1000 teens in the selection, judging and voting, with a 35% increase in votes for shortlisted books. In January we launched the ambassador schools program, building national participation and recognition, and continuing to build connection with Inside a Dog, our teen literature website.

During the year, 50,434 school students participated in education programming, including self-guided or facilitated tours and curriculum-related workshops on a range of topics, such as research skills for VCE and the popular Batmania on the history of early Melbourne.

New innovations include the Young Researcher Fellowships program for gifted and talented students from Years 5 and 6, nominated by schools in the Mallee region to participate in a year-long research journey. This program, funded in part by the Department of Education and Training, is delivered through face-to-face and online learning experiences and supported by Library educators and expert librarians who act as mentors for our young researchers as they undertake their diverse projects.

Research Launch Pad, a new free full-day program for Year 7 students, aims to engage thousands of students from disadvantaged schools over the next three years, and is complemented by a series of webinars for teachers, to support the teaching of research and critical thinking skills across the Victorian curriculum.

Every year we welcome a growing cohort of students new to tertiary education and to the Library with our 'New user's guide to the Library'. This year, nearly 200 students from four key universities and colleges took part in a tour to introduce them to the Library's resources, services and facilities.

Our programs for adult learners include regular workshops in family history, resources and using newspapers for research. As ever, the Family History Feast, presented as part of Family History Month, was booked out with genealogy enthusiasts looking in particular at researching WWI ancestors. We developed new online modules in digital literacy and online research skills for all Victorians. Our popular dome to dungeons tour now runs monthly, giving 357 people throughout the year a peek behind the scenes and an opportunity to learn about the heritage buildings and the history of our collections.

We continue to create and deliver onsite and online professional development programs for staff in schools and libraries across Victoria. Attendance at the Centre for Youth Literature's annual publishers' showcase increased 85%, with 15 publishers presenting their most exciting releases in youth literature. Our innovative digital storytelling course, Shift Alt Story, supported teachers and librarians in developing skills, creating professional networks and sharing best practice. A survey of participants reported that all respondents experienced a sense of personal progression, and 96% reported that the course increased their confidence in engaging with digital stories. We designed and delivered the JumpStart course in digital literacy for public library staff, in partnership with the Public Libraries Victoria Network, and adapted our world-first online course in family history, Branching Out, as a professional development program for public libraries.

Our family history service continues to be more and more popular. In August we hosted the 12th annual Family History Feast with the theme being World War I. That seminar and the monthly Finding Family training sessions continue to be completely booked out. The team have also run sessions specifically for corporate members and Friends of the Library.

Our outreach activities have included family history staff travelling to a number of public libraries services across the state to talk to people about how they can research their World War I ancestors and participation in the Victorian Association of Family History Organisation's 'Family History Expo' held this year in Seymour.

This is our 12th year of digital inclusion and community-based ICT program delivery through the Kindergarten IT Program funded by the Department of Education and Training. This year saw the successful review of the program and negotiations are underway to continue this program into the future and support the digital needs of the community-based early learning sector.

Connecting with the community

Over the year we continued to invest in social media strategies and content to make our collections more discoverable online. Our online community grew an average of 32% across all key platforms, including Facebook (26%), Twitter (17%) and Instagram (138%). Social media continues to direct significant traffic to Library websites, accounting for 36% of Library blog visits and 4% of corporate site visits.

The value of the Library's media coverage during the reporting period was \$24.1 million, with an estimated reach of 227,307,355. Among the media highlights throughout the year was the Library's collaboration with 774 ABC Radio to produce the station's first 'radio in residence' program, which saw the station broadcast from the Library for seven days in February and March. This sustained and focused coverage revealed many areas of the Library to a huge audience in Melbourne and around Victoria. Media reporting of the Library's 160th anniversary was also substantial, with coverage on national television news, radio and online. Consistent with past years, the Library's media coverage was overwhelming positive in tone.

Access

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

Every year the Library endeavours to promote access to learning and information for diverse community audiences through provision of targeted services, technologies and programming.

Access for communities

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

The Library has continued to seek out new opportunities to celebrate and promote Victoria's cultural diversity. Programs such as White Night Melbourne, the Australian Poetry Slam, Mapping Melbourne's performance art program, the Seraphim Trio's pop-up Beethoven concert, the Melbourne Symphony Orchestra's Secret Symphony, alongside the Kids' Big Book Spectacular and our early literacy programs, Storytime and Baby Bounce, pay tribute to, and reflect the broad dimensions of Victoria's multiculturalism.

Other programs have taken a more targeted approach. Members of Victoria's Chinese community, for example, were able to experience floor talks in Chinese as part

of the *Australian sketchbook: colonial life and the art of ST Gill* exhibition. Curator pop-up talks and panel discussions associated with the display *The Irish Rising: 'A terrible beauty is born'*, proved extremely popular with Victoria's Irish community. Berry Fellowship Recipient Minna Muhlen-Schulte's research brought to life the emotional dimensions, personal memories and family lore experienced by German-Australians during the inter-war, war and post-war periods.

The Library works in partnership with Multicultural Arts Victoria on projects such as Mapping Melbourne, which saw the development of 'Shout!2015', a composition of 12 new large-scale moving inflatable sculptures by contemporary Indonesian artist Erwin Windu Pranata appearing on the forecourt. A multi-faith poetry project, also in partnership with Multicultural Arts Victoria, enabled poetry performers and mentors to develop a number of new works over six sessions.

The Library's regular early literacy programs, Storytime and Baby Bounce, continue to engage many families from culturally and linguistically diverse backgrounds, providing exciting and playful opportunities for children up to five years of age and their carers to develop skills in English and engage with great stories. Over the year these programs have attracted more than 17,500 participants.

Our new user's tours of the Library guide international students from a wide range of countries, institutions and disciplines through the Library. It aims to welcome them to their new city and enable them to become confident and competent library users.

The Library's programming efforts have also sought to actively engage members of the Victorian Aboriginal Community, both as participants and attendees. Programming highlights included Native Dignity, a performance presented by the Library in partnership with the Malthouse Theatre as part of the Blak and Bright Indigenous Literary Festival. Native Dignity featured poet Robbie Batzke, opera singer Shauntai Batzke and contemporary dancers Carly Shephard and Baden Hitchcock in a provocative and entertaining performance that challenged traditional interpretations of colonial race relations.

In April, Paul Paton, an Aboriginal man from the Gonnai and Monaro tribes of South Eastern Australia and Executive Officer of the Victorian Aboriginal Corporation for Languages, and Mandy Nicholson, a member of the Wurundjeri-willam clan of Melbourne, artist, archaeologist and leader of the Djirri Djirri Dance Group, discussed the work of the Victorian Aboriginal Corporation for Languages to revive and maintain unique Aboriginal and Torres Strait Islander cultures and languages.

In addition, a significant number of our past and present Creative Fellows have been creatively exploring and interpreting the State Library's collection of archival material relating to Aboriginal culture, much unseen by the public, students and academics before, and of great importance for the Victorian Aboriginal Community.

Digital and ICT

The second phase of the Library's corporate website redevelopment has been implemented and builds on last year's complete redesign. The welcoming approach and exposure to the collection has been further enhanced by expanding the use of image galleries and refinements to the searching of the digital image pool and its 184,951 rights-free images for unrestricted use.

The Contribute and Create section of the website makes use of the digital image pool and offers inspiration to remix, share and interact with the image collection in a personal way. Similarly, #vicfix enables a growing community of interest to interact with our digitised Victorian newspapers and assist us in transcribing the digitised artefacts for all to discover. More people can now search the full text of our reported history via the continuing newspaper digitisation and transcription. Enhancements to digital signage design at the Library and the inclusion of digital elements as part of exhibitions have extended the interaction and user discovery of our unique collection.

ArchivesSpace was implemented to take the place of Archivists Toolkit in support of the creation of searchable finding aids for collection materials. ArchivesSpace fully supports Encoded Archival Description (EAD) format and also allows the output of finding aids in other formats such as PDF.

The Library has been doing a proof of concept trial with Rosetta, a system that manages preservation of digital objects. Rosetta would function as a replacement for DigiTool for the storage and access of digital materials, but adds the dimension of active preservation, which will become increasingly important in the future.

Details of ICT expenditure during the reporting period is listed in the table below.

ICT expenditure 2015-16 (\$ million)

BAU ICT expenditure Total	Non-BAU ICT expenditure Total = A+B	Operational expenditure A	Capital expenditure B
\$3,918,925	\$0	\$0	\$0

Continuous improvement

We continue to implement our Future Service Model initiatives, including a trial of new customer service points that will inform the Vision 2020 building redevelopment design.

Other changes we have made include giving staff mobile devices to aid communication between staff working front of house, testing new wayfinding signage and making it easier for visitors to self-serve.

We have also improved our accessibility services through joining the National Relay Service, making audio loop equipment easier for visitors to access and enabling visitors to book a wheelchair in advance.

During the year we began reviewing our approach to cataloguing the collections to ensure that Library users have the best possible online access to the collections. The first step has been the development of a Cataloguing Policy detailing desired cataloguing standards and levels, along with cataloguing priorities.

Volunteers

This past year 113 volunteers gave 7353 hours of their time to the Library in a range of ways:

- board and committee members
- tour guides, conducting 545 tours for 6371 visitors
- program delivery and back of house, contributing 4193 hours.

Volunteers make an incredible contribution to the Library – from singing songs at Storytime and Baby Bounce to specialist collating and indexing services. We celebrate our hard-working volunteers each year during National Volunteers Week, and acknowledge their contribution with certificates of participation. Welcome to the new volunteers who joined us during the year and particular thanks to our long-standing volunteers, many of who have been with us for more than ten years. We are very grateful for all your support.

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 a range of ways to access and enjoy the collection.

Collection development

During the year, 91,106 items were added to the Library's collection and 72,835 bibliographic records were added to the catalogue.

The Library acquired original illustrations by Dorothy Wall of the iconic children's book character Blinky Bill, a first edition of *Alice's adventures in Wonderland*, and papers of acclaimed Australian writer Sonya Hartnett. These acquisitions were supported by generous donations made during the annual appeal.

Other significant acquisitions include: a large collection of survey maps of Melbourne spanning from the late 1800s to 1950 created by two prominent Melbourne survey companies, telephone directories for Victoria from 1887 to 1891 which are among the earliest directories in Australia containing the names of more than 800 subscribers in Melbourne and Geelong, a rare souvenir program from the Australasian Football Jubilee Carnival in 1908 which was issued to celebrate the 50th anniversary of Australian Rules football, and the 1864 and 1865 editions of the *Prahran Telegraph*, a weekly newspaper published from 1860 to 1930.

Donations received via the Cultural Gifts Program include the papers of Norma Redpath – one of Australia's most significant post-war sculptors – comprising studio diaries, catalogues, photographs, sketches and biographical content, two portraits (one of art dealer and artist, Joseph Brown, and one of Lillian Wightman, owner of Collins Street fashion shop, Le Louvre) and a collection of 19th and early 20th century postcards, cartes-de-visites, and aerial photographs belonging to notable collector John Etkins.

Notable donations during the period include the papers of Joan Kirner, former Premier of Victoria, comprising files, correspondence, photographs and official publications. The Library also received the papers of renowned Victorian criminal barrister Brian Bourke, noted, among other cases, for his involvement in the trial of Ronald Ryan, the last person to be legally executed in Australia.

In cooperation with the Lemnos Gallipoli Commemorative Committee, the Library acquired the Nurse Evelyn Hutt World War I collection, including several albums of photographs taken by Hutt on the Greek island of Lemnos over 1915–16 when the island was used as a hospital base for wounded soldiers from Gallipoli.

A work entitled *Metcards on board* was donated by artist Kyle Handrek. This collage of 3500 now defunct Metcards in the shape of the original W-class tram set against the backdrop of Flinders Street Station is currently on display.

Portraits of William and Mary Meek were donated to the Library. William Meek arrived in Australia in 1832. He was one of the first lawyers to practise in Melbourne.

and a founding member of the Melbourne Club, the Melbourne Cricket Club and the Victorian Racing Club.

Additional funds were provided this year by the Library's Foundation to purchase overseas print books, ebooks and online resource collections, and to make a significant down-payment towards the final part of the Rennie Ellis photographic archive.

Drawing on this assistance from the Foundation as well as the redirection of funds away from print purchasing, the Library significantly expanded our offering of online resource collections. New collections now offered include First World War: visual perspectives and narratives; Archive of human sexuality: LGBTQ history and culture since 1940; Punch digital archive, 1841–1992; Popular culture in Britain and America, 1950–75; Global commodities: trade, exploration and cultural change.

The donation of the John Emerson Collection in April 2015 included a bequest to support the cataloguing of the collection. To date more than 2400 items have been catalogued out of approximately 5000.

In compliance with Victorian Government financial policies, the Library conducted an updated valuation of the entire collection. The improvement of catalogue data since the last collection valuation in 2011 enabled a more rigorous approach to be employed in this valuation.

Collection digitisation

In the year that marked the 25th anniversary of the Library's digitisation program, we continued to digitise in high resolution thousands of collection items each month. During the year 34,150 items were digitised, including photographs, maps and plans, manuscript material and newspapers. Among the highlights are the 550 Victorian aerial photo mosaics that were produced by the Department of Crown Lands & Survey between 1945 and 1962, and the Sperber and Tom Tit magic card collections. In addition, a number of journal titles were digitised, including the *Australasian decorator & painter* (1905–24) and *Traveller* (1895–1924).

The rare newspapers digitising project, a three-year project supported by the Sidney Myer Fund, was successfully completed. This was a ground-breaking project involving the digitising of rare, fragile newspapers from the hard copy. A total of 105,000 newspaper pages (six titles) were scanned, with all titles now available on the National Library of Australia's Trove database, including the *Bendigo Independent* (1891–1918), *Shepparton Advertiser* (1921–53) and the *Goulburn Valley Stock & Property Journal* (1916–42).

The Committee for Urban Action (CUA) digitising project, which was funded by donations made to the Library's 2014 annual appeal, was completed. More than 1700 black-and-white 35 mm negatives recording urban streetscapes of parts of Fitzroy and Castlemaine in the 1970s were digitised and catalogued. Hundreds of never-before-seen historic photographs are now available online. We have now commenced the digitising of negatives from the South Melbourne area.

The Coles Centenary Digitisation Partnership project was a major focus and achievement with more than 26,000 digitised images from the records of the Coles Myer manuscript collection made available through our Digital Object Management System. This includes photographs, printed material and correspondence, and objects and ephemera tracing the corporate history of this iconic retailer and giving us valuable social insights into the company over the past 100 years.

Work commenced on the digitising of the records of the Felton Bequest with funding from the Felton Trustees. This will provide online access to digitised manuscript material including papers, correspondence, minutes and business records relating to the activities and purchases made by the bequest and its administrators. The records span the years 1882–1965.

Collection storage

In 2015–16, 4.6 kilometres of collection material was moved at both the main Library on Swanston Street and the Library's Offsite Storage Facility near Ballarat. Detailed collection modelling has commenced in manuscript storage and arts open access collections in preparation for reconfiguration.

Eleven significant interrelated collection moves triggered by Vision 2020 were identified and work is underway on the first three, which includes increasing our offsite storage for the Library's significant flat works collection and relocating key collections to prepare for building works. Six hundred and twenty metres of pre-accession collection has already been moved into the triage store – the first of the Vision 2020 collection move projects.

Phase two of the strategic initiative to extend the life of the Ballarat Offsite Storage Facility to 2017 is 50% complete, with a further kilometre of Victorian newspaper collection repositioned. Provision of \$23 million in funding to build the second storage module has been approved as part of the Creative Victoria Collection Storage Victoria Project.

Conservation and preservation

In 2015–16, the Library preserved and conserved more than 45,000 items, assessed and treated 185

newly acquired collections through the quarantine store, processed more than 25,000 new items into the collection, and treated and prepared 1200 collection items for exhibition and loan.

A major achievement was the completion of the rehousing of the Coles Myer Collection, the largest collection held by the Library, measuring 1 kilometre in storage space. This year, work was completed on the large photographic component of the collection and the archival rehousing and listing of the flat works, concluding eight years of preservation work on this collection.

During the year preservation and conservation work covered a varied range of items and formats from across the collections. Focus continued on WWI material, with rehousing of items and diaries from the Manuscripts collection, and completing conservation treatment of WWI posters prior to digitising. With a bequest from the Middle Park History Group, progress was made on the identification, listing and rehousing of photographic negatives of the South Melbourne sequence of the Committee for Urban Action (CUA). Preservation work on the Keith Kings tram and tramways photographic collection of more than 10,000 negatives, transparencies and slides was completed, and work commenced on the recently donated archive of Joan Kirner.

More than 850 collection items were treated and prepared for the Library's exhibitions, with the first volumes from the John Emerson Collection going on display. Significant works by ST Gill and William Strutt were treated and prepared for the partnership exhibitions with National Library of Australia, and in the new year, the tapestries by Ben McKeown and Juan Davila were assessed and treated by before being returned to display.

It was a particularly busy year for the Library's outward loans program with 348 items being loaned for display in more than 25 external exhibitions. These exhibitions generated a combined visitation of more than 1.3 million, sharing the Library's collection with new audiences around the country. A major loan from the Howard Arkley Archive supported the exhibition *Howard Arkley (and friends...)*, at the Tarawarra Art Museum. Works by William Barak and Tommy McRae from the Pictures Collection were included in the Art Gallery of New South Wales exhibition *Murruwaygu: following the footsteps of our ancestors* that attracted an estimated audience of 70,000. A major loan of textiles, photographs, diaries and objects from the explorer and scientist Andrew Keith Jack of the Ross Sea Antarctic Expedition were included at the National Maritime Museum exhibition *Shackleton:*

escape from Antarctica that reached an estimated audience of 149,000.

Planning for collection moves has commenced in preparation for the redevelopment. Surveying of the paintings and furniture currently on display across the Library is being undertaken and a large number of collections from Pictures, Manuscripts, Arts and History of the Book collections are being scoped to determine preservation needs for the potential relocation on-site and to the Ballarat offsite store.

Exhibitions

During the reporting period, the Library hosted several exciting, temporary exhibitions. In July 2015, the Library presented the exhibition *Australian sketchbook: colonial life and the art of ST Gill*, in partnership with the National Library of Australia. The exhibition was officially opened by the Deputy Premier of Victoria, the Hon. James Merlino, and attracted 65,300 visitors. A number of programs were run to complement the exhibition, the highlight of which was an 'in-conversation' between the exhibition curator, Professor Sasha Grishin, and ABC News Breakfast presenter, Virginia Trioli.

An accompanying publication entitled *ST Gill & his audiences* by Sasha Grishin was produced by the National Library of Australia in association with the State Library. The publication of this illustrated edition was made possible by a grant from the Gordon Darling Foundation. It has been reprinted for the National Library of Australia's showing of *Australian sketchbook* in 2016-17.

The *Writing the war* display in Palmer Hall commemorating the centenary of WWI was well received with 46,694 visitors. In March 2016, we installed *What's your story?* In this innovative display, everyday Library visitors and some selected notable Victorians were asked to share their stories on video. Visitors in the exhibition navigate their way through the videos via touchscreens, adding 'likes' to their favourite items. We also asked visitors to share their stories by writing on specially made catalogue cards, responding to the prompt 'What's your story?' At the end of the reporting period, the display had received 23,439 visitors and close to 2000 catalogue cards. Once the display closes in July, these micro stories will be permanently accessioned into the collection.

On St Patrick's Day, 17 March 2016, we opened the *Irish Rising: 'A terrible beauty is born'* display in the Blue Rotunda. This display, presented in partnership with the University of Melbourne, marks 100 years since the Irish Rising, a pivotal moment in the Irish struggle for independence from Great Britain. It is complemented by a full program of talks, tours and film screenings.

Our permanent exhibitions in the Dome Galleries and Cowen Gallery continue to attract consistent visitor numbers, with our Ned Kelly display always a drawcard. Content is refreshed biannually and during the year included displays of first editions, illustrated editions and original artworks celebrating 150 years since the publication of *Alice's adventures in Wonderland*, as well as selected items from the recently acquired John Emmerson Collection of rare English printed works.

We continue to support external exhibitions as a way of sharing the collection as widely as possible. Over the past year, we loaned items to the following institutions:

- Queensland Art Gallery, *The photograph and Australia*
- Heide Museum of Modern Art, *Jude Walton: Lehte*
- Whitehorse City Council Artspace, *Australia calls*
- Rockhampton Art Gallery, *Rockhampton: the forgotten port city*
- National Library of Australia, *Heroes and villains: Strutt's Australia*
- Yarra Ranges Regional Museum, *Oil paint and ochre*
- Art Gallery of Western Australia, *Treasure ships: art in the age of spices*
- Mornington Peninsula Regional Gallery, *On the beach*
- Tarrawarra Museum of Art, *Howard Arkley (and friends ...)*
- National Portrait Gallery, *Sideshow Alley: infamy, the macabre and the portrait*
- Art Gallery of New South Wales, *Murruwaygu: following in the footsteps of our ancestors*
- National Trust of Victoria, Mulberry Hill, *Picnic at Hanging Rock*
- Australian National Maritime Museum, *Rough medicine: life and death in the age of sail*
- National Portrait Gallery, historic gallery
- The Ian Potter Centre: NGV Australia, *Jan Senbergs: observation-imagination*
- Museum Victoria: Melbourne Museum, *Love and sorrow*
- Museum Victoria: Immigration Museum, *Behind the wheel*
- The Victoria Police Museum, general exhibition
- ACMI, *Del Kathryn Barton: the nightingale and the rose*
- South Australian Maritime Museum, *The art of science: Baudin's voyagers 1800-04*
- City Gallery, *A history of the future*
- Shrine of Remembrance Melbourne, *Humanity under fire: war art by Will Dyson*
- University of Queensland Art Museum, *We who love: the Nolan slates*
- The Victoria Police Museum, *Above and beyond: honouring the service and sacrifice of Victorian police during WWI.*

Fellowships program

The Library Fellowship Program remains a strength of the Library and this year we awarded 13 Fellowships and two Honorary Fellowships. The Library awarded the following Creative Fellowships for 2016-17:

- Miles Allinson for a novel based on his father's life in and around the counter-cultural movement that existed in Melbourne during the 1970s
- Nick Barkla for an online archive and website documenting the creation and expansion of Melbourne's iconic Apollo Gym, the oldest gym in Australia, established in 1850
- Paul Bateman for research and writing in support of a novel set in 1990s Melbourne that charts the life and times of the men and women who worked at the now defunct South Melbourne tram depot on Kings Way
- Marita Dyson and Stuart Flanagan for a suite of songs and accompanying video works about Melbourne waterways through the 19th and 20th centuries, exploring environmental change and the life of people who lived and worked along their banks
- Jessie Lloyd and Archie Roach for project to revive and present a rare collection of early Australian Indigenous contemporary songs that were composed and performed between 1900 and 1999
- Sarah Tracton for an investigation of the archives and manuscripts of Dr Pierre Gorman and deaf history in Victoria from the 1800s.

The Centenary of WWI Fellowship was awarded to Dr Jordie Albiston for a work that will draw on letters and postcards written by Victorian soldiers during WWI to create 70 original poems, one for each soldier in the study.

The Children's Literature Fellowship was awarded to Stephanie Holm for a graphic novel exploring representations of Australian fauna and flora in early Australian children's book publishing.

The Amor Residency at Baldessin Press was awarded to Rosalind Atkins for a project combining analogue print technology, engraving and etching with digital print technology in an exploration of local change and its impact on art practice.

The Berry Family Fellowship was awarded to Guy Rundle and Jo Waite for a study of a commercial building in Melbourne's CBD, uncovering the forgotten lives and vanished professions that made the city.

The Georges Mora Fellowship was awarded to James Geurts for installation project sites to be located along the floodplain of the Birrarung River, creating a conceptual line and that will be explored to draw out ecological currents and identify cultural significance.

The Redmond Barry Fellowship, in partnership with the University of Melbourne, was awarded to Dr Ross Jones for scholarly research and writing recreating the story of tuberculin in 1890s Melbourne. His research will draw on the collections of both institutions.

The Ukrainian Studies Foundation in Australia Fellowship was awarded to Dr Natalie Senjov-Makohon for a digital storytelling project around the social, cultural and economic impact of first-generation Ukrainian settlers in Geelong.

Honorary Fellowships were awarded to Philip Goldswain, who will map Paris through the State Library's collection of French photographic albums, and to Dean Keep for a book centering on the dynamic but now forgotten design and arts scene of 1950s Melbourne.

Publications

Our publishing program facilitates the publication of books in collaboration with commercial publishers, and produces *The La Trobe Journal*, a biannual publication that promotes scholarly research and creative use of the Library's collections.

Continuing the commemoration of the centenary of WWI, the *La Trobe Journal* no. 96, September 2015 special issue, 'Victoria and the Great War' was edited by John Lack and Judith Smart with John Arnold. The *La Trobe Journal* no. 97, March 2016, included a range of essays on history and art, and was edited by John Arnold. Distribution of the journal now includes the National Gallery of Victoria, Museum Victoria and the Shrine of Remembrance, as well as all Readings bookstores.

The past year's success include a double biography that lifts the veil on the unconventional marriage of modernist pioneers John and Sunday Reed, and their relationships with some of Australia's most celebrated artists and writers. *Modern love: the lives of John and Sunday Reed* by Lesley Harding and Kendrah Morgan is published by Miegunyah Press in association with Heide Museum of Modern Art and the Library. It has sold more than 8000 copies and was shortlisted in the 2015 Victorian Premier's Literary Awards non-fiction category. The work includes much new information from the authors' extensive use of Heide-related papers in the Australian Manuscripts Collection.

Place and space

Create a flexible and community-centred onsite experience

Building development

In May 2015, we embarked on Vision 2020, our five-year redevelopment project that will transform the Library

to better meet the current and future needs of the community. The project is funded by a \$55.4 million budget allocation from the Victorian Government and \$28 million in philanthropic contributions, including \$10 million from the Ian Potter Foundation towards the refurbishment of Queen's Hall.

The Vision 2020 project will:

- restore Queen's Hall as a public reading room and evening event space
- reopen the Russell Street entrance alongside a new major exhibition showcasing treasures from the Library's collection, two new reading rooms, and a cafe and visitor services
- create a new digital centre, centre for entrepreneurship, dedicated spaces for children, teenagers and families, facilities for learning and events, and an e-Town Hall using communication technology to connect with public libraries across the state
- reconfigure back-of-house areas to open up 40 per cent more public space.

Site-wide objectives include opening up more space for our diverse and growing number of visitors, celebrating the Library's heritage, helping visitors navigate the Library more easily, and providing the latest technology to meet visitor needs.

The vision for the redevelopment project articulated in the building master plan and business case were strongly informed by the 'Your Library, Your Say' public consultation in 2012. More than 5000 Victorians shared their ideas for the future of the Library via an online survey, workshops and stakeholder interviews.

Following the government's funding announcement in May 2015, a project steering committee was formed, with representation from the Library, Major Projects Victoria, Creative Victoria, Department of Economic Development, Jobs, Transport and Resources, Department of Premier and Cabinet, and Department of Treasury and Finance. Library staff worked closely with Major Projects Victoria and a team of specialist consultants to analyse and document detailed physical and operational requirements. The project scope was tested and refined in line with preliminary costings undertaken by the appointed quantity surveyor.

In October 2015, an expression of interest process for architectural design services attracted a strong field of respondents. Four shortlisted consortia were invited to participate in the tender process in January 2016. In April we were delighted to announce the engagement of leading Australian firm Architectus, in partnership with international library design experts

Schmidt Hammer Lassen (SHL) Architects from Denmark, as the project architects. Architectus and SHL are supported by a team of subcontracting firms bringing specialist expertise in heritage architecture, structural engineering, building services, lighting, acoustics, audio-visual equipment, catering, security, traffic management, signage and wayfinding.

During the concept design phase from May to July 2016, the design team have gained a deep understanding of the project, conducted investigations into current building conditions and explored high-level design options. At each stage of the design process, options were costed and reviewed by the project steering committee to ensure the Vision 2020 objectives are met and that the project budget and timelines remain on track.

The concept design process included intensive workshops with Library staff, involving both the Australian and Danish architects. Public co-design sessions commenced in July, focusing initially on design of the new children and youth spaces. These sessions included activities in the Library for families with babies and pre-school aged children, workshops at primary and secondary schools, and evening sessions with older teens. Co-design sessions with other user groups will be held as the design process progresses throughout the second half of 2016.

The architects will finalise the schematic design in October 2016. Schematic design includes more detail on materials, layouts and visualisations for each space and will form the basis for the tender to engage a building contractor in late 2016.

Construction will run from early 2017 until 2020 and will be staged to enable the Library to remain open to visitors throughout construction.

Collaboration

Develop our strategic partnerships by generating shared value and delivery

The Library seeks to partner with a range of institutions and organisations that allow us to broaden our service offer and extend our reach into different sectors of the community.

Commercial partnerships

Optimising opportunities for commercial activation as part of Vision 2020 was a major focus during the year. Our commercial partners thrived and made a valuable contribution to visitor experience.

Mr Tulk commenced Sunday trading in September and Readings were announced as the inaugural winner of

the Bookstore of the Year award at the 2016 London Book Fair. We negotiated a contract extension with BEAR Solutions who deliver the Library's public copy, scan and print service, which will refresh all equipment, resulting in improved services for our visitors.

Venue hire continued to deliver positive financial returns with revenue achieving 27% growth on 2014-15. The Library was recognised as a state and national finalist in the Meetings and Events Association's awards. Together with our exclusive caterer, food&desire, we continued to attract new clients and deliver inspirational event experiences.

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.

Our partnership with the University of Melbourne included cross-promotion of the ST Gill and the colonial world conference in July 2015, held in concert with the Library's *Australian sketchbook: colonial life and the art of ST Gill* exhibition. Another fruitful cross-promotion supported the 1916 Easter Rising: Australasian perspectives conference in March 2016, alongside the *Irish Rising* display and programming at the Library. We also shared the announcement in October 2015 of Richard Flanagan's appointment as the inaugural Chair of Australian Literature, and are planning a series of related public programs in 2016.

A highly successful cross-institutional mentoring program with the university sector has been in place for six years. 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.

This year the Library collaborated with La Trobe University to create and deliver an exclusive after-hours program of discovery to encourage potential university students and Library users to learn about and understand university life. The pilot program with 60 Year 11 and 12 participants took the form of a quest game, with teams learning to work together to solve puzzles and win the final challenge.

The Library's 30-year collection storage plan to deliver sustainable access to the collection over time includes a key partnership with Federation University Australia: the BOSS1 off-site collection storage facility is constructed on land at Federation University's Mount Helen campus. The recent announcement of government funding to

expand our collection storage infrastructure with the construction of BOSS2 further strengthens this important long-term partnership.

The State Library also makes significant contributions in terms of expertise and resourcing to support the sector's peak body, National and State Libraries of Australia (NSLA), hosting the secretariat and working with NSLA partner libraries in the development of shared solutions. A primary focus this year has seen NSLA working towards the development of a National Digital Deposit Network to provide the most complete and accessible collection of digital publications for all Australians. NSLA also takes part in ARC funded linkage projects in partnership with universities across Australia, including the LIS Research Project 2016–18 and eLending Research Project 2016–18. Finally, the Digital Skills Program is offered to all staff across NSLA libraries. In 2015, a train-the-trainer program for foundation digital skills was delivered to more than 1700 participants, while the 2016 program has focused on digital forensics for practitioners.

Public libraries partnership

The Library and Victoria's public library network are committed to working together to advance our common aim of delivering excellent library and information services to all Victorians. In 2015–16 we focused on three areas: reading and literacy for all Victorians, sharing the community stories contained in local history collections across the state, and continuing to build the capability and leadership capacity of the public library workforce.

In October we published *Reading and literacy for all: a strategic framework for Victorian public libraries 2015–18*. This document outlines the unique and powerful difference that public libraries make to development of literacy skills in Victoria, particularly early years literacy and adult literacy, which fall outside the years of formal education. We began implementing the framework's recommendations to improve, align and grow the contribution of public libraries in these areas. Most notably, we developed a set of quality indicators for early years literacy programs and conducted an assessment of these programs against the indicators. The results are informing a comprehensive professional development program for public library staff delivered by Raising Literacy Australia.

Public libraries were also supported to build their capability through continued roll-out of a workforce development action plan responding to the skills gaps identified in the research report *Victorian public libraries: our future, our skills*. A grant from the RE Ross Trust assisted us to offer training in partnership development, collection development and digital literacy, and to deliver high quality and highly popular professional

development seminars such as 'Building Better Libraries' and the 'The Future is Now' mini conference. Additionally, we rolled out training in digital preservation to assist public libraries to maintain their digitised local history collections and ran the Branching Out online training in researching family histories.

Leadership capacity in the public library sector was strengthened with 17 emerging public library leaders participating in the Shared Leadership Program and through an awards program. Paula Kelly from Hobsons Bay Libraries received the \$15,000 Barrett Reid Scholarship to undertake original research into how public libraries can best support parents to develop their children's literacy skills in the pre-school years. Yarra Libraries received the \$25,000 Pierre Gorman Award to develop a library-specific accessible customer service training program for its staff and to train Access Ambassadors in each branch to ensure that a high level of accessible customer service is maintained in their branch. Both of these projects show leadership in setting best practice standards for all Victorian public libraries.

A number of community programs were delivered with public libraries across the state. We again ran an adult reading program – The Summer Read – with 26 public library services partnering with us to encourage Victorians to take the time to read ten selected Victorian books and to share their favourites with others. We also again partnered with public libraries to deliver the Australian Poetry Slam, with five public libraries hosting fast-paced audience-driven heats and the State Library hosting the final.

In July 2015 we launched a touring version of the *Writing the war: personal stories from WWI* exhibition. The exhibition was inspired by letters, diaries and photographs from the State Library's heritage collections. Over the two years that it travels to 12 host public libraries, it will be complemented by displays of items drawn from each local community and programs developed in partnership with each community. *Writing the war* is part of the State Library's joint commemoration of the ANZAC Centenary with Victoria's public libraries, and its tour was made possible through a Touring Victoria grant.

In June 2016 we launched a second touring exhibition, *Story Island: an adventure in pictures*. This beautiful interactive installation was inspired by artworks in the Scholastic Dromkeen Children's Literature Collection held in trust by the State Library, and is designed to promote a love of books and reading in 0–8 year olds and to model ways of engaging children with pictures and words to build their literacy skills. It will tour to 12 public libraries over 18 months.

International relationships

The Library has maintained and strengthened our strong support for international cultural cooperation and collaboration. During the year we hosted professional development visits from a range of organisations, including university librarians from Taiwan, Singapore and Malaysia, and cultural delegations from Zhengzhou City Zhongyuan District and Slovenia. During September, Justine Hyde, Director Library Services and Experiences, visited the Netherlands, Denmark and Sweden. The purpose of the visit was to investigate developments in world-class libraries, museums and galleries, specifically with a view to informing the building redevelopment work. In particular, this trip focused on libraries with innovative building design, as well as those cultural institutions highly regarded for their services, spaces and programs for children and young people.

The Library's relationship with the National Library Board of Singapore has continued to promote international library collaboration. Our memorandum of understanding with the National Library includes a specific focus on professional development via staff exchange, benchmarking, publication exchange and potential development of a joint or travelling exhibition.

People and capabilities

Foster an accountable, collaborative, dynamic and innovative learning culture

Professional development

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 with libraries in the university sector; the Aurora Leadership Program for library, archive and information management professionals; and an internal staff fellowship program, which was awarded in 2016 to Randall Nodin, Systems Engineer, for a program to geo-tag elements of the oral history collection.

Staff continue to be engaged in ongoing compliance awareness and training, together with the a program offered to managers and supervisors to increase their capability in management skills (The Managers' Toolkit program). A Personal Development Assessment program, based on an internationally recognised program developed by OCLC WebJunction and the US Museum and Library Services, has been implemented to assess staff capabilities across a range of job-related elements and assist with planning future training and staff development activities. In conjunction with this program, the Library has also updated and extended the capacity of the internal training calendar to provide opportunities for staff to self-nominate for training and development opportunities.

Health and safety

The Library retained accreditation under the Australian and New Zealand Standard 4801 following a successful periodic audit in November 2015, demonstrating our commitment to leading the sector in the management of occupational health and safety. 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. During the year, we also conducted a program aimed at raising awareness of mental health in the workplace.

Sustainable financials and funding

Develop a scalable and sustainable financial future

Support and sponsorship

The Library's Foundation builds vital support for our collections and programming through funds raised via memberships, donations, bequests, sponsorships and public appeals. We thank all our supporters for their generosity over the year – their support allows us to acquire special collection items and offer more accessible programming to the people of Victoria.

Over the reporting period, our Friends of the Library program has seen an increase in membership of more than 15%. Retention rates have improved due to a renewed focus on tailored communications and benefits such as access to exclusive content and member-only events. The Friends program is an important entry point for our audience to become further engaged with the Library's activities and philanthropic campaigns.

Friends of the Library gave bookplate and general donations of more than \$77,000. The Library's annual appeal has seen a further 85 new donors and so far raised \$93,488, funding the acquisition of this year's hero item – a rare ship-board diary belonging to Lt Dabney Scales, a soldier on the Confederate warship CSS *Shenandoah* – as well as supporting future acquisitions for the Pictures and History of the Book collections. The appeal runs until 31 August.

We are particularly grateful to the members of our Redmond Barry Society, who choose to make a gift to the Library in their will. We acknowledge and remember Ms Freda White and Mr David Richards, who left their legacy with us during the past year. They and their families will be remembered kindly by all at the Library.

Trusts and Foundations continue to make a critical contribution to Library programs. This year, \$170,400 was distributed across the following programs: the Public Library Victoria Network's LEARN project supporting professional development for Victorian librarians,

digitisation of the Felton Papers, and the Library's Research Launch Pad program for schools from disadvantaged areas.

The Library Board and Foundation Council have been leading the campaign to raise philanthropic funds specifically for the Vision 2020 redevelopment. We thank the Ian Potter Foundation for their generous donation of \$10 million towards the refurbishment of Queen's Hall, one of the cornerstone projects in the redevelopment. We also thank Foundation Council member Robin Campbell for a pledge of \$250,000 over five years.

The corporate membership program has also grown significantly in the last year, with a number of new organisations from the private sector coming on board. Their generous financial contribution is critical in helping the Library deliver an expansive offering of programs and launch new initiatives. In return, the Library is pleased to offer our corporate members a range of benefits, including bespoke events, exclusive access to exhibitions and collection viewings, and a new speaker series presenting high-profile thought leaders to share their ideas, experiences and expertise.

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

ANZ Banking Group
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Donors \$5000 +

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6 anonymous

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Financial summary

Summary of financial results with five-year comparatives

	2016 \$'000	2015 \$'000	2014 \$'000	2013 \$'000	2012 \$'000
Revenue from government	77,223	83,410	80,565	81,529	81,423
Other revenue	18,664	15,302	11,765	9,455	7,454
TOTAL REVENUE	95,887	98,712	92,330	90,984	88,877
TOTAL EXPENSES (excluding depreciation)	(85,870)	(92,806)	(86,744)	(86,265)	(87,986)
NET RESULT FOR THE YEAR BEFORE DEPRECIATION	10,017	5,906	5,586	4,719	891
DEPRECIATION	(12,980)	(12,971)	(13,234)	(13,300)	(14,935)
TOTAL EXPENSES	(98,850)	(105,777)	(99,978)	(99,565)	(102,921)
NET RESULT FOR THE YEAR AFTER DEPRECIATION	(2,963)	(7,065)	(7,648)	(8,581)	(14,044)
CASH FLOW FROM OPERATING ACTIVITIES	9,058	(305)	(1,830)	2,648	(1,284)
TOTAL ASSETS	860,627	893,808	900,207	908,616	917,039
TOTAL LIABILITIES	11,468	10,216	9,240	10,354	10,453

Notes

Revenue from government includes \$35.820m in operating funding and \$41.403m of Capital Assets Charge.

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 2015–16 of \$2.963m deficit compared to \$7.065m deficit for 2014–15.
- The Library Board achieved a net result before depreciation for 2015–16 of \$10.017m surplus compared to \$5.906m surplus for 2014–15.

Factors contributing to the net result are outlined below.

- Total revenue has decreased by \$2.3m to \$95.9m and has been affected by the following items:
 - operating funding from government was maintained at \$35.8m in recurrent funding
 - donations include philanthropic donations of \$6.65m received for the redevelopment project
 - donations include items donated to the Library collection in 2015–16, valued at \$4.6m (\$6.3m in 2014–15)
 - investment revenue has decreased by \$0.3m reflecting lower interest rates.
- Funding of \$1.95m received from government for the redevelopment project is shown as an increase in contributed capital rather than capital revenue.
- Payments made to Major Projects Victoria for the redevelopment project are shown as capital works in progress rather than expenses.
- The revaluation of long-service leave liability due to changes in bond rates resulted in a loss of \$330,572 (2014–15: \$154,994 loss).
- Net assets have decreased by \$34.4m primarily as a result of the revaluation of the Library collection.
- Total liabilities have increased by \$1.3m to \$11.5m due to increases in leave provisions, creditors, lease liabilities and accrued expenses.

2015–16 key performance indicators

The Library's 2015–16 planning framework was designed to achieve outcomes articulated in the *Corporate Plan 2013–16*.

Description	Unit of measure	Actual 2014–15	Target 2015–16	Actual 2015–16
Onsite visitation ¹	Number	1,781,690	1,740,000	1,894,268
Website visitation ²	Number	3,441,756	3,920,000	4,358,031
Items added to the collection that celebrate and explore our heritage	Number	43,561	35,000	70,418
Visitor satisfaction ³	%	83%	90%	87%

Notes

- 1 Onsite visitation refers to annual visitation to the State Library building located at 328 Swanston Street, Melbourne. Each year the Library sets ambitious target above the BP3 target of 1,500,000 onsite visits, as outlined in the Library's Service Agreement with the Minister for Creative Industries. The Library hosted more than 1.89 million visits in 2015–16. Major programs such as White Night and the Kids' Big Book Spectacular attracted large crowds (around 21,000 and 5000 respectively), while the exhibition *Australian Sketchbook: colonial life and the art of ST Gill* also contributed to performance with more than 65,000 attendees.
- 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 (or enters) a website until they log off (exit), irrespective of the number of pages visited within this time. Therefore a user who is online for 30 minutes, and who looks at ten pages, is counted as one user session. Visits to hosted websites are not included in this measure. The Library experienced 11% growth in 2015–16.
- 3 Visitor satisfaction measured via the annual intercept survey has also increased.

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 2015-16	Actual 2015-16
OUTPUT GROUP 1 – Guardianship of the State Collection			
OG1a Collection development			
Acquisitions and deaccessions in accordance with collection development policies / strategic directions	%	100%	100%
OG1b Collection management			
New acquisitions (received in current period), electronically registered to agreed standards and targets	%	95%	95%
BP3 Agency collections storage meeting industry standard	%	99%	99%
OUTPUT GROUP 2 – Access and participation			
OG2a Community engagement activities			
Events	Number	1,046	905
BP3 Access – attendances/users	Number	1,500,000	1,894,268
BP3 Volunteer hours ¹	Number	3,400	7,353
Volunteers	Number	100	113
BP3 Members and Friends ²	Number	870	1,301
OG2b Community use of facilities			
Events	Number	450	430
OG2c Education programs			
Events – sessions, performances and workshops	Number	700	612
BP3 Students attending educational programs ³	Number	25,700	50,434
OG2d Exhibitions and displays			
Events – new, (permanent or temporary) exhibitions	Number	6	5
Attendees	Number	493,000	742,120

OUTPUT FRAMEWORK (CONT'D)

Description	Unit of measure	Target 2015-16	Actual 2015-16
OG2h Public access to collection / information			
Virtual access to collection	%	95%	95%
BP3 Access – Library website visitation	No. of user sessions	3,000,000	4,358,031
OG2i Visitor experience activities			
BP3 Visitors satisfied with visit	%	90%	87%
OUTPUT GROUP 3 – Sector development			
OG3a Professional development and other services			
Collaborative projects with NGOs/agencies ⁴	Number	57	58
Touring programs/exhibitions available from the arts body in reporting period	Number	92	96
Regional centres receiving touring programs/exhibitions offered by the arts body	Number	15	14
Loans to NGOs/agencies from the collection	Number	2,084	2,263
Investment in staff training	\$/Staff	423	313
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 2015–16. Our volunteers support a large number of collection-related activities. Performance over the year has been driven by increased demand, particularly from tourists, for volunteer-led tours of exhibitions.
- 2 The membership base of Friends of the Library grew during 2015–16. A focus on relationship-building and aligning member offers and benefits has resulted in increased retention and engagement.
- 3 More than 50,400 students participated in education programs at the Library. The unprecedented performance was largely due to a successful collaboration between the Library's Centre for Youth Literature and ABC Splash. The partnership program delivered a new live-streamed author event into schools, which saw more than 29,003 students participate in the program.
- 4 The Library has continued to leverage our offer through an increase in collaborative projects resulting in programs, research and publishing.

Acquisitions statistics 2015–16

VOLUMES ADDED TO STOCK JULY 2015 – JUNE 2016

	Purchase	Donation	Govt donation	Legal deposit	Method of acquisition	
					Total 2015–16	Total 2014–15
Monographs	8,999	17,215	1,551	3,873	31,638	15,576
Newspapers	226	154	0	699	1,079	850
Other serials	1,369	579	858	2,812	5,618	6,469
TOTAL VOLUMES	10,594	17,948	2,409	7,384	38,335	22,895

CONSOLIDATED STOCK HOLDINGS 2014–2016

Stock holdings (volumes)	30 June 2014	30 June 2015	30 June 2016
Newspapers	107,722	108,572	109,651
Monographs and serials	2,169,487	2,191,532	2,228,788
TOTAL	2,277,209	2,300,104	2,338,439
Maps	113,601	113,770	114,414
Sound recordings	52,339	54,298	59,820
Video recordings	6,275	6,317	6,363
Exhibition catalogues	159,636	166,488	171,959
Theatre programs (linear metres)	95	97	99
Ephemera (linear metres)	75	76	77
Manuscripts (linear metres)	7,847	7,998	8,142
Pictures	963,799	1,010,640	1,062,842

CONSOLIDATED ELECTRONIC STATISTICS 2014–2016

	30 June 2014	30 June 2015	30 June 2016
PANDORA (online titles & websites)	11,438	12,812	14,140
Ebooks (titles)	4,795	6,698	8,609
Born-digital serials (titles)			44
Electronic collections	32	32	41

Notes

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

Ebooks represent ebook titles purchased and accessible via the catalogue.

Collecting of Victorian published, born-digital serial titles began this year.

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*. The Minister for Creative Industries during the reporting period has been the Hon. Martin Foley MP.

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

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

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

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

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

Board members

The Library Board of Victoria consists of up to 11 members, appointed by the Governor in Council on the recommendation of the Minister. Current Board members have business, educational, finance, humanities, information technology, legal and marketing backgrounds and skills. Members are appointed for terms of up to three years and are eligible for reappointment. The Library Board of Victoria met on 7 occasions during the period from 1 July 2015 to 30 June 2016.

Mr John Wylie AM, President (attended 7 meetings)
 Mr Bruce Akhurst (attended 6 meetings)
 Ms Christine Christian (attended 7 meetings)
 Professor Carolyn Evans, from September 2015 (attended 4 meetings)
 Mr David Evans, until May 2016 (attended 3 meetings)
 The Hon. Petro Georgiou AO (attended 5 meetings)
 Mr Dennis Goldner (attended 7 meetings)
 Mr Eddie McGuire AM, until April 2016 (attended 1 meeting)
 Ms Maxine McKew, from July 2015 (attended 6 meetings)
 Ms Maria Myers AC, from July 2015 (attended 4 meetings)
 Ms Karen Quinlan (attended 4 meetings)

About Board members

John Wylie AM, President

John Wylie was appointed President of the Library Board in May 2012 and reappointed in May 2015. He chairs the Executive Appointments and Remuneration Committee and is chair of the Redevelopment Project Steering Committee. John is principal of investment firm Tanarra Group, having recently retired as CEO of financial services firm Lazard Australia. 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 Board in May 2010 and reappointed in June 2013 and May 2016. He is a member of the Redevelopment Project Steering Committee, the Executive Appointments and Remuneration Committee, and the Finance Committee. Bruce is executive chair of Adstream, an international services organisation for the advertising industry. He was previously chief executive officer of Sensis Pty Ltd, chair and director of Foxtel, and a director of Soufun, the leading Chinese real estate portal. A lawyer by training, Bruce relinquished the position of managing partner with Mallesons Stephen Jaques to join Telstra in 1996 where he worked for 16 years in numerous senior positions. Bruce is also a member of the RMIT University Council and chair of its Infrastructure and Information Technology Committee.

Christine Christian

Christine Christian was appointed to the Board in August 2013 and reappointed in May 2016. She is the Board's Deputy President, chair of the Finance Committee, member of the Executive Appointments and Remuneration Committee, and the Foundation Council. Christine is a director of 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 the Business Information Industry Association – Hong Kong and Middle East, and director until 2012.

Professor Carolyn Evans

Carolyn Evans was appointed to the Board in 2015 and is a member of the Audit and Risk Management Committee. Carolyn is Dean of Melbourne Law School and has degrees in Arts and Law from Melbourne University and a doctorate from Oxford University, where she studied as a Rhodes Scholar. In 2010, she was awarded a Fulbright Senior Scholarship to travel as a Visiting Fellow at American University and Emory University, examining questions of comparative religious freedom. Carolyn is the current chair of the

Council of Australian Law Deans and the honorary secretary of the Victorian Rhodes Scholarships Selection Panel. She is the author of several books, including *The legal protection of religious freedom in Australia*.

David Evans

David Evans was appointed to the Board in September 2013, concluding his term of appointment in May 2016. He chaired the Redevelopment Project Steering Committee and was past chair of the Audit and Risk Management Committee. David is the executive chairman of Evans and Partners Pty Ltd, having established the investment advisory company in June 2007. Since 1990, David has worked in a variety of roles within JB Were & Son, and the merged entity Goldman Sachs JBWere Pty Ltd. Prior to establishing Evans and Partners, David ran Goldman Sachs JBWere's Private Wealth business and the Institutional Equities business. His most recent role at GSJBW was as managing director and chief of staff. David is a director of Seven West Media (SWM), chair of the SWM Audit & Risk Committee and a member of the Remuneration & Nomination Committee. He is also a member of the Victorian Police Corporate Advisory Group and chair of Cricket Australia's Investment Committee.

Petro Georgiou AO

Petro Georgiou was appointed to the Library Board in July 2011 and reappointed in October 2014. He serves on the Executive Appointments and Remuneration Committee, and as a member of the Audit and Risk Management Committee until October 2015. Petro was a member of the House of Representatives in the electorate of Kooyong from 1994 until 2010. He was chair of the Joint Standing Committee on Science and Innovation, state director of the Victorian division of the Liberal Party, and director of the Institute of Multicultural Affairs. He 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 and May 2016. He chairs the Audit and Risk Management Committee and the Advisory Committee on Public Libraries. Dennis has had experience at senior levels in both the Australian and Victorian public sector, particularly in the areas of public policy economics, competition policy, trade and investment promotion and was a long-standing partner at Deloitte. He retired from the Deloitte partnership in May 2009, having led the firm's government services practice in Victoria. He is currently National Leader, Responsible Business at Deloitte, chair of the Deloitte Foundation, chair of Oxfam Australia and is a board member of the Melbourne Chamber Orchestra. Dennis has an honours degree in economics and is a fellow of the Australian Institute of Company Directors.

Eddie McGuire AM

Eddie McGuire was appointed to the Board in April 2013, concluding his term of appointment in April 2016. Eddie 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.

Maxine McKew

Maxine McKew was appointed to the Board in 2015. Maxine is an honorary fellow of the Melbourne Graduate School of Education at the University of Melbourne. A published author, her books include 2014's *Class act*, a study of the key challenges in Australian schooling, and *Tales from the political trenches*. As a journalist, for many years Maxine was anchor of ABC TV's *7.30 report* and *Lateline*. Her work has been recognised by her peers with both Walkley and Logie awards. Leaving journalism for politics, Maxine defeated Prime Minister John Howard in the Sydney seat of Bennelong. In government she was Parliamentary Secretary for Early Childhood and, later, for Infrastructure, Transport, Regional Development and Local Government.

Maria Myers AC

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

Karen Quinlan

Karen Quinlan was appointed to the Board in August 2013 and again in May 2016. She 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 is a panel member of the Creative Industries Strategy Taskforce, and a member of the Victorian Visitor Economy Ministerial Advisory Committee: Tourism and Major Events Portfolio. 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 2015 to 30 June 2016.

2015–16 membership

Mr Dennis Goldner, Chair (attended 4 meetings)
 Cr Rod Fyffe (attended 4 meetings)
 Ms Sally Both, from April 2016 (attended 0 meetings)
 Mr Michael Byrne (attended 4 meetings)
 Ms Camille Cullinan (attended 4 meetings)
 Ms Christine Mackenzie, until November 2015 (attended 2 meetings)
 Ms Patti Manolis, from December 2015 (attended 2 meetings)
 Mr John Murrell, until March 2016 (attended 2 meetings)

SLV representatives

Ms Justine Hyde
 Mr Peter McMahon, until November 2015
 Ms Kate Torney, from November 2015

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 2015 to 30 June 2016, and once jointly with the Finance Committee.

2015–16 membership

Mr Dennis Goldner, Chair (attended 7 meetings)
 Ms Marianne Di Giallonardo, until April 2016
 (independent member, attended 2 meetings)
 Professor Carolyn Evans, from January 2016 (attended 3 meetings)
 The Hon. Petro Georgiou AO, until October 2015
 (attended 2 meetings)
 Mr Michael Hill (independent member, attended 5 meetings)

Ms Anne Jackson (independent member, attended 4 meetings)

SLV representatives

Ms Hanh Chau, from April 2016
Mr Greg Gilmour, from December until May 2016
Ms Justine Hyde, until November 2015
Mr Ross Phillips, until December 2015
Ms Kate Torney, from November 2015

Executive Officer

Ms Frances Savage

Redevelopment Project Steering Committee

This committee forms a key part of the governance structure of the Library building redevelopment project. It acts as a cross-agency working group to monitor and assist achieving project tasks and outcomes. Committee membership includes representatives from the Board (including Chair), Creative Victoria, the Library's executive leadership team, Major Projects Victoria (project managers), Department of Treasury and Finance, and Department of Premier and Cabinet. The committee met 11 times during the period 1 July 2015 to 30 June 2016.

2015–16 membership

Mr David Evans, Chair until March 2016 (attended 3 meetings)
Mr John Wylie AM, Chair from March 2016 (attended 11 meetings)
Mr Bruce Akhurst, from April 2016 (attended 2 meetings)
Ms Karen Quinlan (attended 6 meetings)

SLV representatives

Ms Hanh Chau, from April 2016
Ms Margaret Ford
Ms Justine Hyde
Ms Kate Torney, from September 2015

Executive Officer

Major Projects Victoria supports the committee

Executive Appointments and Remuneration Committee

The Executive Appointments and Remuneration Committee ensures that the Library's policy and practice relating to executive remuneration and individual remuneration packages for executives are consistent with Victorian Government employment policy. The committee convenes during the year to review executive officer salaries, performance bonuses, recruitment, appointments and associated issues, when appropriate. The committee met on 1 occasion during the period 1 July 2015 to 30 June 2016.

2015–16 membership

Mr John Wylie AM, Chair (attended 1 meeting)

Mr Bruce Akhurst (attended 1 meeting)
Ms Christine Christian (attended 1 meeting)
The Hon. Petro Georgiou AO (apologies)

SLV representative

Ms Justine Hyde, until November 2015
Ms Kate Torney, from November 2015

Executive Officer

Mr Jim Johnston, from July 2015
Ms Justine Hyde, until November 2015
Ms Kate Torney, from November 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 6 times during the period 1 July 2015 to 30 June 2016, and once jointly with the Audit and Risk Management Committee.

2015–16 membership

Ms Christine Christian, Chair (attended 7 meetings)
Mr Bruce Akhurst, from November 2015 (attended 2 meetings)
Ms Anne Jackson, from November 2015 (attended 3 meetings)
Mr Stephen Kerr, resigned March 2016 (attended 5 meetings)
Mr Glenn Mescher (attended 7 meetings)
Mr John Wylie AM, resigned December 2015 (attended 2 meetings)

SLV representatives

Ms Hanh Chau, from May 2016
Mr Greg Gilmour, from December 2015 until May 2016
Ms Justine Hyde, until November 2015
Mr Ross Phillips, until December 2015
Ms Kate Torney, from November 2015

Executive Officer

Ms Frances Savage

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 5 occasions during the period 1 July 2015 to 30 June 2016.

2015–16 membership

Ms Christine Christian, Chair until December 2015 (attended 4 meetings)
Ms Maria Myers AC, Chair from December 2015 (attended 4 meetings)
Ms Robin Campbell (attended 5 meetings)
Mr Peter Hay, from April 2016 (attended 2 meetings)

Ms Jennifer Hutchinson, from April 2016 (attended 2 meetings)
Mr Michael Kay, until October 2015 (attended 1 meeting)
Mr Stephen Kerr, until March 2016 (attended 3 meetings)
Mr Richard Lourey, until October 2015 (attended 1 meeting)
Mr David Mullaly, until October 2015 (attended 0 meetings)
Mr Howard Obst, from December 2015 (attended 4 meetings)

SLV representatives
Ms Hanh Chau, from April 2016
Ms Adrienne Conway
Ms Justine Hyde, until November 2015
Ms Elisabeth Kerdelhué
Mr Peter McMahon
Ms Kate Torney, from November 2015

Executive Officer
Ms Dawn Nisbet

Library Executive

Kate Torney, Chief Executive Officer from November 2015

As Chief Executive Officer, Kate Torney has overall responsibility for:

- ensuring the implementation of the Board's directions
- sound corporate governance
- managing the State Collection and the Library's operations
- leading the Executive team.

Hanh Chau, Director, Corporate Services from April 2016

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

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

Justine Hyde, Acting CEO until November 2015; Director, Library Services and Experience

Justine Hyde 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
- collection development and management.

Peter McMahon, Director, Digital, Marketing and Communications

Peter McMahon is responsible for the Library's digital experience, marketing and communications, including:

- the Library's digital experience – onsite, online and mobile
- the formulation and evolution of the Library's digital strategy
- PR, media and social media
- traditional and digital marketing
- IT and technology infrastructure
- the Library's digitisation program
- digital and emerging technologies within and beyond the Library
- oversight of digital initiatives and the Storage & Digital Collection Services division.

Jo Ritale, Head of Collections

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

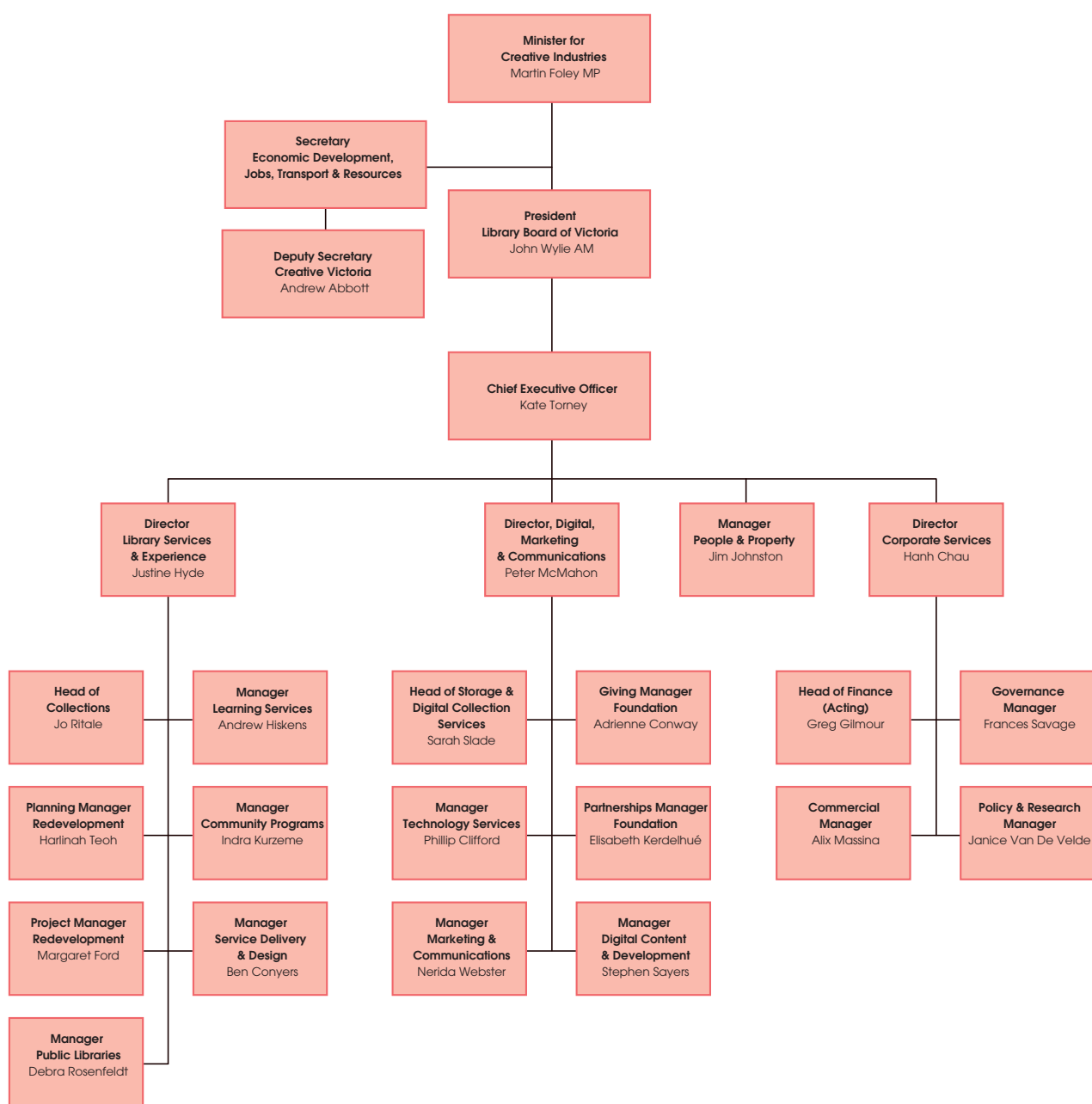
- selection and acquisition
- collection description and cataloguing
- preservation and conservation.

Sarah Slade, Head of Storage & Digital Collection Services

Sarah Slade is responsible for enabling, enhancing and improving access to the physical and digital collections, including:

- physical and digital collection storage
- collection digitisation
- the Library's digital preservation initiatives, systems and format registry
- metadata development and cross-walking between systems
- configuration of key library applications for the best possible user experience
- a range of digital initiatives, including investigation of new and emerging media
- senior library representation on a number of NSLA and international peak bodies.

Organisational structure (as at 30 June 2016)



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	2016	2015	2014	2013	2012	2011	2010	2009
Executives with remuneration over \$100,000	4	4	4	4	5	4	4	4
Add Vacancies	2	0	0	1	0	0	0	0
Executives employed with total remuneration below \$100,000	0	0	0	0	0	0	0	0
Accountable Officer (Secretary)	0	0	0	0	0	0	0	0
Less Separations	2	0	0	2	1	1	0	0
Total executive numbers at June	4	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 2015–16, 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 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 2016 that will have an impact on the 2015–16 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 8.7% (greater than 15% warrants investigation). Employee absenteeism (unplanned) averaged approximately 4% (greater than 5% warrants investigation). These performance measures compare to 12.3% and 4.2% respectively in 2014–15.

The Library continues to experience a satisfactory WorkCover claims performance rate with no active claims at the end of the year. There were two new minor compensable injuries during the year (only one was a lost-time injury). The cost of WorkCover premiums has increased marginally (by 1.5%) over the previous year, while claims performance continues to show a position of sector leadership (40.62% better than industry average).

During the reporting period, 6.5 days were lost as a result of work-related injuries, compared with 8 days in 2014–15.

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

Public sector values and employment principles

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

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

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

Employment principles

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

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

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

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

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

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

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

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

Public sector values

The Enterprise Partnership Agreement provides a set of Library values that either supplement or focus on the public sector values as they relate to the Library. The Library's values promote access to information, customer service, building knowledge, respect, teamwork, the networked future and lifelong learning.

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

The Library was a foundation subscriber to the State Services Authority's Ethics Resources Kit, which will be incorporated into the Library's suite of management and employment development systems.

The Library has adopted the State Services Authority's Code of Conduct as part of its Enterprise Partnership Agreement.

Statement of workforce data and merit and equity

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

	Ongoing				Fixed-term and casual employees
	Employees (headcount)	Full-time (headcount)	Part-time (headcount)	FTE	FTE
June 2016	254	201	53	231.94	39.55
June 2015	259	195	64	233.44	55.49

	June 2016			June 2015			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	100.0	94.0	10.6	100.0	92.5	13.6	–	1.5	–3.0
Female	154.0	137.9	29.0	159.0	140.9	41.9	–5.0	–3.0	–12.9
Age									
Under 25	1.0	1.0	5.8	–	–	4.8	1.0	1.0	1.0
25–34	26.0	24.3	15.6	31.0	29.0	25.0	–5.0	–4.7	–9.4
35–44	50.0	45.9	9.0	52.0	46.8	13.1	–2.0	–0.9	–4.1
45–54	70.0	64.5	5.3	74.0	65.5	5.8	–4.0	–1.0	–0.5
55–64	88.0	79.9	2.8	86.0	78.7	4.9	2.0	1.2	–2.2
Over 64	19.0	16.3	1.3	16.0	13.5	2.0	3.0	2.8	–0.8
Classification									
VPS 1	1.0	1.0	10.3	3.0	2.8	12.0	–2.0	–1.8	–1.7
VPS 2	53.0	43.6	9.7	54.0	44.2	9.6	–1.0	–0.6	0.1
VPS 3	88.0	81.0	11.3	96.0	85.8	15.5	–8.0	–4.8	–4.3
VPS 4	46.0	42.7	2.4	39.0	35.8	6.7	7.0	6.9	–4.3
VPS 5	44.0	41.6	2.0	45.0	42.8	5.8	–1.0	–1.2	–3.8
VPS 6	20.0	20.0	–	22.0	22.0	1.0	–2.0	–2.0	–1.0
STS	2.0	2.0	–	–	–	1.0	2.0	2.0	–1.0
Executives	–	–	4.0	–	–	4.0	–	–	–

Environmental performance

The Library is committed to improving environmental performance through implementing new technologies and maximising efficiencies within existing systems. During the period we continued to retrofit lights with LED bulbs and install movement sensors, to reduce ongoing energy costs. We also collaborated with AGL on a review of our plant operations and, as a result, have fine-tuned our mechanical systems for improved energy efficiency.

Environmental aspect	Description	Unit of measure	2012-13	2013-14	2014-15	2015-16
Energy	Total use	Gigajoules	23,496	22,833	24,433	27,099
	Total associated greenhouse gas emissions	Tonnes CO ₂	4,516	4,153	6,599	5,686
	Percentage of electricity purchased as Greenpower	%	25	25	25	25
	Use per sqm office space	Megajoules	467	457	489	542
	Total Greenpower	Kilowatt hours	1,631,656	1,583,914	1,696,694	1,414,516
	Total cost of Greenpower	Dollars	87,878	72,630	70,063	64,566
Waste	Generated per FTE	Kilograms	376	327	197	203
	Total recycled	Kilograms	59,456	54,945	54,150	51,476
Paper	Total use	Reams	2,480	2,400	2,490	2,520
	Total per FTE	Reams	8.2	7.5	9.1	9.9
Water	Total consumption	Litres	20,240,000	24,256,000	23,333,687	26,804,000
	Consumption per FTE	Litres	67,019	75,800	84,850	105,528
Transportation	Total fuel consumption	Gigajoules	74	24	34	29
	Total travel by Library vehicles	Kilometres	28,440	9,300	13,347	11,544
	Total greenhouse gases	Tonnes CO ₂	5.7	1.9	2.7	2.3

Notes

All figures based on the following: 50,000 m²
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.

Access arrangements

Access to documents may only be obtained through written request and accompanied by a non-refundable application fee as noted on the Library's website. Additional charges may apply for searching, retrieving, copying of documents and supervising and inspection of documents. Applications should be clear and concise, and provide an accurate description of the documents sought. As required by the Act, all reasonable steps are taken to enable the applicant to be notified of a decision concerning the release of documents as soon as practicable. The application fee may be waived or reduced if it is a routine request, or if the applicant would be caused hardship as a result of paying the fee.

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 in 2015-16

For the 12 months ending 30 June 2016, one request for information was received. This request was 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 newsletter
- Corporate member newsletter
- Education News newsletter
- Centre for Youth Literature newsletter.

Availability of additional information

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

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

Protected Disclosure Act 2012

The *Protected Disclosure Act 2012* (the Act) 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 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.

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.

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.

Consultancies

Consultancies under \$10,000

In 2015–16 there were six consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2015–16 in relation to these consultancies was \$32,340 (excl. GST).

Consultancies \$10,000 and over

In 2015–16, there were five consultancies where the total fees payable to the consultants were \$10,000 or more. The total expenditure incurred during 2015–16 in relation to these consultancies was \$177,660 (excl. GST).

Consultant	Details	Start Date	End Date	Total Approved Fee (excl gst) \$	Expenditure In 2015–16 (excl gst) \$	Future Expenditure (excl gst) \$
Bendelta Pty Ltd	Strategic Plan 2016–20	1 April 2016	30 June 2016	\$75,000	\$73,184	Nil
Creative Thinking-Positive Solutions Pty Ltd	Discussion paper: touring exhibition business model	1 August 2015	30 September 2015	\$50,000	\$43,550	Nil
Data Management Australia Pty Ltd	State Library Victoria ICT disaster recovery plan: 2016 onwards	1 June 2016	31 December 2016	\$14,500	\$14,500	Nil
NDY Management Pty Ltd	Updated report for BOSS2, July 2015 Design brief for BOSS2, July 2015	1 July 2015	30 August 2015	\$25,000	\$19,900	Nil
The Maytrix Group Pty Ltd	State Library Victoria food business model, October 2015	1 July 2015	31 October 2015	\$25,000	\$26,526	Nil

Risk attestation



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Australia slv.vic.gov.au

24 August 2016

MINISTERIAL STANDING DIRECTION 4.5.5

I, John Wylie, President of the Library Board of Victoria certify that State Library Victoria has complied with the *Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes*. The State Library Victoria Audit and Risk Management Committee verifies this.

John Wylie AM
President

Financial statements

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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

Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Library Board of Victoria

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 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. 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 Library Board of Victoria are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994* and for such internal control as the Board Members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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, I and my staff and delegates have complied with all applicable independence pronouncements.

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 2016 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
29 August 2016



Dr Peter Frost
Acting Auditor-General

Library Board of Victoria letter



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LIBRARY BOARD OF VICTORIA

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

We further state that, in our opinion, the information set out in the Balance Sheet, Comprehensive Operating Statement, Statement of Changes in Equity, Cash Flow Statement and accompanying notes, present fairly the financial transactions during the year ended 30 June 2016 and financial position of the Library Board of Victoria at 30 June 2016.

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

We authorise the attached financial statements for issue on 24 August 2016.

John Wylie
President
24 August 2016

Dennis Goldner
Chair, Audit and Risk Management
Committee
24 August 2016

Kate Torney
Chief Executive Officer
24 August 2016

Hanh Chau
Director Corporate Services
24 August 2016

Library Board of Victoria and controlled entity financial report for the financial year ended 30 June 2016

BALANCE SHEET AS AT 30 JUNE 2016

		CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	Note	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assets					
Cash and deposits	2	23,746	1,993	23,746	1,993
Receivables	3	901	915	901	705
Investments and other financial assets	4	–	14,625	–	14,625
Total financial assets		24,647	17,533	24,647	17,323
Non-financial assets					
Prepayments		418	457	418	457
Library collections	5	395,785	497,626	395,785	497,626
Property, plant and equipment	6	439,776	378,191	439,776	378,191
Deferred expenditure	8	1	1	1	1
Total non-financial assets		835,980	876,275	835,980	876,275
Total assets		860,627	893,808	860,627	893,598
Liabilities					
Payables	9	1,944	1,340	1,944	1,340
Other liabilities	10	892	731	892	731
Interest-bearing liabilities	11	87	37	87	37
Provisions	12	8,545	8,108	8,545	8,108
Total liabilities		11,468	10,216	11,468	10,216
Net assets		849,159	883,592	849,159	883,382
Equity					
Contributed capital	13(a)	559,764	557,814	559,764	557,814
Accumulated surplus	13(b)	(14,467)	(13,345)	(14,467)	(13,345)
Physical asset revaluation surplus	13(c)	299,680	333,100	299,680	333,100
General reserve	13(d)	1,000	1,000	1,000	1,000
Donations and bequests reserve	13(e), 14	2,424	4,027	2,424	3,817
Specific purpose grants reserve	13(f), 15	758	996	758	996
Financial assets valuation reserve	13(g)	–	–	–	–
Net worth		849,159	883,592	849,159	883,382

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

COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Note	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Income from transactions					
Grant from State Government	16	35,820	35,895	35,820	35,895
Grant from State Government – capital funding	16	–	6,112	–	6,112
Trading	17	1,928	2,206	1,928	2,162
Projects funded from external sources	18	3,501	2,784	3,501	2,753
Donations and bequests	19	12,274	8,592	12,274	10,604
Trust distribution from SLVF		–	–	210	13,507
Investment revenue	20(a)	961	1,265	955	151
State Government – capital asset charge		41,403	41,403	41,403	41,403
Total income from transactions		95,887	98,257	96,091	112,587
Expenses from transactions					
Employee expenses	21	27,616	30,122	27,616	29,763
Buildings and facilities expenses	22	5,752	11,555	5,752	11,555
Depreciation	23	12,980	12,971	12,980	12,971
Professional and finance expenses	24	1,780	1,622	1,774	1,491
Borrowing costs	25	2	3	2	3
Grants distributed	26	–	168	–	168
Other expenses from ordinary activities	27	6,554	7,933	6,554	7,726
Capital asset charge		41,403	41,403	41,403	41,403
Total expenses from transactions		96,087	105,777	96,081	105,080
Net result from transactions		(200)	(7,520)	10	7,507
Other economic flows included in net result					
Net gain/(loss) on financial instruments	32(a) 20(b)	149	610	149	(150)
Net gain/(loss) on non-financial assets	32(b)	(2,581)	–	(2,581)	–
Other gains/(losses) from other economic flows	32(c)	(331)	(155)	(331)	(155)
Total other economic flows included in net result		(2,763)	455	(2,763)	(305)
Net result for the year		(2,963)	(7,065)	(2,753)	7,202
Other economic flows – other comprehensive income					
Changes in physical asset revaluation surplus	13(c)	(33,420)	–	(33,420)	–
Fair value re-measurement gains/(losses) on available-for-sale financial assets	13(g)	–	(316)	–	–
Reclassification of fair value gains on available-for-sale financial assets	13(g)	–	(294)	–	–
Total other economic flows – other comprehensive income		(33,420)	(610)	(33,420)	–
Comprehensive result for the year		(36,383)	(7,675)	(36,173)	7,202

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 2016

					CONSOLIDATED
		Equity at 1 July 2015	Total compre- hensive result	Transactions with owners in their capacity as owners	Equity at 30 June 2016
	Note	\$'000	\$'000	\$'000	\$'000
Contributed capital		557,814	-	-	557,814
Equity contribution from government		-	-	1,950	1,950
Contributed capital	13(a)	557,814	-	1,950	559,764
Accumulated surplus		(13,345)	(2,963)	-	(16,308)
Transfer from donations and bequests reserve		-	-	1,603	1,603
Transfer from specific purpose grants reserve		-	-	238	238
	13(b)	(13,345)	(2,963)	1,841	(14,467)
Asset revaluation surplus		333,100	-	-	333,100
Revaluation of land, buildings and collection assets		-	(33,420)	-	(33,420)
	13(c)	333,100	(33,420)	-	299,680
General reserve	13(d)	1,000	-	-	1,000
Donations and bequests reserve		4,027	-	-	4,027
Transfer from specific purpose grants reserve		-	-	-	-
Transfer to accumulated surplus		-	-	(1,603)	(1,603)
	13(e)	4,027	-	(1,603)	2,424
Specific purpose grants reserve		996	-	-	996
Transfer to donations and bequests reserve		-	-	-	-
Transfer to accumulated surplus		-	-	(238)	(238)
	13(f)	996	-	(238)	758
Financial assets valuation reserve					
Unrealised capital gains on financial assets		-	-	-	-
	13(g)	-	-	-	-
Total equity at end of financial year		883,592	(36,383)	1,950	849,159

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 2016 (CONT'D)

		CONSOLIDATED - COMPARATIVE			
		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 specific purpose grants 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 2016 (CONT'D)

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

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 2016 (CONT'D)

STATE LIBRARY OF VICTORIA - COMPARATIVE					
		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)	7,202	-	(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	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		2,056	-	-	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 specific purpose grants 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.

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Note	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash flows from operating activities					
Grants from State Government – appropriation		35,820	35,895	35,820	35,895
Grants from State Government – capital		–	6,112	–	6,112
Donations (other than in kind) and bequests		7,628	1,100	7,628	3,062
Trading receipts		2,168	2,607	2,163	2,550
Other grants		3,776	3,028	3,776	3,028
Dividends and interest		932	1,233	722	152
GST recovered from the ATO		1,244	1,671	1,244	1,693
Payments to suppliers and employees		(42,510)	(51,951)	(42,510)	(51,249)
Net cash flows from/(used in) operating activities	29(b)	9,058	(305)	8,843	1,243
Cash flows from investing activities					
Proceeds from/(payments for) investments		9,671	(122)	9,671	–
Proceeds from sale of property, plant and equipment		4	–	4	–
Payment for property, plant and equipment		(2,100)	(547)	(2,100)	(547)
Payment for Library collection		(1,982)	(1,660)	(1,982)	(1,660)
Net cash used in investing activities		5,593	(2,329)	5,593	(2,207)
Cash flows from financing activities					
Repayment of finance lease		(31)	(17)	(31)	(17)
Contributed capital		1,950	300	1,950	300
Transfer of cash and cash equivalents from SLVF		–	–	–	5,205
Advance to SLVF		–	–	–	(3,043)
Receipt from SLVF		–	–	215	3,036
Net cash used in financing activities		1,919	283	2,134	5,481
Net decrease in cash and cash equivalents		16,570	(2,351)	16,570	4,517
Cash and cash equivalents at beginning of year		7,176	9,527	7,176	2,659
Cash and cash equivalents at end of year	29(a)	23,746	7,176	23,746	7,176

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 2016

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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 H Chau, Chief Finance and Accounting Officer, State Library of Victoria on 24 August 2016.

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

b) Basis of accounting preparation and measurement

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

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

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

of material adjustments in the next year, are disclosed throughout the notes to the financial statements.

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

Exceptions to the historical cost convention include:

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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 State Government's authority on statutory valuations.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2016 and the comparative information presented for the year ended 30 June 2015.

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 1852. These agencies are overseen by Creative Victoria, a division of the Department of Economic Development, Jobs, Transport and Resources. Creative Victoria is responsible for implementing the government's arts policies. The Library Board of Victoria governs the activities and operation of the Library and reports to the Victorian Minister for Creative Industries.
- 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 accrualbased 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, which came into effect on 1 July 2015, that govern the relationship between a public ancillary fund (PAF) and its trustee. The effect of these regulations is that a PAF cannot provide a benefit directly to its trustee. The State Library of Victoria Foundation was a PAF, and the Library Board of Victoria is its trustee. As such, to ensure compliance with the ATO regulations, and after due consideration of external expert advice, the trustee decided the only viable option was to transfer the assets of the Foundation to the State Library of Victoria as at 30 June 2015, and then, with the permission of the Minister and the ATO, wind up the Foundation as a legal entity as soon as practical after that date. The activities of the Foundation 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 2016

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 re-measurements. They include:

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

Balance sheet

Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets. Current and non-current assets and liabilities (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 2016.

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 2016

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

Sponsorships and memberships are recognised on receipt.

h) Expenses from transactions

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

Employee expenses

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

Superannuation – state superannuation defined benefit plans

The amount recognised in the comprehensive operating statement in relation to employer contributions for members of defined benefit superannuation plans is simply the employer contributions that are paid or payable to these plans during the reporting period. The level of these contributions will vary depending upon the relevant rules of each plan, and is based upon actuarial advice. The Department of Treasury and Finance (DTF)

in its Annual Financial Statements discloses on behalf of the state as the sponsoring employer, the net defined benefit cost related to the members of these plans as an administered liability. Refer to DTF's Annual Financial Statements for more detailed disclosures in relation to these plans.

Depreciation and amortisation

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

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

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

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

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

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

Interest expense

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

Grants distributed

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 which are more than 60 days overdue, and changes in debtor credit ratings. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

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

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

m) Non-financial assets

Inventories

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

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

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

Property, plant and equipment

All non-financial physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

The initial cost for non-financial physical assets under a finance lease (refer to Note 1(o)) is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 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 write-down in 2004–05.

Other non-financial assets

Other non-financial assets include prepayments, which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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.

Leases are classified at their inception as either operating or finance leases based on the economic

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 2016 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 2016, 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 2016. Standards and interpretations that are not applicable to the Board have been omitted. The Board has not early adopted these standards.

The following standards may have a significant impact on the financial statements:

AASB 15 Revenue from Contracts with Customers.

This standard is effective from 1 January 2018. The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.

A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings, if there are no former performance obligations outstanding.

AASB 16 Leases.

This standard is effective from 1 January 2019. The changes in AASB 16 require most operating leases to be shown on balance sheet, the recognition of lease assets and lease liabilities will cause net debt to increase.

Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus/(deficit).

Amounts paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement.

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

AASB 9	Financial Instruments.
AASB 2010-7	Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).
AASB 2014-1	Amendments to Australian Accounting Standards – (Part E Financial Instruments).
AASB 2014-5	Amendments to Australian Accounting Standards arising from AASB 15.
AASB 2014-7	Amendments to Australian Accounting Standards arising from AASB 9.
AASB 2015-6	Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities.
AASB 2015-8	Amendments to Australian Accounting Standards – Effective date of AASB 15.
AASB 2016-3	Amendments to Australian Accounting Standards – Clarifications to AASB 15.
AASB 2016-4	Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash Generating Specialised Assets of Not-for-Profit Entities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	Note	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
2 CASH AND DEPOSITS					
Cash on hand	29(a)	4	4	4	4
Australian dollar term deposits	29(a)	–	1,000	–	1,000
Cash at bank	29(a)	23,742	989	23,742	989
		23,746	1,993	23,746	1,993

3 RECEIVABLES					
Current Contractual					
Debtors – external		525	483	525	478
State Library of Victoria Foundation		–	–	–	–
Franking credits receivable		159	210	159	5
Accrued interest receivable		4	2	4	2
		688	695	688	485
Statutory GST recoverable		213	220	213	220
Total current receivables		901	915	901	705

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 INVESTMENTS AND OTHER FINANCIAL ASSETS					
Current					
Available-for-sale financial assets					
Cash management (at fair value)		–	1,031	–	1,031
Fixed interest securities (at fair value)		–	4,152	–	4,152
	29(a)	–	5,183	–	5,183
Equities					
Australian listed equity securities (at fair value)		–	8,426	–	8,426
Property Trust (at fair value)		–	1,016	–	1,016
Total other financial assets		–	14,625	–	14,625

a) Ageing analysis of investments and other financial assets

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Heritage collection at fair value	277,952	331,867	–	–	277,952	331,867
Heritage collection	–	3,226	–	–	–	3,226
Non-heritage collection at fair value	117,833	158,812	–	(12,705)	117,833	146,107
Donated material at fair value	–	12,101	–	(236)	–	11,865
Non-heritage collection	–	4,706	–	(145)	–	4,561
Closing balance	395,785	510,712	–	(13,086)	395,785	497,626

b) Collections carried at fair value

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

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

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

	Heritage collection at independent fair value	Heritage collection at management fair value	Non-heritage collection at independent fair value	Donated material at fair value	Non-heritage collection at management fair value	Total
CONSOLIDATED 2016	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	331,867	3,226	146,107	11,865	4,561	497,626
Purchases	–	761	–	–	1,260	2,021
Donated materials	–	–	–	4,646	–	4,646
Disposals	–	–	–	–	–	–
Revaluation	(53,915)	(3,987)	(25,098)	(16,269)	(5,727)	(104,996)
Depreciation	–	–	(3,176)	(242)	(94)	(3,512)
Closing balance	277,952	–	117,833	–	–	395,785
CONSOLIDATED 2015						
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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land at fair value	117,692	46,116	–	–	117,692	46,116
Buildings at fair value	318,691	366,906	–	(37,391)	318,691	329,515
Building improvements at fair value	–	649	–	(14)	–	635
Equipment at fair value	15,347	15,340	(14,132)	(13,558)	1,215	1,782
Equipment under lease at fair value	116	68	(30)	(32)	86	36
Work in progress at cost	2,092	107	–	–	2,092	107
Closing balance	453,938	429,186	(14,162)	(50,995)	439,776	378,191

b) Land and buildings carried at fair value

An independent valuation of the Board's land and buildings was performed by the Valuer-General Victoria to determine their fair value. The valuation, which conforms to Australian Valuation Standards, was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2016.

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

	Land at fair value	Buildings and building improvements at fair value	Equipment at fair value	Equipment under lease at fair value	Work in progress at cost	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CONSOLIDATED 2016						
Opening balance	46,116	330,150	1,782	36	107	378,191
Additions	–	–	8	81	1,985	2,074
Transfers	–	–	–	–	–	–
Disposals	–	–	–	(12)	–	(12)
Revaluation	71,576	(2,585)	–	–	–	68,991
Depreciation	–	(8,874)	(575)	(19)	–	(9,468)
Closing balance	117,692	318,691	1,215	86	2,092	439,776

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

7 FAIR VALUE MEASUREMENT

Restricted assets

The Board holds \$714.3m (2015: \$707.9m) 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 2016	Carrying amount as at 30 June 2016 \$'000	Fair value measurement at end of reporting period using:		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Specialised land at fair value	117,692	–	–	117,692
Buildings at fair value				
Specialised buildings	9,176	–	–	9,176
Heritage buildings	309,515	–	–	309,515
Total buildings at fair value	318,691	–	–	318,691
Building improvements	–	–	–	–
Equipment at fair value	1,215	–	1,215	–
Equipment under lease at fair value	86	–	86	–
Cultural assets at fair value	395,785	–	43,824	351,961
Closing balance	833,469	–	45,125	788,344

CONSOLIDATED 2015

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 fair value	635	–	635	–
Equipment at fair value	1,782	–	1,782	–
Equipment under lease at fair value	36	–	36	–
Cultural assets at fair value	497,626	–	497,626	–
Closing balance	875,710	–	500,079	375,631

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

7 FAIR VALUE MEASUREMENT (CONT'D)

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

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

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

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

Specialised land, specialised buildings and heritage buildings

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

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

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

An independent valuation of the Board's specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2016.

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 2016.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

7 FAIR VALUE MEASUREMENT (CONT'D)

Reconciliation of Level 3 fair value

	Specialised land \$'000	Specialised buildings \$'000	Heritage buildings \$'000	Cultural Assets \$'000
CONSOLIDATED 2016				
Opening balance	46,116	5,864	323,651	-
Additions	-	-	635	-
Transfers in (out) of Level 3	-	-	-	351,961
Gains or losses recognised in other economic flows – other comprehensive income				
Revaluation	71,576	3,580	(6,165)	-
Gains or losses recognised in net result				
Depreciation	-	(268)	(8,606)	-
Closing balance	117,692	9,176	309,515	351,961
CONSOLIDATED 2015				
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	-

Description of significant unobservable inputs to Level 3 valuations for 2016 and 2015

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'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	1,799	1,243	1,799	1,243
Prepaid revenue	145	97	145	97
	1,944	1,340	1,944	1,340

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	892	731	892	731

11 INTEREST-BEARING LIABILITIES				
(motor vehicles)				
Finance lease – current	32	19	32	19
Finance lease – non-current	55	18	55	18
	87	37	87	37

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 2016

	Note	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
12 PROVISIONS					
Current provisions					
Employee benefits					
Annual leave entitlements					
– Unconditional and expected to be settled within 12 months		1,069	1,096	1,069	1,096
– Unconditional and expected to be settled after 12 months		561	569	561	569
Long-service leave entitlements					
– Unconditional and expected to be settled within 12 months		550	592	550	592
– Unconditional and expected to be settled after 12 months		4,725	4,449	4,725	4,449
Provision for back pay		214	–	214	–
		7,119	6,706	7,119	6,706
Provisions related to benefit on-costs					
– Unconditional and expected to be settled within 12 months		211	224	211	224
– Unconditional and expected to be settled after 12 months		809	767	809	767
		1,020	991	1,020	991
Total current provisions		8,139	7,697	8,139	7,697
Non-current provisions					
Employee benefits		352	356	352	356
Provisions related to benefit on-costs		54	55	54	55
Total non-current provisions		406	411	406	411
Total provisions	12(a)	8,545	8,108	8,545	8,108
(a) Employee benefits and related on-costs					
Current employee benefits					
Annual leave entitlements		1,630	1,665	1,630	1,665
Unconditional long-service entitlements		5,275	5,041	5,275	5,041
Provision for back pay		214	–	214	–
Non-current employee benefits					
Conditional long-service entitlements		352	356	352	356
Total employee benefits		7,471	7,062	7,471	7,062
Current on-costs		1,020	991	1,020	991
Non-current on-costs		54	55	54	55
Total on-costs		1,074	1,046	1,074	1,046
Total employee benefits and related on-costs		8,545	8,108	8,545	8,108
(b) Movement in provisions					
Movement in long-service leave					
Opening balance		6,226	5,862	6,226	5,862
Additional provisions recognised		745	898	745	898
Reductions arising from payments		(480)	(534)	(480)	(534)
Closing balance		6,491	6,226	6,491	6,226

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	Note	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
13 EQUITY AND MOVEMENTS IN EQUITY					
(a) Contributed capital					
Balance at beginning of the year		557,814	557,514	557,814	557,514
Equity contribution from government		1,950	300	1,950	300
Balance at end of the year		559,764	557,814	559,764	557,814
(b) Accumulated surplus					
Accumulated surplus at beginning of the year		(13,345)	(24,760)	(13,345)	(24,760)
Net result for the year		(2,963)	(7,065)	(2,753)	7,202
Net transfer (to)/from donations and bequests reserve		1,603	10,579	1,393	(1,643)
Net transfer (to)/from specific purpose grants reserve		238	7,901	238	5,856
Accumulated surplus at end of the year		(14,467)	(13,345)	(14,467)	(13,345)
(c) Physical asset revaluation surplus					
Land asset revaluation surplus					
Balance at beginning of the year		23,616	23,616	23,616	23,616
Movement		71,576	–	71,576	–
Balance at end of the year		95,192	23,616	95,192	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		(104,996)	–	(104,996)	–
Balance at end of the year		204,488	309,484	204,488	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		(33,420)	–	(33,420)	–
Balance at end of the year		299,680	333,100	299,680	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 2016

		CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	Note	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
13 EQUITY AND MOVEMENTS IN EQUITY (CONT'D)					
(e) Donations and bequests reserve					
Balance at beginning of the year		4,027	13,502	3,817	2,056
Transfer (to)/from specific grants reserve		–	1,104	–	118
Transfer (to)/from accumulated surplus		(1,603)	(10,579)	(1,393)	1,643
Balance at end of the year	14	2,424	4,027	2,424	3,817
(f) Specific purpose grants reserve					
Balance at beginning of the year		996	10,001	996	6,970
Transfer (to)/from donation and bequests reserve		–	(1,104)	–	(118)
Transfer (to)/from accumulated surplus		(238)	(7,901)	(238)	(5,856)
Balance at end of the year	15	758	996	758	996
(g) Financial assets valuation reserve					
Balance at beginning of the year		–	610	–	–
Fair value remeasurement gains/(losses) on available-for-sale financial assets		–	(316)	–	–
Reclassification of fair value gains on available-for-sale financial assets		–	(294)	–	–
Balance at end of the year		–	–	–	–
Total equity at the end of the year		849,159	883,592	849,159	883,382

	2015 B/fwd balance \$'000	2016 Transfer from reserve \$'000	2016 Transfer to reserve \$'000	2016 C/fwd balance \$'000
14 DONATIONS AND BEQUESTS RESERVE				
State Library of Victoria	3,817	2,176	783	2,424
State Library of Victoria Foundation	210	210	-	-
Total Library Board of Victoria	4,027	2,386	783	2,424

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

15 SPECIFIC PURPOSE GRANTS RESERVE

During the 2015–16 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 2016.

	2015 B/fwd balance \$'000	2016 Transfer from reserve \$'000	2016 Transfer to reserve \$'000	2016 C/fwd balance \$'000
State Library of Victoria	996	2,886	2,648	758
State Library of Victoria Foundation	–	–	–	–
Total Library Board of Victoria	996	2,886	2,648	758
Summary of reserve movements				
State Library of Victoria				
Total of donations and bequests reserve	3,817	2,176	783	2,424
Total of specific purpose grants reserve	996	2,886	2,648	758
	4,813	5,062	3,431	3,182
State Library of Victoria Foundation				
Total of donations and bequests reserve	210	210	–	–
Total of specific purpose grants reserve	–	–	–	–
	210	210	–	–
Consolidated				
Total of donations and bequests reserve	4,027	2,386	783	2,424
Total of specific purpose grants reserve	996	2,886	2,648	758
	5,023	5,272	3,431	3,182

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
16 GOVERNMENT FUNDING				
Government appropriation	35,820	35,895	35,820	35,895
Capital funding	–	6,112	–	6,112
Total	35,820	42,007	35,820	42,007
17 TRADING INCOME				
Venue hire	1,409	1,170	1,409	1,170
Other	519	1,036	519	992
	1,928	2,206	1,928	2,162

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
18 PROJECTS FUNDED FROM EXTERNAL SOURCES				
Department of Economic Development, Jobs, Transport and Resources				
Building redevelopment and cost recovery	805	–	805	–
Creative Victoria – <i>Writing the war</i> grant	52	–	52	–
Department of Education and Early Childhood Development				
Kindergarten IT Project	1,120	860	1,120	860
Strategic Partnerships Program	26	41	26	41
Australian Learning Lecture	48	12	48	12
Australian Communities Foundation				
Australian Learning Lecture	–	500	–	500
RE Ross Trust				
Learn	50	50	50	50
Sidney Myer Fund				
Newspaper digitisation	–	45	–	45
Coles Supermarkets Australia Pty Ltd				
Newspaper digitisation	50	100	50	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
Australian Institute of Aboriginal and Torres Strait Islander Studies	15	–	15	–
City of Melbourne	–	3	–	3
Department of Communications and the Arts	90	–	90	–
Department of Premier and Cabinet	15	–	15	–
Equity Trustees Limited	28	–	28	–
La Trobe University	32	–	32	–
Linc Tasmania	36	40	36	40
Melbourne Press Club	17	–	17	–
Museum Victoria	18	18	18	18
National Gallery of Victoria	36	34	36	34
National Library of Australia	108	98	108	98
National Library of New Zealand	64	55	64	55
Parliament of Victoria	–	21	–	21
State Libraries – NSW, WA, QLD, SA, NT, ACT	491	400	491	400
The Wheeler Centre	219	242	219	242
Ukrainian Studies Foundation in Australia Ltd	26	–	26	–
University of Melbourne	–	25	–	25
Victorian Arts Centre Trust	9	9	9	9
Victorian Major Events Company	53	53	53	53
Other	34	68	34	37
	3,501	2,784	3,501	2,753

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
19 DONATIONS AND BEQUESTS				
State Library of Victoria				
Donations in kind – Emmerson collection	–	4,200	–	4,200
Donations in kind – Open Gardens Scheme	2,500	–	2,500	–
Donations in kind – other collection items	2,146	2,063	2,146	2,063
Donations – redevelopment	6,650	–	6,650	–
State Library of Victoria Foundation	–	–	–	2,443
Bequests	120	1,433	120	1,433
Memberships	196	–	196	–
Other donations	662	465	662	465
Total State Library of Victoria	12,274	8,161	12,274	10,604
State Library Of Victoria Foundation				
Memberships	–	173	–	–
Donations	–	258	–	–
Total State Library of Victoria Foundation	–	431	–	–
Total Library Board of Victoria	12,274	8,592	12,274	10,604

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
20 INVESTMENT REVENUE				
(a) Investment revenue				
Interest revenue	344	360	344	134
Dividends received	617	905	611	17
	961	1,265	955	151
(b) Capital movements				
Realised capital gains /(losses)	149	610	149	(150)
	149	610	149	(150)
21 EMPLOYEE EXPENSES				
Salaries	21,229	22,993	21,229	22,717
Superannuation	2,160	2,267	2,160	2,239
Other salary-related costs	4,227	4,862	4,227	4,807
	27,616	30,122	27,616	29,763
22 BUILDINGS AND FACILITIES EXPENSES				
Security	1,245	1,446	1,245	1,446
Repairs and maintenance	1,838	7,332	1,838	7,332
Insurance	691	790	691	790
Cleaning	711	765	711	765
Utilities	1,172	1,142	1,172	1,142
Other	95	80	95	80
	5,752	11,555	5,752	11,555
23 DEPRECIATION				
Buildings	8,874	8,980	8,874	8,980
Plant and equipment	575	610	575	610
Motor vehicles	19	14	19	14
Library collection	3,512	3,367	3,512	3,367
	12,980	12,971	12,980	12,971

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
24 PROFESSIONAL AND FINANCE EXPENSES				
Audit – internal and external	156	266	156	251
Consultancy and other costs	1,624	1,356	1,618	1,240
	1,780	1,622	1,774	1,491
25 BORROWING COSTS				
Finance lease interest	2	3	2	3
26 GRANTS DISTRIBUTED				
Refund of unused grants	–	138	–	138
Library networks	–	30	–	30
	–	168	–	168
27 OTHER EXPENSES FROM ORDINARY ACTIVITIES				
Information technology	3,035	2,666	3,035	2,655
IT operating leases	734	881	734	881
Office administration	182	274	182	262
Storage and conservation	301	319	301	319
Marketing and promotion	1,614	2,481	1,614	2,352
Communications	332	641	332	629
Travel and related expenses	290	467	290	461
Publications	66	204	66	167
	6,554	7,933	6,554	7,726
28 REMUNERATION OF AUDITORS				
Fees paid and payable to the Auditor-General for auditing the financial report	36	35	33	30

The Auditor-General provided no other services.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

		CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	Note	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'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	–	1,000
Cash at bank	2	23,742	989	23,742	989
Investments	4	–	5,183	–	5,183
		23,746	7,176	23,746	7,176
b) Reconciliation of net result for the year					
Net result for the year		(2,963)	(7,065)	(2,753)	7,202
Non-cash movements					
Depreciation		12,980	12,971	12,980	12,971
Revaluation decrement of buildings		2,585	–	2,585	–
Donations in kind – Emmerson collection		–	(4,200)	–	(4,200)
Donations in kind		(4,646)	(2,063)	(4,646)	(2,063)
Gain on sale of available-for-sale financial assets		(149)	(610)	(149)	150
Emmerson bequest received as shares		–	(1,279)	–	(1,279)
Other non-cash movements		(4)	20	(4)	16
Non-operating items					
Assets transferred from Foundation		–	–	(215)	(13,507)
Movements in assets and liabilities					
Increase in provisions		437	294	437	294
Decrease/(increase) in receivables		14	145	(196)	177
Decrease/(increase) in prepayments		39	786	39	786
Increase/(decrease) in payables		604	206	604	206
Increase/(decrease) in other liabilities		161	490	161	490
Net cash flows from/(used in) operating activities		9,058	(305)	8,843	1,243

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

During the year the consolidated entity received collections with an aggregate fair value of \$4,646,597 (2015: \$6,256,781) 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 \$80,912 (2015: nil). These acquisitions are not reflected in the cash flow statement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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 2016

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:

2016	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	23,746	-	-	23,746
Receivables				
Franking credits	159	-	-	159
Debtors	525	-	-	525
Accrued investment income	4	-	-	4
SLV Foundation current account	-	-	-	-
Investments and other financial assets				
Equities	-	-	-	-
Property trust	-	-	-	-
Fixed interest securities	-	-	-	-
Cash management account	-	-	-	-
Total contractual financial assets	24,434	-	-	24,434
Contractual financial liabilities				
Payables				
Supplies and services	-	-	1,944	1,944
Lease liabilities	-	-	87	87
Total contractual financial liabilities	-	-	2,031	2,031
2015				
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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

30 FINANCIAL INSTRUMENTS (CONT'D)

2016		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		23,746	-	-	23,746
Receivables					
	Franking credits	159	-	-	159
	Debtors	525	-	-	525
	Accrued investment income	4	-	-	4
	SLV Foundation current account	-	-	-	-
Investments and other financial assets					
	Equities	-	-	-	-
	Property trust	-	-	-	-
	Fixed interest securities	-	-	-	-
	Cash management account	-	-	-	-
Total contractual financial assets		24,434	-	-	24,434
Contractual financial liabilities					
Payables	Supplies and services	-	-	1,944	1,944
	Lease liabilities	-	-	87	87
Total contractual financial liabilities		-	-	2,031	2,031
2015					
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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

30 FINANCIAL INSTRUMENTS (CONT'D)

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

2016	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	–	344	–	–	344
Contractual financial assets available-for-sale recognised in net result	149	611	(99)	–	661
Contractual financial assets available-for-sale recognised in other comprehensive result	–	–	–	–	–
Total contractual financial assets	149	955	(99)	–	1,005
Contractual financial liabilities					
Contractual financial liabilities at amortised cost	–	(2)	–	–	(2)
Total contractual financial liabilities	–	(2)	–	–	(2)
2015					
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)	–	1,180
Contractual financial liabilities					
Contractual financial liabilities at amortised cost	–	(3)	–	–	(3)
Total contractual financial liabilities	–	(3)	–	–	(3)

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 2016

30 FINANCIAL INSTRUMENTS (CONT'D)

2016	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	–	344	–	–	344
Contractual financial assets available-for-sale recognised in net result	149	611	(99)	–	661
Contractual financial assets available-for-sale recognised in other comprehensive result	–	–	–	–	–
Total contractual financial assets	149	955	–	–	1,005
Contractual financial liabilities					
Contractual financial liabilities at amortised cost	–	(2)	–	–	(2)
Total contractual financial liabilities	–	(2)	–	–	(2)
2015					
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	–	151	–	–	1
Contractual financial liabilities					
Contractual financial liabilities at amortised cost	–	(3)	–	–	(3)
Total contractual financial liabilities	–	(3)	–	–	(3)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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:

2016	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	2,235	21,507	-	4	23,746
Receivables	4	271	-	413	688
Investments and other financial assets	-	-	-	-	0
Total contractual financial assets	2,239	21,778	-	417	24,434

2015

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

30 FINANCIAL INSTRUMENTS (CONT'D)

2016	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	2,235	21,507	–	4	23,746
Receivables	4	271	–	413	688
Investments and other financial assets	–	–	–	–	0
Total contractual financial assets	2,239	21,778	–	417	24,434
2015					
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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

30 FINANCIAL INSTRUMENTS (CONT'D)

e) Ageing analysis of contractual financial assets

The ageing analysis of contractual financial assets is as follows:

2016	Carrying amount \$'000	Not past due and not impaired \$'000	CONSOLIDATED			
			Past due but not impaired			
			Less than 1 mth \$'000	1-3 mths \$'000	3 mths- 1 yr \$'000	1-5 yrs \$'000
Contractual financial assets						
Receivables						
Debtors	525	307	88	17	113	-
Accrued investment income	4	4	-	-	-	-
Franking credits	159	159	-	-	-	-
SLVF current account	-	-	-	-	-	-
Total contractual financial assets	688	470	88	17	113	-
2015						
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 2016

30 FINANCIAL INSTRUMENTS (CONT'D)

STATE LIBRARY OF VICTORIA						
2016	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	525	307	88	17	113	—
Accrued investment income	4	4	—	—	—	—
Franking credits	159	159	—	—	—	—
SLVF current account	—	—	—	—	—	—
Total contractual financial assets	688	470	88	17	113	—
</						

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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.

2016	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	1,944	1,944	1,799	101	42	2	-
Lease liabilities	87	87	2	4	26	55	-
Total contractual financial liabilities	2,031	2,031	1,801	105	68	57	-
2015							
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	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

30 FINANCIAL INSTRUMENTS (CONT'D)

2016	Carrying amount	Nominal amount	STATE LIBRARY OF VICTORIA				
			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	1,944	1,944	1,799	101	42	2	-
Lease liabilities	87	87	2	4	26	55	-
Total contractual financial liabilities	2,031	2,031	1,801	105	68	57	-
2015							
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	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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.

2016			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	1.9%	23,746	–	23,746	–
Receivables					
Franking credits	–	159	–	–	159
Debtors	–	525	–	–	525
Accrued investment income	–	4	4	–	–
SLV Foundation current account	–	–	–	–	–
Investments and other financial assets					
Equities	–	–	–	–	–
Property trust	–	–	–	–	–
Fixed interest securities	–	–	–	–	–
Cash management account	–	–	–	–	–
Total contractual financial assets		24,434	4	23,746	684
Contractual financial liabilities					
Payables					
Supplies and services	–	1,944	–	–	1,944
Lease liabilities	4.8%	87	87	–	–
Total contractual financial liabilities		2,031	87	–	1,944

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

30 FINANCIAL INSTRUMENTS (CONT'D)

2016		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		1.9%	23,746	–	23,746	–
Receivables						
Franking credits		–	159	–	–	159
Debtors		–	525	–	–	525
Accrued investment income		–	4	4	–	–
SLV Foundation current account		–	–	–	–	–
Investments and other financial assets						
Equities		–	–	–	–	–
Property trust		–	–	–	–	–
Fixed interest securities		–	–	–	–	–
Cash management account		–	–	–	–	–
Total contractual financial assets			24,434	4	23,746	684
Contractual financial liabilities						
Payables	Supplies and services	–	1,944	–	–	1,944
	Lease liabilities	4.8%	87	87	–	–
Total contractual financial liabilities			2,031	87	–	1,944

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

30 FINANCIAL INSTRUMENTS (CONT'D)

2015		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		3.3%	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

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):

- a parallel shift of +1 per cent and –1 per cent in market interest rates (AUD) from year end rates of 1.75% (2015: 2.0%).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

30 FINANCIAL INSTRUMENTS (CONT'D)

2015		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		3.2%	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 2016

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.

l) Interest-rate risk sensitivity

2016	Carrying amount	CONSOLIDATED			
		Interest rate			
		-1%	-1%	+1%	+1%
		Net result	Available-for-sale revaluation surplus	Net result	Available-for-sale revaluation surplus
	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial assets					
Cash and deposits	23,746	(237)	-	237	-
Receivables					
Franking credits	159	-	-	-	-
Debtors	525	-	-	-	-
Accrued investment income	4	-	-	-	-
SLV Foundation current account	-	-	-	-	-
Investments and other financial assets					
Equities	-	-	-	-	-
Property trust	-	-	-	-	-
Fixed interest securities	-	-	-	-	-
Cash management account	-	-	-	-	-
Total contractual financial assets	24,434	(237)	-	237	-
Contractual financial liabilities					
Payables					
Supplies and services	1,944	-	-	-	-
Lease liabilities	87	-	-	-	-
Total contractual financial liabilities	2,031	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

30 FINANCIAL INSTRUMENTS (CONT'D)

2016	Carrying amount	STATE LIBRARY OF VICTORIA			
		Interest rate			
		-1%	-1%	+1%	+1%
		Net result	Available- for-sale revaluation surplus	Net result	Available- for-sale revaluation surplus
	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial assets					
Cash and deposits	23,746	(237)	-	237	-
Receivables					
Franking credits	159	-	-	-	-
Debtors	525	-	-	-	-
Accrued investment income	4	-	-	-	-
SLV Foundation current account	-	-	-	-	-
Investments and other financial assets					
Equities	-	-	-	-	-
Property trust	-	-	-	-	-
Fixed interest securities	-	-	-	-	-
Cash management account	-	-	-	-	-
Total contractual financial assets	24,434	(237)	-	237	-
Contractual financial liabilities					
Payables					
Supplies and services	1,944	-	-	-	-
Lease liabilities	87	-	-	-	-
Total contractual financial liabilities	2,031	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

30 FINANCIAL INSTRUMENTS (CONT'D)

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 2016

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 2016

30 FINANCIAL INSTRUMENTS (CONT'D)

II) Equity-price risk sensitivity

2016		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	-	-	-
	Property trust	-	-	-
Total contractual financial assets		-	-	-

2015		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	8,426	(421)	421
	Property trust	1,016	(51)	51
Total contractual financial assets		9,442	(472)	472

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

30 FINANCIAL INSTRUMENTS (CONT'D)

2016		Carrying amount	STATE LIBRARY OF VICTORIA	
			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		-	-	-

2015		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	8,426	(421)	421
	Property trust	1,016	(51)	51
Total contractual financial assets		9,442	(472)	472

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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.

2016		Fair value measurement at 30 June using:	CONSOLIDATED			
			Carrying amount	Fair value	Carrying amount	Fair value
			2016	2016	2015	2015
		Level	\$'000	\$'000	\$'000	\$'000
Contractual financial assets						
Cash and deposits			23,746	23,746	1,993	1,993
Receivables						
	Franking credits	2	159	159	210	210
	Debtors	2	525	525	483	483
	Accrued investment income	2	4	4	2	2
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			24,434	24,434	17,313	17,313
Contractual financial liabilities						
Payables						
	Supplies and services	2	1,944	1,944	1,340	1,340
	Lease liabilities	2	87	87	37	37
Total contractual financial liabilities			2,031	2,031	1,377	1,377

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

30 FINANCIAL INSTRUMENTS (CONT'D)

2016	Fair value measurement at 30 June using:		STATE LIBRARY OF VICTORIA			
			Carrying amount	Fair value	Carrying amount	Fair value
	Level	2016 \$'000	2016 \$'000	2015 \$'000	2015 \$'000	
Contractual financial assets						
Cash and deposits			23,746	23,746	1,993	1,993
Receivables						
	Franking credits	2	159	159	5	5
	Debtors	2	525	525	478	478
	Accrued investment income	2	4	4	2	2
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			24,434	24,434	17,103	17,103
Contractual financial liabilities						
Payables	Supplies and services	2	1,944	1,944	1,340	1,340
	Lease liabilities	2	87	87	37	37
Total contractual financial liabilities			2,031	2,031	1,377	1,377

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 2016

31 SUPERANNUATION

The Board made superannuation contributions for employees as follows:

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Defined benefit plan				
State Superannuation Fund	487	485	487	485
Defined contribution plans				
VicSuper	1,345	1,394	1,345	1,380
Private superannuation funds	328	388	328	374
	2,160	2,267	2,160	2,239

There are no superannuation contributions outstanding as at 30 June 2016 (2015: nil). The Library Board of Victoria has no responsibility for unfunded liabilities associated with any of the above-mentioned superannuation schemes. Employer contributions vary from 7.5% to 17% depending on employee fund membership.

32 OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

(a) Net gain on financial instruments				
Gain/(loss) on sale of available-for-sale financial assets	149	610	149	(150)
(b) Net gain/(loss) on non-financial assets				
Net gain/(loss) in disposal of non-financial assets	4	–	4	–
Revaluation decrement of buildings	(2,585)	–	(2,585)	–
	(2,581)	–	(2,581)	–
(c) Other losses from other economic flows				
Revaluation of long-service leave liability due to changes in bond rates	(331)	(155)	(331)	(155)
	(2,763)	455	(2,763)	(305)

33 RESPONSIBLE PERSONS

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

Names

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

Minister for the Creative Industries	The Hon Martin Foley MP	
Acting Chief Executive Officer	Justine Hyde	1 July 2015 to 15 November 2015
Chief Executive Officer	Kate Torney	16 November 2015 to 30 June 2016

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 2015).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

33 RESPONSIBLE PERSONS (CONT'D)

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

Mr John Wylie AM (President)	Ms Christine Christian
Mr Petro Georgiou AO	Ms Karen Quinlan
Mr Bruce Akhurst	Mr David Evans (to 23 May 2016)
Mr Dennis Goldner	Ms Maxine McKew (from 21 July 2015)
Mr Eddie McGuire AM (to 23 April 2016)	Ms Maria Myers (from 21 July 2015)

No member of the Board has received remuneration or retirement benefits during 2015–16.

(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 2016 (2015: nil).

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	
	2016 No.	2015 No.	2016 No.	2015 No.
\$10,000–19,999	1	–	1	–
\$20,000–29,999	–	1	–	2
\$30,000–39,999	1	1	1	1
\$80,000–89,999	–	–	1	–
\$90,000–99,999	1	–	–	–
\$100,000–109,999	–	1	–	1
\$110,000–119,999	1	1	1	–
\$130,000–139,999	–	1	–	1
\$140,000–149,999	–	1	–	1
\$150,000–159,999	1	–	1	–
\$160,000–169,999	2	–	2	–
\$180,000–189,999	–	–	–	1
\$190,000–199,999	–	1	–	–
\$200,000–209,999	–	1	1	2
\$210,000–219,999	2	1	1	–
Total number of executives	9	9	9	9
Total annualised employee equivalent (AEE)	7	7	7	7
Total amount (\$'000)	1,179	1,157	1,149	1,056

(b) Payments to other personnel

No payments were made to other personnel in 2016. Payments were made to other personnel in 2015 (i.e. contractor with significant management responsibilities). These payments have been disclosed in the table above in the band of \$130,000–139,000.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

34 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent assets

As at 30 June 2016, the State Library of Victoria has been pledged donations which are expected to be honoured in the future, although they are not legally enforceable. The State Library of Victoria has also been advised of several deceased estates, in which it is a named beneficiary and expects to benefit once probate is granted, any other claims on the estate are settled, net assets are realised and distributed to beneficiaries. The timing and value of these future economic flows are contingent on events beyond the Library Board of Victoria's control (2015: nil).

Contingent liabilities

The Library Board of Victoria is not aware of any contingent liability as at 30 June 2016 (2015: nil).

35 COMMITMENTS FOR EXPENDITURE

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

	CONSOLIDATED		STATE LIBRARY OF VICTORIA	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Capital expenditure commitments				
Capital expenditure includes collection expenditure payable as follows:				
Not later than one year	80	212	80	212
Later than one year, not later than five years	55	27	55	27
	135	239	135	239
Other expenditure commitments				
Other expenditure includes mechanical and lift maintenance, security, cleaning and rental of Ballarat offsite storage site, payable as follows:				
Not later than one year	3,890	2,627	3,890	2,627
Later than one year, not later than five years	7,641	3,257	7,641	3,257
Later than five years	671	700	671	700
	12,202	6,584	12,202	6,584
Operating leases				
Commitments for minimum-lease payments in relation to non-cancellable operating leases are payable as follows:				
Not later than one year	440	698	440	698
Later than one year, not later than five years	414	531	414	531
	854	1,229	854	1,229
Total commitments for expenditure (GST inclusive)	13,191	8,052	13,191	8,052
Less GST recoverable from the ATO	(1,199)	(732)	(1,199)	(732)
Total commitments for expenditure (GST exclusive)	11,992	7,320	11,992	7,320

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

36 SUBSEQUENT EVENTS

The Library Board of Victoria is not aware of any events occurring subsequent to 30 June 2016 that may have a material effect on the financial statements (2015: nil).

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

Capital asset charge

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

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.

Exgratia expenses

Exgratia 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

37 GLOSSARY OF TERMS (CONT'D)

Financial liability

A financial liability is any liability that is:

- (a) A contractual obligation:
 - (i) to deliver cash or another financial asset to another entity, or
 - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity, or
- (b) A contract that will or may be settled in the entity's own equity instruments and is:
 - (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments, or
 - (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements

A complete set of financial statements comprises:

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

General government sector

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

Grants and other transfers

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

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

Grants for on-passing

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

GST

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

Intangible assets

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

Interest expense

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

Interest revenue

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

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'.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

37 GLOSSARY OF TERMS (CONT'D)

Net result from transactions / net operating balance

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

Non-financial assets

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

Other economic flows included in net result

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

Other economic flows – other comprehensive income

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

The components of other economic flows – other comprehensive income include:

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

Payables

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

Receivables

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

Sales of goods and services

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

SLV

State Library of Victoria

SLVF

State Library of Victoria Foundation

Supplies and services

Generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the Library.

Transactions

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

VGv

Valuer-General Victoria

VAGO

Victorian Auditor-General's Office

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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Cover photograph: A young library visitor, Noah, enjoys
light projections in the dome on White Night Melbourne
2016. Photograph by James Braund. *Ideation* illumination
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